



PwC Israel

Transparency Report

October 2025

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Message from leadership



Welcome to our 2025 Transparency report

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 136 countries with more than 364,782 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

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

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

Our strategy builds on our ongoing commitment to quality.

A Year of Reflection and Forward Momentum

Reflection on the Year Ended June 30, 2025

As we reflect on the year ended June 30, 2025, we are proud of the progress we have made in strengthening our commitment to quality, innovation, and leadership. This year has been marked by meaningful advancements in how we serve our clients, support our communities, and lead our profession.

Advancing Audit Excellence

We remain focused on building trust in financial information through enhanced accountability, improved audit quality, and strengthened independence. Our actions this year have included implementing measures to ensure leadership accountability, introducing new initiatives to address emerging risks, and further reinforcing our independence standards. Transparency continues to be a cornerstone of our efforts as we provide stakeholders with greater insight into our practices and performance.

Driving Innovation and Technology

Our investment in cutting-edge technologies such as artificial intelligence and advanced analytics has enabled us to deliver deeper insights and better serve our clients. At the same time, we have prioritized upskilling our teams to ensure they are equipped to thrive in a technology-driven environment.

Supporting Resilience and Recovery

In the wake of the October 7th war, we have continued to support affected communities through financial aid, expertise, and volunteer efforts. These actions reflect our deep commitment to making a positive impact where it's needed most.

Looking Ahead

As we move forward, we remain dedicated to delivering excellence, fostering trust, and driving innovation. We are grateful for the trust placed in us by our clients and partners and look forward to continuing to lead with integrity and purpose. Together, we are shaping a stronger future for our profession and the communities we serve.



Doron Sadan
Managing Partner

A message from our Assurance Leader

This year, Israel and the global environment continue to face profound challenges alongside rapid transformation. The impacts of ongoing geopolitical tensions, economic volatility and the accelerated emergence of new technologies – particularly AI – are reshaping the way we operate and the expectations placed upon us. As PwC Israel's Assurance practice, our responsibility is to respond with resilience, foresight and an unwavering commitment to quality.

Quality remains our cornerstone. Quality is the foundation of sustainable growth. We have embedded quality into every process, redefining our approach, expanding our Quality teams, redesigning AQIs and reinforcing tone at the top. This allows us to manage risk more effectively, enhance transparency and strengthen confidence in the work we deliver to clients, regulators and stakeholders.

Our people remain at the heart of everything we do. We continue to invest heavily in developing our talent, placing emphasis on professional excellence, leadership resilience and the ability to operate in a complex, risk-driven environment. We are building a more balanced talent structure, where experienced professionals and sector specialists play a greater role, while supporting our younger teams with training, mentoring and a culture that encourages speaking up and continuous improvement.

Technology is both a disruptor and an enabler. Waves of change driven by global network innovation, local solutions, and our clients' own digital transformation are arriving faster than ever. We are preparing by expanding our NextGen Assurance capabilities, embedding AI-driven tools, and strengthening our capacity to monitor performance, manage risks, and improve the quality and relevance of our work.

Our clients expect more – and we must continue to earn their trust. Audit committees and management teams increasingly demand assurance that meets the highest global standards. As more Israeli companies access global capital markets, our ability to provide consistent quality, coupled with a deep understanding of technology, cyber, privacy and governance, will define our future. We see this evolution as an opportunity to position our professionals as trusted advisors, combining technical excellence with strategic insight.

Communication is key to culture. Beyond formal channels, we have created new forums, round tables and open dialogues that cut through hierarchy and promote honest discussion. This enables us to stay connected across our offices and to adapt more quickly in a world where attention spans are short and change is constant.

Looking forward, we know the pace of change will not slow down. To remain leaders, we must be faster, more flexible, and relentless in our pursuit of excellence. By combining human capital, technology, quality and trust, PwC Israel will continue to build confidence in the capital markets and in society at large – fulfilling our purpose to build trust and overcome significant challenges.



Yaron Weizenbluth
Assurance Leader

Year in review

Partner and staff survey

94%

of our staff and partners participated in our Global Pulse Survey.

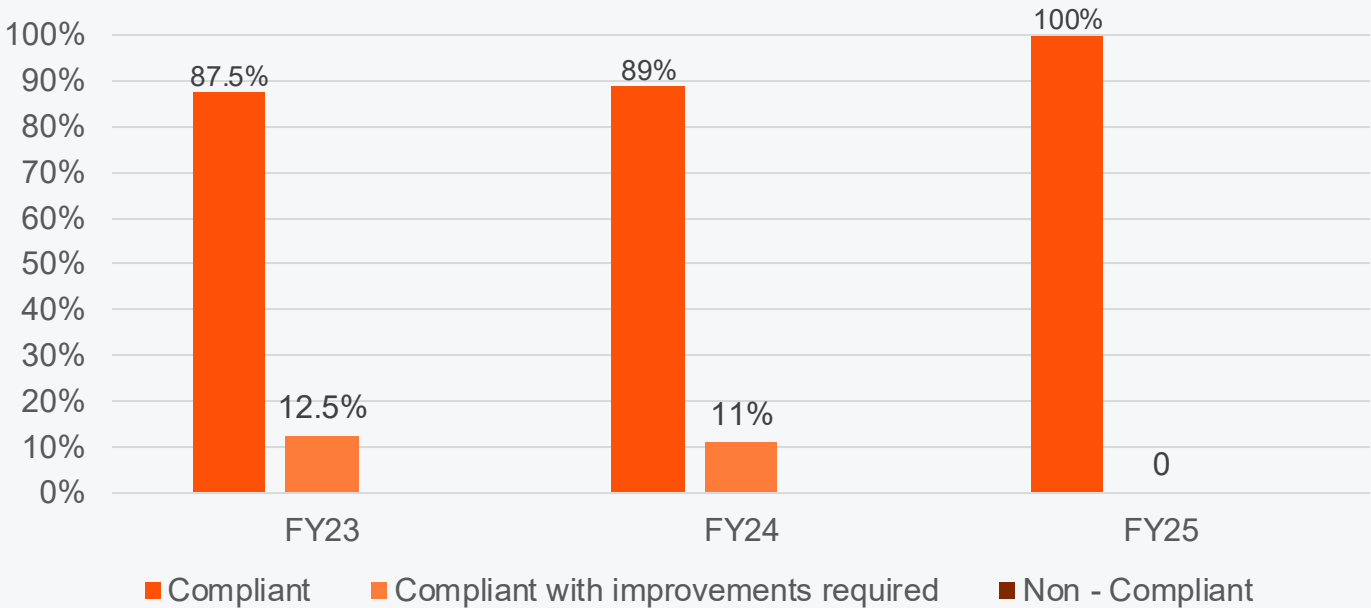
PCAOB - Inspection report*

Last inspection took place in **2020**

Audits engagements included in Part 1 **N/A**

Audits engagements inspected **3**

PIE Engagements Audit quality reviews – internal inspections



Our system of quality management

Number of hours spent by the core quality team

Approximately 13,500 hours

Real time reviews

Number of audit engagements included in the real time review program.

10 Audit Engagements were part of the 'Hot Review' process.

* As of the date of publication of this Transparency Report, the PCAOB Inspection Report for the 2024 inspection has not yet been received.



Our approach to quality

Our approach to quality



International Standard on Quality Management 1 (ISQM 1)

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

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

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

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

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

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



Overall quality objective

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

Integrated and aligned in the right way

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

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

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



A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

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

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

Our approach to quality

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

The Quality Management Process

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

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

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



Our firm's system of quality management

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

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

Our risk assessment process

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

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses

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

The ongoing situation in Israel presents unique challenges for our operations and risk management processes. The dynamic environment requires us to remain attentive and adaptable in addressing potential disruptions that could impact the effectiveness of our System of Quality Management (SoQM). Factors such as security considerations, economic fluctuations, and potential interruptions to communication and infrastructure call for a flexible and resilient approach to quality management. Our SoQM is built to be responsive and adaptable, ensuring that we can identify, evaluate, and address emerging risks effectively. We continuously refine our risk assessment processes to align with the evolving landscape, allowing us to implement timely and appropriate mitigation measures. This approach helps us maintain our commitment to achieving our quality objectives while reinforcing confidence in the reliability and consistency of our work. By staying proactive and resilient, we aim to uphold the high standards of quality that define our organization, even during periods of uncertainty.

Our firm's system of quality management

Aim to Predict: Assurance Quality Indicators

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

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

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

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

Our monitoring and remediation process

In the section, Monitoring, found on page 30, we have described the types of ongoing and periodic monitoring our firm has designed, implemented and are operating to provide relevant and reliable information about our firm's SoQM and to help us take appropriate actions over any identified deficiencies so we can remediate those deficiencies effectively and on a timely basis. To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and are operating a root cause analysis program that is described further on page 9.

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

Statement on the effectiveness of the firm's SoQM

During the year, we completed our evaluation of the firm's system of quality management under ISQM 1. On behalf of PwC Israel, our Senior Partner has evaluated whether our firm's SoQM provides us reasonable assurance that:

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

Based on all the relevant information of the firm's SoQM, as June 30, 2025 we believe our SoQM provides us with reasonable assurance that the quality objectives of ISQM 1 noted above have been achieved.



Culture and values

Our culture and values

Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of 364,782 people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Measurement and transparency

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

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



Our firm's commitment to quality



Leadership and tone at the top

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

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

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

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



Audit Quality Measures

- Employee survey results or Global People Survey: People Engagement Index scores
- Global People Survey: Quality Behaviour Index scores

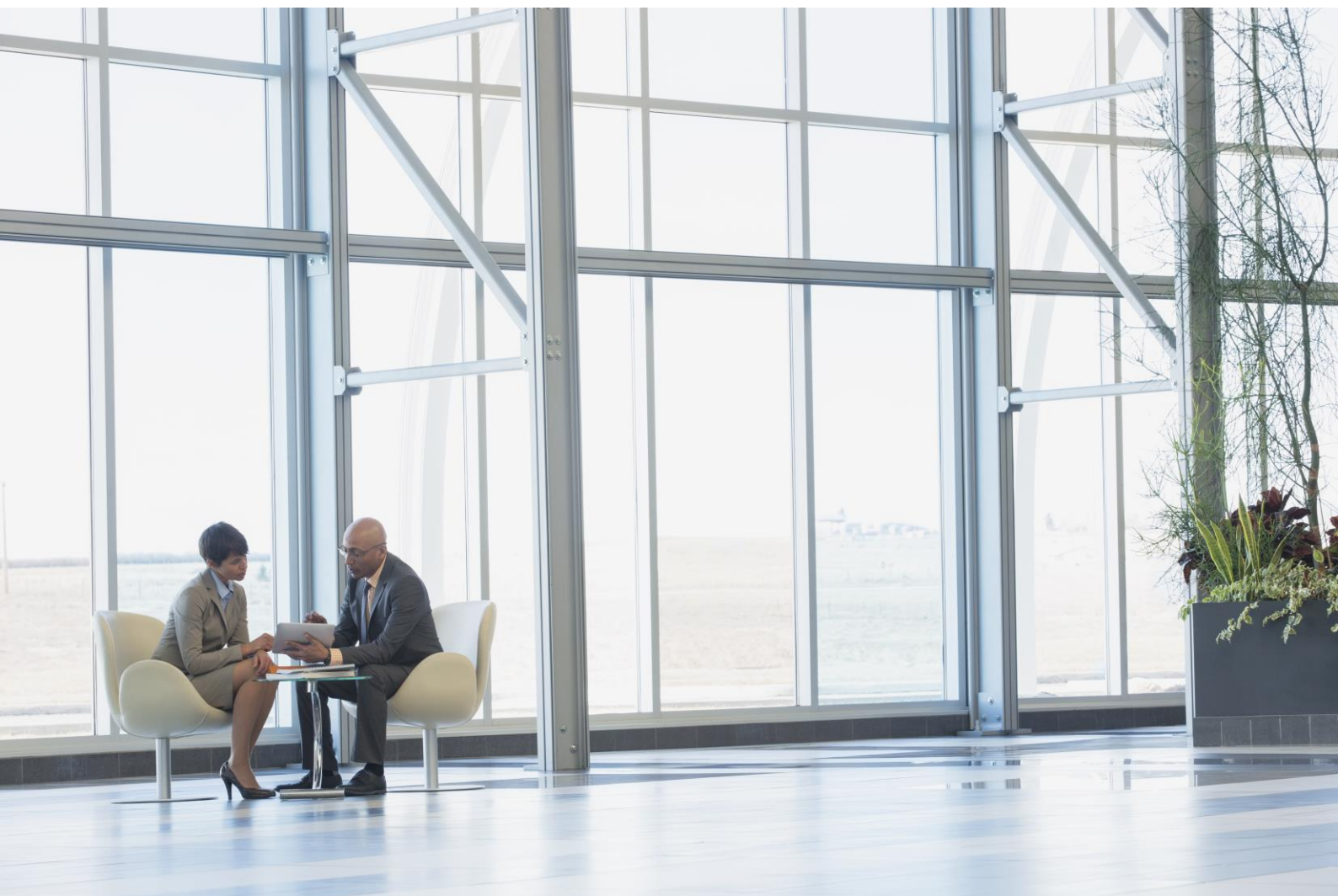
Our firm's commitment to quality



Reinforce: Recognition and Accountability Framework

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

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



Ethics, independence and objectivity



Ethics

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

- i. Integrity – to be straightforward and honest in all professional and business relationships.
- ii. Objectivity – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- iii. Professional Competence and Due Care – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- iv. Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
- v. Professional Behaviour – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, 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 comply with the standards developed by the PwC Network and leadership in PwC Israel monitors compliance with these obligations.

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

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

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

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

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

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



Objectivity and Independence

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

The independence requirements for Public Interest Entities have been applied in performing an audit of the financial statements of such entities.

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

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

Independence policies and practices

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

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

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

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

PwC Israel supplements the PwC Global Independence Policy as required by local professional regulations and regulatory rules where they are more restrictive than the network's policy.

Independence-related systems and tools

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

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

Independence-related systems and tools, continued

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

PwC Israel also has a number of Israel specific systems and tools which include a rotation tracking tool which monitors compliance with PwC Israel audit rotation policies for PwC Israel engagement leaders, and other key audit partners involved in an audit.

Independence training and confirmations

PwC Israel provides all partners and practice staff with annual or on-going training in independence matters. Training typically focuses on new hires training, annual training. Partners and staff receive special training on Israeli rules which are sometimes more strict than global independence policy. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by PwC Israel's independence specialists and risk and quality teams.

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

Independence monitoring and disciplinary policy

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

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

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

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

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

Considerations in undertaking the audit

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



Client and Engagement Acceptance and Continuance

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

Engagement teams:

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

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

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



Our people

Our people



Inclusion and diversity

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

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



Recruitment

PwC Israel aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The Evolved PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY25, we recruited around 300 new people (excluding contingent Workers), substantially all are university graduates.



Team selection, experience and supervision

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



Feedback and continuous development

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



Career progression

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



Retention

Turnover in the public accounting profession is often high due to accounting standards and regulations changes, as accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent.



Global People Survey

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

Our people



People strategy

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

We hire candidates who have diverse backgrounds and appropriate skills; have a questioning mindset and intellectual curiosity; and demonstrate courage and integrity. Our hiring standards include a structured interview process with behavior-based questions built from the PwC Professional framework, assessment of academic records and recommendations.



The PwC Professional

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



Audit Quality Measures

- Average staff retention rate
- Partner and manager hours in relation to total engagement hours
- Measure of project management/phasing of the audit, for example, actual utilisation in relation to planned and actual to budgeted hours at period end



Learning and education



Professional Development

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

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



Continuing education

We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network, the formal curricula, developed at the Network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curricula supports our primary training objective of quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curricula allows us to select, based on local needs, when we will deliver the training. Our Learning & Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.



Audit Quality Measures

- Average training hours per audit professional
- Mandatory training attendance

Issues arising from regulatory or professional obligations

Within the preceding year, investigation reported to a regulatory authority has resulted in a public settlement related to PwC Israel. The description below is a summary and is not intended to address all aspects of the matter. In connection with the settlement, the firm neither admitted nor denied the factual or legal conclusions.

On February 25, 2025, the Public Company Accounting Oversight Board (PCAOB) announced a settlement with PwC Israel. The PCAOB censured the firm and imposed a civil money penalty of \$2.75 million. The PCAOB found that from 2017 to 2022, PwC Israel violated PCAOB rules and quality control standards related to integrity and personnel management, in connection with the administration of internal training assessments. Specifically, the PCAOB concluded that hundreds of firm personnel were involved in improper answer sharing on mandatory internal training courses.

The PCAOB acknowledged PwC Israel's extraordinary cooperation, including self-reporting, conducting an internal investigation, providing information to investigators, and implementing extensive remedial measures. These measures included transitioning to proctored classroom assessments, requiring annual confirmations from personnel, issuing clear prohibitions against answer sharing, and disciplining employees involved. The PCAOB noted that absent this cooperation, the monetary penalty would have been significantly higher and additional sanctions might have been imposed.



Our approach

Our approach

PwC Israel uses a range of cutting-edge methods, processes, technologies, and approaches to ensure continuous improvement in the performance and quality of our engagements.

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



Tools and technologies to support our audit



Our technology

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

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

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

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

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

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

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



Our next generation audit

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

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





Reliability and auditability of audit technologies

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



Confidentiality and Information Security

Confidentiality

Confidentiality and information protection are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously. Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defense model. This model has enabled us to strengthen our information security organization, align to industry good practice and improve our internal control frameworks.

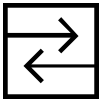
Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organization having a role to play in safeguarding personal data. We have continued to build on our extensive privacy rules compliance program and are committed to embedding good data management practices across our business.

Information Security

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

Supporting engagement performance



Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future. We use delivery centers to streamline, standardize, automate, and centralize portions of the audit.



Direction, coaching and supervision

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



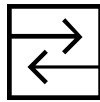
Consultation culture

Consultation is key to maintaining high audit quality. We have formal protocols about mandatory consultations, in the pursuit of quality. For example, our engagement teams consult with appropriate groups in areas such as taxation, risk, valuation, actuarial and other specialities as well as individuals within our National Technical function.



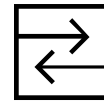
National Technical function

Our National Office comprises technical accounting, auditing, and financial reporting groups as well as risk and quality. These specialists play a vital role in keeping our policies and guidance in these areas current by tracking new developments in accounting and auditing and providing those updates to professional staff.



Quality Review Partners (QRP)

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



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or central functions such as the National Technical function. These include the use of technical panels consisting of partners independent of the engagement.



Monitoring

Monitoring



Monitoring of Assurance quality

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

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

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

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



Audit Quality Measures

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



Aim to Prevent: Real Time Assurance

We have developed a Real-Time Quality Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

Our RTA program includes the use of predictive Audit Quality Indicators, a dashboard showing key metrics against all live audit files, hot reviews on all listed engagements and deep dive real-time reviews on selected engagements, ensuring coverage across all engagement leaders.



Monitoring

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

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

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



Audit Quality Measures

- Total number of file reviews by external regulators
- Number of file reviews by PCAOB (if relevant)
- Number of file reviews by other external regulators resulting in non-compliance (or equivalent)



Monitoring

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

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

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



Learn: Root cause Analysis

Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide an effective environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, whether identified through our own internal inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors—to help identify possible distinctions and learning opportunities.

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

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

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

The learnings from RCA are shared with the practice in a number of different ways, including, at learning and development events, in specific internal communications to the audit practice, and by the audit methodology team.



PwC network

PwC network

PricewaterhouseCoopers International Limited

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

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

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

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



The governance bodies of PwCIL are:

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following [page on the PwC Global website](#) for a list of the current members of the Global Board.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.



Legal and governance structure

Firms should consider describing:



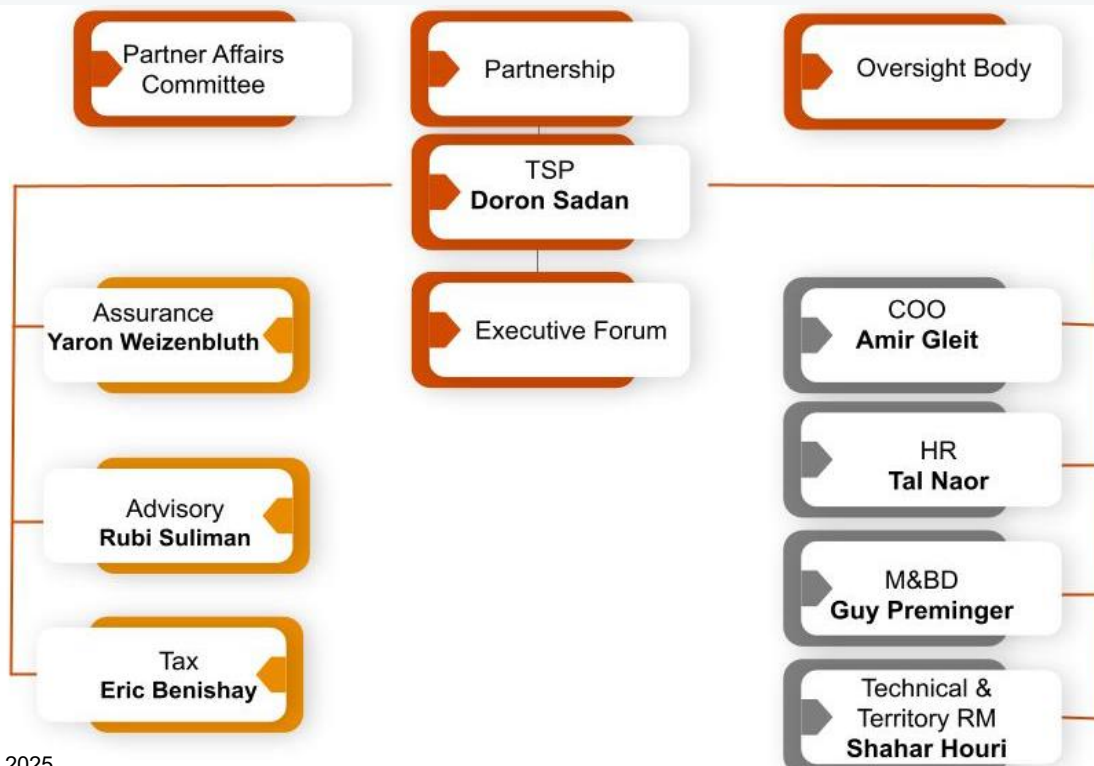
Legal structure and ownership of PwC Israel

Kesselman & Kesselman (PwC Israel) is a partnership. It is wholly owned by the partners of the firm.



Governance structure of PwC Israel

The firm's senior partner, together with the executive forum, is responsible for managing and supervising the management of the business and affairs of the firm. The responsibilities of the senior partner and the executive forum include establishing and determining the effectiveness of the firm's system of internal control, including those related to the quality of the firm's audit services. Appointment of members to the executive forum is determined by the senior partner. The senior partner is elected by a partner vote every five years. The firm has an Oversight Body (supervisory board) which represents the firm's partners in ensuring that the firm's senior partner and the executive forum are held accountable to the partners for their conduct of the firm's affairs.



*As of June 30, 2025



Appendix 1

Considerations of the Article 13 of the EU Regulation 537/2014

Appendix 1: Article 13 considerations

Statement on reason for filing of transparency report

We have prepared this Transparency Report, in respect of the financial year ended June 30, 2025 ("FY25"), in accordance with the requirements of Article 13 of the EU Regulation No. 537/2014.

Firm structure

A description of the legal structure and ownership of the audit firm See details in page 36

Description of the network

[See details in PwC Network](#) section

Names of other statutory auditors and countries which they operate in the network

See list of the names of other statutory auditors and countries which they operate in the network on page 40.

Network Statutory Auditor Turnover

Total turnover achieved by statutory auditors and audit firms from EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements are approximately 3 billion Euros. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2025

A description of the governance structure of the audit firm

For the description of the governance structure of the audit firm see details in page 36

Internal Quality Control Section

For the Internal Quality Control Section please see page 11.

Indication of last Quality Assurance Review

External inspections

PwC Israel is subject to an annual quality review by the Peer Review Institute (a subsidiary of the Institute of Certified Public Accountants in Israel). During the period covered by this Transparency report, PwC Israel was subject to the inspection of the Peer Review Institute. PwC Israel is a public accounting firm registered with the PCAOB in the US; with the FRC in UK; and with the CPAB in Canada and therefore is subject to inspections by these regulators. During the period covered by this Transparency report, PwC Israel was not subject to an inspection by the FRC.

PwC Israel is subject to an inspection by the PCAOB at least once every three years.

During the period covered by this Transparency Report, PwC Israel was inspected by the PCAOB; however, as of the publication date of this report, the PCAOB's 2024 inspection report has not yet been received.

List of EU Public Interest Entities

see section Firm Financial information.

Appendix 1: Article 13 considerations (continued)

Independence practices and confirmation of compliance review

See Objectivity and Independence through the Independence training and confirmations sections in page 17-18.

Continuing education policy

Continuing education in page 23.

Basis for partner remuneration

Partners are remunerated solely out of the profits of PwC Israel. Audit partners are not permitted to be incentivized, evaluated, or remunerated for the selling of non-audit services to their audit clients. The final allocation and distribution of profit to individual Partners are made by the firm's senior Partner once their performance have been assessed, and the annual financial statements have been approved. The oversight body approves the process and oversees its application. Each Partner's remuneration takes into account three interrelated profit-dependent components: equity – reflecting the overall profitability of PwC Israel, performance – reflecting how a Partner and their team(s) have performed; and responsibility – reflecting the Partner's sustained contribution and responsibilities; Each Partner's performance income is determined by assessing achievements against an individually-tailored balanced scorecard of objectives, based on the Partner's role and responsibilities.

Auditor rotation policy

See section Independence-related systems and tools in page 17.

Firm Financial information

During the period covered by this Transparency Report, PwC Israel prepared an audit report for PLUS500 Ltd, a public-interest audit client incorporated outside the EU which has securities listed on an EU Regulated Market. The breakdown of PwC Israel's FY25 turnover: Turnover as a percentage of total revenues of PwC Israel (i) Revenues from audit services for audits of financial statements of non-EU companies with transferable securities admitted to trading on regulated markets in the EU was less than 1% (ii) Revenues from permitted non-audit services of non-EU companies with transferable securities admitted to trading on regulated markets in the EU was less than 1% (iii) Audit service revenues, excluding revenues reflected in (i) was 52% (iv) Non audit service revenues, excluding revenues reflected in (ii) was 47%.

Appendix 2: List of Audit firms/statutory auditors/firms as of 31 Dec 24 FYE (in light blue) - all other firms as of 30 Jun 2025
FYE

Member State	Name of firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Wirtschaftsprüfungs- und Steuerberatungsgesellschaft GmbH, Linz
Austria	PwC Tax & Audit Services Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'enterprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit, s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers France
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera Wirtschaftsberatung Aktiengesellschaft
Germany	Wirtschaftsprüfungsgesellschaft
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Ireland	PricewaterhouseCoopers (Northern Ireland) LLP
Italy	PricewaterhouseCoopers SpA
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Norway	PricewaterhouseCoopers AS
Norway	PwC Assurance AS
Norway	PwC Assurance II AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Poland	PricewaterhouseCoopers & Associados - Sociedade de
Portugal	Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB



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