

Transparency Report

for the year ended
31 December 2022

PricewaterhouseCoopers Slovensko, s.r.o.



pwc

Contents



Message from leadership

03



PwC network

09



Our approach to quality

11



Cultures and values

16



Our people

25



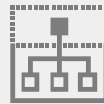
Our approach

29



Monitoring

34



Legal and governance structure

37



App.1 List of Public Interest Entities audited

41



App. 2 PwC network firms

43



Message from leadership



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App.1
List of Public Interest
Entities audited



App. 2
PwC network firms



Message from leadership

Welcome to our 2022 Transparency report

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152 countries with more than 327,000 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

In September 2021, we activated across PwC Central and Eastern Europe (CEE) The New Equation, PwC's landmark global strategy which responds to fundamental changes in the world, including technological disruption, climate change, fractured geopolitics, and the effects of the COVID-19 pandemic. The New Equation is based on analysis of global trends and thousands of conversations with clients and stakeholders. It builds on more than a decade of sustained revenue growth and continued investment. The New Equation focuses on two interconnected needs that clients face in the coming years. The first is to build trust, which has never been more important, nor more difficult. The second is to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater.

In FY22, PwC CEE announced the following commitments related to The New Equation:

- Investments in client service capabilities and Environmental, Social and Governance (ESG) – USD 6 million for ESG, creating a CEE ESG Center of Excellence;
- Net Zero – Launch a CO2 Tracker tool in CEE;
- New World, New Skills – Digitally upskill 12,000 of our people by the end of FY23;
- People and talent – Allocation of more than USD 10 million in development and wellbeing activities.

For more information on The New Equation, please see <https://www.pwc.com/gx/en/>

Percentage of Assurance professionals surveyed who report

The leaders I work with encourage one-firm collaborative behavior to provide quality services to our clients

84%

FY22

82%

FY21



Message from leadership



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.

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 efforts are 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 new strategy builds on our ongoing commitment to quality.

We have prepared this Transparency Report, in respect of the financial year ended 31 December 2022, in accordance with the requirements of Article 13 of the EU Regulation No. 537/2014 and Article 7(1)(e) of the Act No. 423/2015 Coll. on Statutory Audit and on amendments and supplements to Act No. 431/2002 Coll. on Accounting, as amended.



Věra Výtvarová

Country Managing Partner

Bratislava, 28 April 2023

Message from leadership



A message from our Assurance Leader

Trust lies at the heart of everything we do at PwC. It's fundamental to fulfilling our firm's purpose. One of the ways we build trust is by being transparent.

As auditors, we're also acutely aware of another trust driver: the quality of our external audits. That's why we're pleased to present our Transparency Report for our financial year ended 31 December 2022, which shows how we maintain quality in our audit work. The report describes our policies, systems and processes for ensuring quality, the results of key quality monitoring programs and reviews, and the way we foster a culture of quality at every level of the firm. It details the companies we performed audits for and the total revenue from our audit and non-audit work.

Broadening the definition of audit quality

We welcome the public conversations that arise as a result of transparency about audit quality. We believe there are many factors that contribute to a quality audit and to get a balanced picture of audit quality in Slovakia stakeholders need to see a range of measures.

Continuing the discussion on audit quality

Our audit business is fundamental to our strategy and brand. We continue to invest in continuous improvement in audit quality through new systems and technology, risk processes and learning and development for our people. I'm proud of the role we're playing in opening up discussion about audit quality in Slovakia. I welcome the opportunity to keep the conversation going through our Transparency Report.

Our ultimate goal is that Auditing Oversight Authority considers that we have obtained reasonable assurance in all audit areas. We are driving a quality improvement plan aimed at achieving this goal.



Martin Gallovič

Assurance Leader for Slovakia

Year in review

Partner and staff survey

69%

of our staff and partners participated in our Global People Survey

84%

of the respondents believe they are encouraged to deliver high quality services



Experience of our Partners

Partners' average years of experience at PwC

22 years

Our system of quality management

Number of hours spent on monitoring for CEE in total

8 900 hours for CEE Region
108 hours for territory (on average)

Real time reviews

Number of audit engagements included in the real time review program

2 audit engagements
0 significant findings

Assurance Training FY22

Training hours achieved by Partners and staff

13 040	16 920	7 463
online	classroom	ACCA

Total hours completed:
37 423

Assurance Training FY21

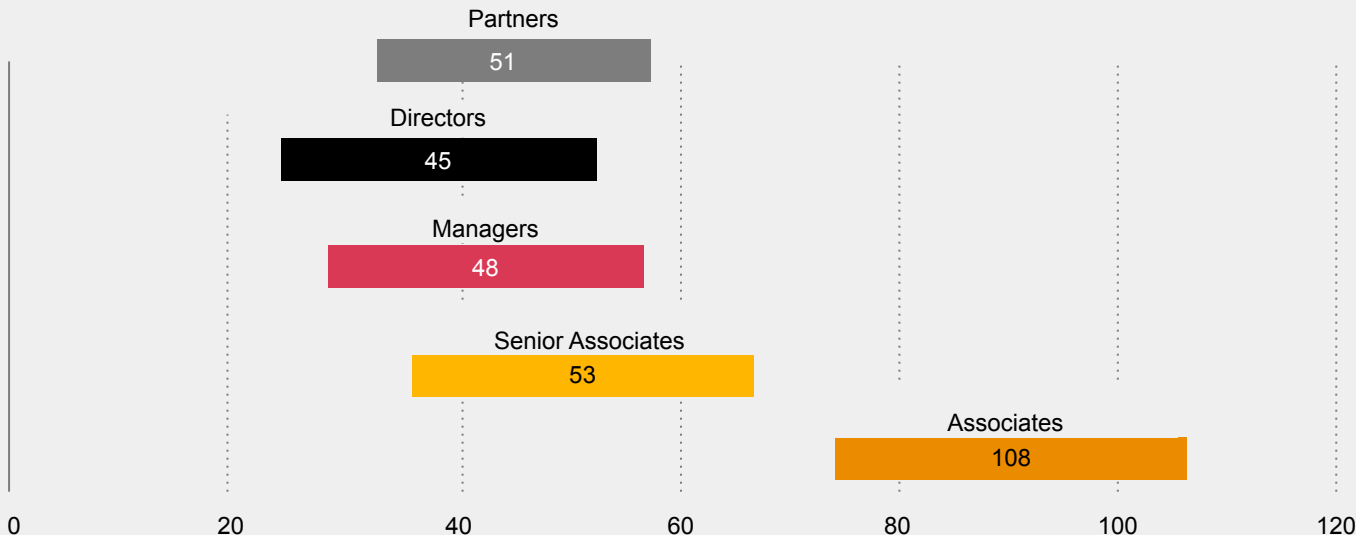
Training hours achieved by Partners and staff

11 096	11 663	9 707
online	classroom	ACCA

Total hours completed:
32 466

Auditing and accounting training hours

Number of hours of auditing and accounting training mandated by PwC annually



Year in review

Average annual hours worked in excess of 40 hours per week by level

FY22 overtime hours by level				FY21 overtime hours by level			
1 517	3 206	12 169	4 292	1 450	1 397	9 717	6 315
Partners	Managers	Senior Associates	Associates	Partners	Managers	Senior Associates	Associates

Leveraged ratio for audit team members of audit-related work

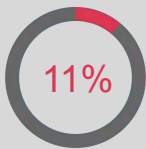
		FY22		FY21		FY20		FY19	
Partners	to	1	to 4,9	1	to 5,4	1	to 9,5	1	to 10,0
Manager	to	1	to 4,6	1	to 4,4	1	to 3,6	1	to 2,7
Partners	to	1	to 22,8	1	to 23,9	1	to 34,7	1	to 27,1

Average fluctuation rate by staff level

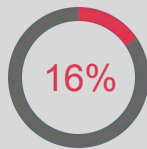
FY22



Managers

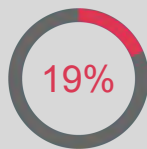


Senior Associates



Associates

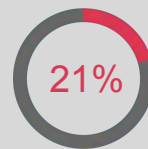
FY21



Managers



Senior Associates



Associates

Technical support

1 to 4,5

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

Use of Service Delivery Centers

7,6%

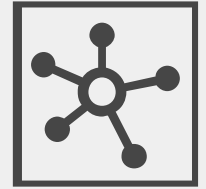
Percentage of audit hours performed by Service Delivery Centers

Use of Competence Centers

9,6%

Percentage of audit hours performed by Competence Centers

PwC network



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App.1
List of Public Interest Entities audited



App. 2
PwC network firms



PwC network

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

Firms in the PwC network are members in, or have other connections to PwCIL, an English private company limited by guarantee. PwCIL does not practise 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, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual member firms where appropriate. 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. The Board is comprised of 20 members. Two are appointed as external, independent directors, and the other 18 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**, 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 member firms to coordinate activities across all areas of our business.

The CEE Chief Executive Officer Adam Krasoń represents the firm in the Strategy Council since 1 January 2023 and maintains our relationships with the Network Leadership Team. Until 31 December 2022 the position of the CEE Chief Executive Officer was held by Nick Kós.

Our approach to quality



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App.1
List of Public Interest Entities audited



App. 2
PwC network firms



Our approach to quality



Definition and culture

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 network of 327,000 people that emphasises that quality is the responsibility of everyone **including our 383 people**. 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 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.

Specific focus on audit quality



The quality of our work is at the heart of the PwC network and we invest significant and increasing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people and underlying tools and technology at both the network level and within our firm. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support member 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 QMSE framework

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 for quality management which integrates quality management into business processes and the firm-wide risk management process.

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance.

Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we are committed to providing a quality audit. However, where our work falls below the standards that we set for ourselves and are set by the regulators, we are disappointed and also rightly criticised. We take each of these instances very seriously and work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

The right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities – both in terms of people and technology. That's why our quality objectives focus on having the right capabilities – both at a member firm level and across our network – and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are relevant to achieving and sustaining audit quality. To help us achieve these objectives, there are a number of dedicated functions at a network level that develop practical tools, guidance and systems to support and monitor audit quality across our network. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances.


Delivering a quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept; it needs to be embedded in everything we do as individuals, teams, firms and the network. The quality objectives are supported by designated key activities which are considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we have identified to achieve each quality objective.

Values and judgements

Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management are free of "material misstatements" – reaching a professional judgement on whether the financial statements present a fair picture of the company's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgement – all supported by technology.

Navigating the impact of external factors on our system of quality management



The past several years have seen unprecedented challenges. From the global COVID-19 pandemic to the Russian government's invasion of Ukraine (hereafter referred to as 'the war in Ukraine'), these events are first and foremost human tragedies. Our SoQM reflects our response to these events and changing risks based on impacts to our client, our people and the way we operate, including new or revised policies and procedures in our firm that have been implemented or are under consideration at any given point in time. Under the QMSE framework, our SoQM is designed and operated to consider changes in facts and circumstances resulting 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 QMSE framework has helped us navigate the changes in our firm's environment, by assessing the completeness and effectiveness of our responses including any additional monitoring to be put in place, and identifying any gaps to address new or emerging quality risks.

Sharing developments and experience COVID-19

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality and more than three years into the pandemic, we have maintained our focus on those areas impacting our clients, our people and how we work. We have leveraged the guidance developed by our network to provide sustained, consistent leadership and guidance on audit quality and equip our teams to consider their client's unique circumstances and respond accordingly.

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts.

Our network's response to the war in Ukraine including separation of PwC Russia and Belarus and our approach to sanctions

Following the Russian government's invasion of Ukraine, the PwC network's main focus continues to be doing all we can to help our colleagues and support the humanitarian efforts to aid the people of Ukraine.

The PwC network's response to the war in Ukraine resulted in several actions including the decision that, under the circumstances, PwC should not have member firms in Russia and Belarus and consequently PwC Russia and PwC Belarus have exited the network.

In addition, the PwC network has exited work for Russian entities and individuals subject to sanctions. Any sanction on Russian entities and individuals that is passed anywhere in the world is applied everywhere in the PwC Network. The PwC network will also not undertake any work for the Russian Federal Government or State-owned Enterprises and has also conducted reviews to identify engagements with non-sanctioned Russian clients and considering the appropriateness of any ongoing relationship.

Our network's response to the conflict including the separation of PwC Russia and PwC Belarus and approach to sanctions, as well as consideration of the broader risks that impact our clients are being factored into our firm's SoQM through the identification of potential quality risks that have or may arise. Our firm is monitoring the actions we have and will take to address the identified risks to assess whether further changes are needed to our firm's SoQM or how we perform our engagements and interact with our clients.

Management's Statement on the effectiveness of internal quality control system functioning

Věra Výtvarová (CMP of PwC Slovakia) believes that the quality control environment described in this Transparency Report is in compliance with all applicable regulations and that it provides a reasonable basis for believing that statutory audits carried out by PwC Slovakia consistently meet the required quality standards.

Quality monitoring is an integral part of PwC Slovakia continuous improvement programme. PwC Slovakia constantly evaluates inputs from formal programmes and a variety of informal sources in an ongoing effort to improve policies, procedures and the consistency of work quality. Instances of failure to meet performance standards, if any are treated very seriously and the Partner responsible is instructed to improve performance. Appropriate steps are taken to achieve improvement through all possible means which might include financial penalties or even dismissals.

Based on the reviews performed, Country Managing Partner of PwC Slovakia is satisfied that PwC Slovakia internal quality control system is operating effectively. Any matters identified through the various monitoring and review processes are addressed with appropriate corrective actions.



Last Quality Assurance Review

The last external quality assurance review carried out in compliance with Article 26 of the Regulation 537/2014 was carried out by out by Auditing Oversight Authority (UDVA) with the final report issued on 29th April 2020. According to the Article 35(4)(e) of the Act No. 423/2015, the regulatory inspection of audit firm are performed every 3 years.

PwC Slovakia continues to be registered to conduct statutory audit work in Slovak republic.

Cultures and values



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App.1
List of Public Interest Entities audited



App. 2
PwC network firms



Cultures and values

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

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



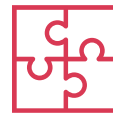
Act with integrity



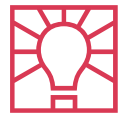
Make a difference



Care



Work together



Reimagine the possible

Key messages are communicated to our firm by our Country Managing 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. We track 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 audit quality objectives.



Audit Quality Measures

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



Cultures and values

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.

As mentioned previously, to help PwC Slovakia put this strategy into effect, the PwC network has established the QMSE framework which introduces an overall quality objective for the Assurance practice that is supported by a series of underlying quality management objectives. Our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance. The achievement of these objectives is supported by a **quality management process** established by our firm and Assurance leadership, business process owners, and Partners and staff.

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.

These programs, by design, require ongoing monitoring and continuous improvement, in particular Assurance Quality Indicators, which we expect will evolve significantly over time and as we continue to use and learn from these measures.

The Quality Management Process

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 be used in appraisals, remuneration, and career progression decisions

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.

Aim to Prevent: Real Time Assurance

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

Learn: Root cause analysis

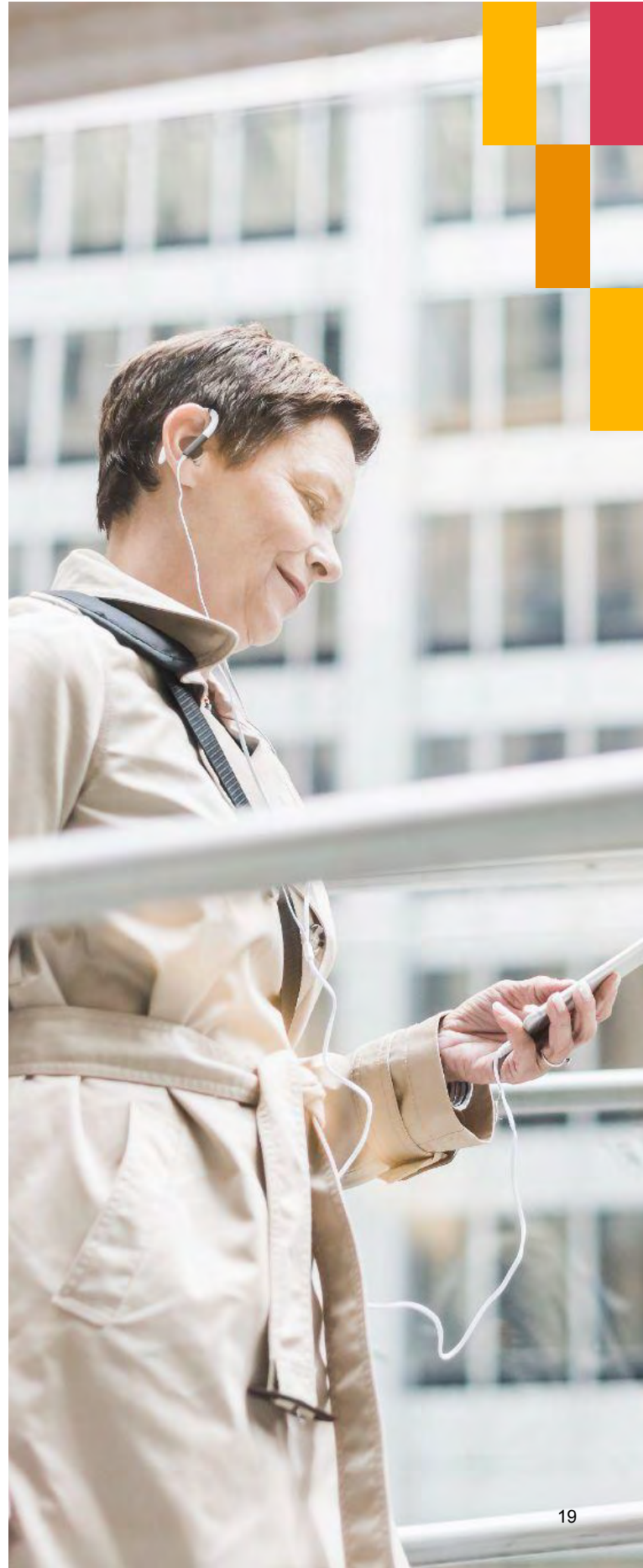
We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible 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.

Cultures and values

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. It holds 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 uphold and comply with the standards developed by the PwC network and leadership in PwC Slovakia 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 Slovakia has adopted the PwC network standards which include a Code of Conduct, 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, all staff and Partners of PwC Slovakia are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers at our firm and 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. Each firm in the PwC network provides a mechanism to report issues. There is also a confidential global reporting option on <https://www.pwc.com/codeofconduct>. PwC Slovakia has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

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

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 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, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

On the CEE level we have 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 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.



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 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 Slovakia supplements the PwC Global Independence Policy as required by Act 423/2015 Coll, where they are more restrictive than the network's policy and of the EU Audit Regulation, including the independence requirements of the United States Securities and Exchange Commission and those of the Public Company Accounting Oversight Board of the United States.



Independence-related systems and tools

As a member of the PwC network, PwC Slovakia has access to a number of systems and tools which support PwC member firms and their personnel in executing and complying with our 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 member firm and those of other PwC member firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and Authorisation for Services;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. Where a PwC member firm wins a new audit client, this system automatically informs those holding securities in that client 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;
- A Global JBR (joint business relationships) application on Salesforce is used to record all approved joint business relationships entered into by PwC Slovakia. These joint business relationships are reviewed on a six monthly basis to ensure their ongoing permissibility, 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.

PwC Slovakia also has a number of Slovak republic-specific systems which include:

- A rotation tracking system which monitors compliance with PwC Slovakia audit rotation policies for the member firm, Engagement Leaders, other Key Audit Partners involved in an audit.

Rotation of Key Audit Partners and staff

In respect of an audit of a Public Interest entity, an individual shall not be a Key Audit Partner (KAP) for more than 5 years. After such time, the individual shall not be a member of the audit engagement team or be a KAP for the client for 3 years. During that period, the individual shall not participate in the audit of the entity, provide quality control for the engagement, consult with the engagement team or the client regarding technical or industry-specific issues, transactions or events or otherwise directly influence the outcome of the engagement. The same policy applies to client assigned qualified statutory auditor. The Member Firm established an appropriate gradual rotation mechanism with regard to the most senior personnel involved in the statutory audit, including at least the persons who are registered as statutory auditors. The gradual rotation mechanism applies in phases on the basis of individuals rather than of the entire engagement team.



Independence training and confirmations

PwC CEE provides all Partners and practice staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on firm's independence policy and related topics. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by CEE'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 member 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 engagement level confirmations for all people working on audit engagements.



Independence monitoring and disciplinary policy

CEE is responsible for monitoring the effectiveness of its quality control system 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 the member firm's adherence with the PwC network's standard relating to independence.



The results of PwC Slovakia monitoring and testing are reported to the firm's management through the AQI process

CEE has 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 member 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 Slovakia systems and processes and for additional guidance and training.

Management's statement concerning independence practices and review

The Management Board of PwC Slovakia declares that the procedures for ensuring independence are consistent with applicable regulations.

The last internal review of independence compliance was carried out on a region-wide basis on PricewaterhouseCoopers CEE and was completed in May 2022.

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.

Client and Engagement Acceptance and Continuance

PwC Slovakia 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:

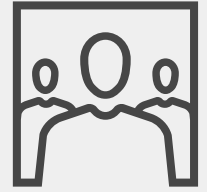
Engagement teams:

- 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.

Member firms (including member 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 member firms in the network have applied in assessing audit acceptance and continuance.

Our people



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App.1
List of Public Interest Entities audited



App. 2
PwC network firms



Our people



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



People strategy

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

Our people



Diversity and inclusion

At PwC, we're committed to creating a culture of belonging. We are focused on ensuring our ways of working embrace diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and can reach their full potential. As demonstrated through our core values of Care and Work Together, we strive to more deeply understand and empathise with different backgrounds, perspectives and experiences. We know that when people from different backgrounds and with different points of view work together, we create the most value for our clients, our people, and society.



Recruitment

PwC Slovakia aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. **Across the firm in FY22, we recruited 73 new people, including 47 university graduates (inc. interns).**



Team selection, experience and supervision

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



Feedback and continuous development

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



Career progression

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



Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. The redesign of our graduate entry positions is expected to ease retention challenges over time.



Global People Survey

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

Our people

The PwC Professional

The PwC Professional supports the development and career progression of our staff by providing a single set of expectations across all lines of service, geographies, and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.

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, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our Firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing 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 member firms, are committed to delivering quality assurance services around the world. To maximise consistency in the Network the formal curriculum, developed at the Network level, provides access to training materials covering the PwC audit approach and tools-this includes updates on auditing standards and their implications, 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 curriculum supports our primary training objective of audit 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 curriculum 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.

Continuing Education of Statutory Auditors

The Management Board of PwC Slovakia declares that our Statutory Auditors are fully involved in the firm's continuing education programme. In addition to participation in on-going internally designed training our statutory auditors are required by law to take part in regular local technical updates. Statutory Auditors are required to attend at least 120 hours of training during a three year cycle and attend at least 20 hours of training every calendar year. Each Statutory Auditor is required to complete at least 10 hours in a calendar year for trainings related to Ethics and ISA, 30 hours during a three year cycle. Our local L&D department is responsible for ensuring the participation of staff and Partners in learning activities and keeping relevant records.

Audit Quality Measures

- Average training hours per audit professional
- Mandatory training attendance



Our training investment in people

Assurance Training FY22

Training hours achieved by Partners and staff

13 040 online 16 920 classroom 7 463 ACCA

FY22 Total hours completed:

37 423

Assurance Training FY21

Training hours achieved by Partners and staff

11 096 online 11 663 classroom 9 707 ACCA

FY21 Total hours completed:

32 466

Mandatory training attendance

100%

Of Partners and staff have completed all mandatory training attendance in FY22

Our approach



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App.1
List of Public Interest Entities audited



App. 2
PwC network firms



Our approach



Our approach

The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying audit methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement.



Our tools

As a member of the PwC network, PwC Slovakia 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 member 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 Audit Manager streamlines, standardises and automates group and component teams coordination for multi-location 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.

Count, which facilitates the end-to-end process for 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's Confirmation System, which facilitates an automated and standardised end-to-end process for all types of external confirmations, allows our engagement teams to create requests and receive external confirmation in a secure environment that helps mitigate the risks associated with receiving confirmation responses electronically.

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.

Halo, our data auditing tools, test 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.

Klik, CEE data auditing tool, supplementing Halo for Journals with identification of relevant journals and visualisation of results for further analysis and supporting revenue CAATs (Computer Assisted Audit Techniques).

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 supervision and review responsibilities as part of the normal course of the audit.



Confidentiality and information security

Confidentiality and information security 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 defence model. This model has enabled us to strengthen our information security organisation, 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 organisation having a role to play in safeguarding personal data. We have build on our extensive GDPR compliance programme, and are committed to embedding good data management practices across our business.



Information Security

Information security is a high priority for the PwC network. Member firms are accountable to their people, clients, suppliers, and other stakeholders to protect information that is entrusted to them.

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of member firms. The PwC ISP directly supports the firm's strategic direction of cyber readiness to proactively safeguard its assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

PwC Slovakia is required to adhere to the ISP requirements and complete a quarterly, data-driven assessment to demonstrate compliance. The Member Firm is assessed against the required controls through analysis of available data. In coordination with Member Firm stakeholders, the data is reviewed for quality to ensure an accurate assessment of the Member Firm's security posture. Deviations that result from the ISP Compliance Programme assessment process are prioritised for remediation utilising a risk based approach and per timelines agreed with leadership.



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 centres to streamline, standardise, automate, and centralise 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. Teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to make sure that all work has been completed and reviewed by relevant individuals, including the Engagement Leader.



Consultation culture

Consultation is key to ensuring audit quality. We have formal protocols about mandatory consultation, 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 regional Risk & Quality function.



National Technical function

Our leadership comprises technical accounting, auditing, and financial reporting specialists. 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.



Assurance Quality Partner (AQP) network

Our AQP network comprises of Partners and professionals who help audit teams design effective and efficient audit approaches and reinforce key learnings points from audit training and guidance. Our AQPs contribute to market and industry group meetings focused on audit quality topics and provide advice on auditing matters through review of certain aspects of selected audit engagements before those audits are completed.



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the Engagement Leader and either the EQCR, another Assurance Partner or central functions such as the Accounting Consulting Services. These include the use of technical panels consisting of Partners independent of the engagement.



Engagement Quality Control Reviewer (EQCR)

Audit engagements of PIEs are assigned a EQCR as part of the firm's system of quality management as required by professional standards and local regulations. 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, risks of material financial statement misstatement and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues

Monitoring



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App.1
List of Public Interest Entities audited



App. 2
PwC network firms



Monitoring

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)

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 Slovakia. 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.

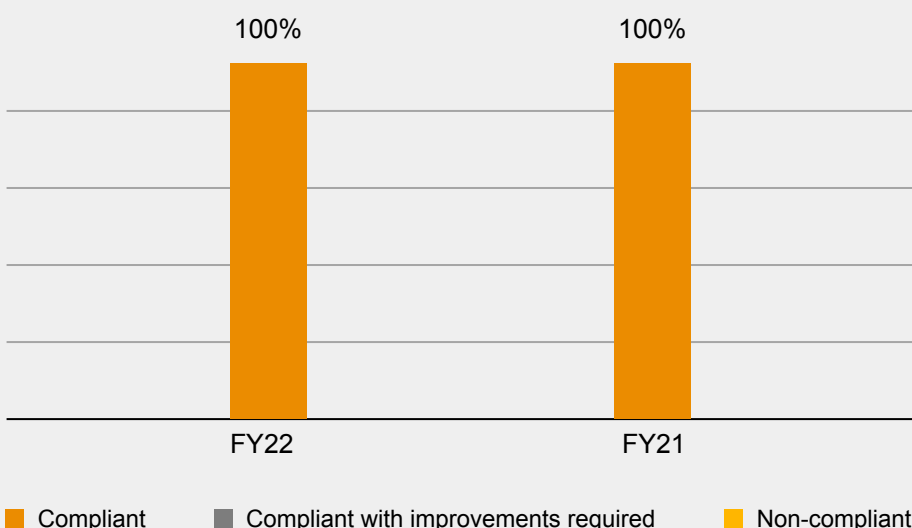
The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations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

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

Our monitoring also encompasses a 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.

Our firm's monitoring programme is based on a consistent network-wide inspections programme for Assurance based on professional standards relating to quality control, including ISQC 1, as well as network policies, procedures, tools and guidance.

Audit engagement inspections – internal



Restatements

1

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



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.

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 member 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.

In addition, the PwC network coordinates an inspection program to review the design and operating effectiveness of our SoQM on a periodic basis. The use of a central team to monitor these inspections across the network enables a consistent view and sharing of relevant experience across the PwC network.

The results of all inspections are reported to our firm's leadership who are responsible for analysing the results of the inspections along with the findings identified from all sources of information and 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 Partner 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.

Partners and employees of our firm are informed about the inspection results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, Engagement Partners of our firm are informed by the network inspection program about relevant inspection findings in other PwC member firms, which enables our Partners to consider these findings in planning and performing their audit work.

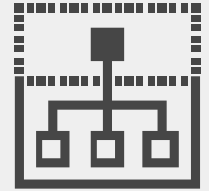
Audit quality reviews – external

0

No reviews performed
in 2021 – 2022



Legal and governance structure



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



App. 1
List of Public Interest Entities audited



App. 2
PwC network firms



Legal and governance structure

Legal structure and ownership of the PwC Slovakia

PwC Slovakia is a limited liability company registered in the Commercial Register of the Slovak Republic. The ultimate beneficiaries of this entity are the Partners in the PricewaterhouseCoopers member firms. PwC Slovakia is a member of PricewaterhouseCoopers International Limited.

The table below lists its shareholders and their share capital.

2022	Share in the registered capital	
	in EUR	%
PricewaterhouseCoopers Eastern Europe B.V. (country of incorporation: The Netherlands)	26,556	66.66
PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt spółka komandytowa (country of incorporation: Poland)	6,639	16.67
PRICEWATERHOUSECOOPERS podjetje za revizijo in druge finančno računovodske storitve, d.o.o. (country of incorporation: Slovenia)	6,639	16.67
Total	39,834	100.00

PwC Slovakia 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 structure of the PwC Slovakia

Within the Central & Eastern European grouping of PwC Member Firms which includes 27 national territories, a matrix system of management is operated. Each Partner votes in a 4 yearly election of a PwC CEE Chief Executive Officer who appoints a Regional Management Board, including representatives from geography 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 Partner Council, which approves key policies and decisions which affect Partners and the firm.

PwC Slovakia is managed by Management Board, which consists 4 managing executives appointed by the General Meeting of Shareholders. The managing executives are responsible for company management and its legal representation.



Partners remuneration



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 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.

This is determined by assessing a Partner's achievements against an individually tailored balanced scorecard of objectives based on the Partner's role. These objectives include the realisation of the firm's audit quality standards and absolute adherence to our integrity and independence regulations.



Financial Information for the year ended 31 December 2022



	In ths. EUR
Revenues (unaudited)	
Statutory audits of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public interest entity	3 952
Statutory audits of annual and consolidated financial statements of other entities	4 207
Total audit fees	8 159
Permitted non-audit services to audited entities	22 615
Non-audit services to other entities	7 442
Total Revenues	38 216

Appendix 1



List of Public Interest Entities audited



Appendix 1

List of Public Interest Entities audited during the year ended 31 December 2022

Allianz - Slovenská dôchodková správcovská spoločnosť, a.s.
Allianz - Slovenská poisťovňa, a.s.
Asset Management Slovenskej sporiteľne, správ. spol., a.s.
Atradius Crédito y Caución S.A. de Seguros y Reaseguros, pobočka poisťovne z iného členského štátu
BNP Paribas Cardif Poisťovňa, a.s.
Colonnade Insurance S.A., pobočka poisťovne z iného členského štátu
Československá obchodná banka, a.s.
ČSOB Poisťovňa, a.s.
ČSOB stavebná sporiteľňa, a.s.
Erste Asset Management GmbH, pobočka Slovenská republika
Euler Hermes SA, pobočka poisťovne z iného členského štátu
HB REAVIS Finance SK III s. r. o.
HB REAVIS Finance SK IV s. r. o.
HB REAVIS Finance SK V s. r. o.
HB REAVIS Finance SK VI s. r. o.
HB REAVIS Finance SK VII s. r. o.
HB REAVIS Finance SK VIII s. r. o.
HB REAVIS Finance SK IX s. r. o.
HB Reavis Investment Management správ. spol., a. s.
HDI Versicherung AG pobočka poisťovne z iného členského štátu
KBC Asset Management NV, pobočka zahraničnej správcovskej spoločnosti
SAZKA Group Financing a.s.
Slovenská sporiteľňa, a.s.
SLSP Social Finance, s.r.o. (until 21.01.2022: Social Finance, s.r.o.)
UNIQA d.d.s., a.s.
UNIQA d.s.s., a.s.
UNIQA investiční společnost, a.s., organizačná zložka Slovensko
UNIQA pojišťovna, a.s., pobočka poisťovne z iného členského štátu
Wüstenrot poisťovňa, a.s.
Wüstenrot stavebná sporiteľňa, a.s.

Appendix 2



PwC network firms



PwC network firms

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 is approximately 2.5 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 2022.

The table below provides the name of each statutory auditor operating as a sole practitioner or audit firm that is a member of PwC network from EU or EEA Member States as at 30 June 2022 and the countries in which each statutory auditor operating as a sole practitioner or audit firm that is a member of PwC network is qualified as a statutory auditor or has his, her or its registered office, central administration or principal place of business.



Member State

Name of firm

Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
Austria	PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg
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 Entreprises
France	PricewaterhouseCoopers France
France	M. Philippe Aerts

PwC network firms



Member State

Name of firm

France	M. Jean-Laurent Bracieux
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera WPG AG
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Netherlands	Coöperatie PricewaterhouseCoopers Nederland U.A.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia	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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