2025 Transparency report

PricewaterhouseCoopers LLP

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Contents

Section	Page #
Message from leadership	3
Quality across the PwC Network	4
Our culture and values	5
Ethics, including independence and objectivity	8
Our people	12
Apprenticeship, professional growth, and development	13
Our audit experience	16
Assurance Quality Advisory Committee	20
Monitoring of audit quality	20
Analyses of quality drivers	25
Structure and ownership	26
Operating Committee as of July 1, 2025	29
List of public interest entities	30
Financial information	31
EU EEA member firms	32

Message from leadership

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 360,000 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

PwC's approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. It combines expertise in audit, tax and compliance activities with a drive to expand specialist capabilities in areas such as cyber security, data privacy, ESG and AI. It also recognizes the importance of quality–and that reporting and compliance represent just one link in a chain that includes organizational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance. Our approach to building trust is grounded in our commitment to consistently performing quality engagements and being 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 mobilize our expertise in areas including–among many others–strategy, digital and cloud services, value creation, people and organization, tax, sustainability reporting, deals, business recovery services, legal and compliance.

Our strategy builds on our ongoing commitment to quality.

This Transparency Report is published in accordance with the requirement set forth in Article 45 (5)(e) of the European Union's Directive on Statutory Audit 2006/43/EC for our fiscal year ended June 30, 2025. Throughout this report, the terms "PwC," "firm," "we," and "our" refer to one or more of PricewaterhouseCoopers LLP, PwC US Group LLP (and its subsidiaries) and PwC USA LLP.

Quality across the PwC Network

Quality audits across the PwC Network[1] are vital to the US firm's brand. To support member firms in delivering quality services in an effective and efficient manner that meets the expectations of our stakeholders, the PwC Network has established the Quality Management for Service Excellence (QMSE) framework, which integrates quality management into how each member firm runs its business and manages risk. The QMSE framework is designed to meet the requirements of applicable quality control standards, including International Standard on Quality Management 1 (ISQM 1).

The QMSE framework introduces an overall quality objective that is focused on a member firm having the necessary capabilities and deploying its people to consistently use its methodologies, processes, and technology to deliver quality audits in an effective and efficient manner. To help member firms achieve this objective, the PwC Network invests significant resources into maintaining a strong quality infrastructure supported by the right people, underlying tools and technology at both the Network and firm levels, and a program of continuous innovation and investment in technology. The PwC Network's Global Assurance Quality organization aims to support member firms in promoting, enabling, and continuously enhancing quality through effective policies, tools, guidance and systems.

Each member firm designs, implements, and operates its own system of quality management to identify and respond to risks to achieving the overall quality objective and a series of underlying quality management objectives in the QMSE framework. In addition, each member firm is responsible for monitoring and continuously improving its system of quality management and implementing remedial actions when areas of improvement are identified as well as setting clear expectations regarding the behaviors that support quality and reinforcing those expectations.

The PwC Network coordinates an inspection program to periodically review certain elements of the member firm's system of quality management as well as the member firm leadership's own assessment of the effectiveness of its system of quality management.

In addition, each member firm executes risk-focused reviews of completed engagements covering, on a periodic basis, individuals in the member firm who are authorized to sign audit or non-audit assurance or related services reports. These reviews assess whether work was performed in compliance with applicable professional standards and engagement-related policies and procedures. These reviews are planned and executed and results are assessed using guidance and tools developed at the Network level. The results of these reviews are reported to member firm leadership who are responsible for analyzing the results of the inspections along with the matters identified from all sources of information, performing root cause analysis, and implementing remedial actions as necessary.

PwC US partners receive information about the results of the Network inspection program to consider in planning and performing their audit work when applicable.

We also assist member firms in promoting quality in audits performed under US auditing standards. This includes, for example, providing training materials specifically designed for Public Company Accounting Oversight Board (PCAOB) audits in addition to annual training on updates to US accounting and auditing standards as well as providing access to experienced resources who share learnings and leading practices on quality.

[1] PwC Network is defined on page 27 of this document.

Our culture and values

Our purpose is to build trust in society and solve important problems.

At PwC, we[2] embrace change, push boundaries, and continuously evolve to stay ahead. Being at the leading edge of quality in the profession means being sustained by a culture that focuses on quality, transparency, integrity, and independence.

While our purpose grounds our existence, our values guide our actions and enable our success:

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

Our strategy

The world is evolving, and so is PwC. In April, we **announced** a new look, one that brings to life our focus on driving to the leading edge with proven expertise, bold insights, and tech-forward innovation. Our firm strategy is grounded in a foundation of quality and integrity, which–together with our purpose–guides how we think, work, and collaborate across the firm.

As a multidisciplinary firm, we build and draw upon the deep technical knowledge and industry experience, diverse backgrounds and perspectives, and distinct skills of professionals across all lines of service to benefit our people and stakeholders. Our Assurance practice,[3] which delivers the audit and assurance services on which our reputation is built, aims to bring our strategy to life by delivering the right team, a full-business perspective, and tailored experiences.

As described later in this report, our audit teams involve, when appropriate, individuals with specialized capabilities. Ready access to their unique skills, experiences, and perspectives further supports a core tenet of our Assurance strategy — to deliver quality always.

For more information about how we are building trust and delivering sustainable outcomes in business and society, refer to **pwc.com**.

Artificial Intelligence

At PwC, we believe that AI is essential to business, both for our firm and our clients. We are committed to responsibly integrating AI across our firm in the way we work, the services we offer, and the solutions we deliver to navigate an increasingly complex world.

We are equipping our teams with cutting-edge AI tools, harnessing the best capabilities across our lines of service, expanding our alliances, and investing in R&D to stay at the forefront of AI-driven change. Our goal is to embed AI into the tools and capabilities used across our business to deliver tangible, practical benefits, all while using the technology in a responsible way. Our strategic relationships with tech leaders inform how we prepare for the secure and responsible deployment of GenAI.

With training in responsible AI, GenAI prompting, leadership in the age of AI, and more, we are equipping our people with the knowledge and skills needed to use these tools effectively and responsibly. Responsible AI is human-led and tech-powered, integrating technology and human experience to drive quality and maximize opportunity and value for our teams and clients.

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[2] References to "we,", the "firm," "our," "PwC," and "PwC US" means one or more of PricewaterhouseCoopers LLP, PwC US Group LLP (and its subsidiaries) and PwC USA LLP.

[3] "Assurance practice" includes audit professionals and other staff and partners included in the Assurance line of service. It excludes staff and partners in our Tax and Advisory lines of service.

In June 2025, PwC **announced** the launch of Assurance for AI–the first solution of its kind–to deliver independent assurance and other related services that will help organizations as they seek to offer stakeholders a clear, evidence-based view of how their AI systems operate and how the organization is addressing related risks. They are delivered by multidisciplinary teams that combine deep technical knowledge of AI and machine learning with proven expertise in risk management, internal controls, audit and attest services and external standards.

For our audits, we are taking profession-leading steps in deploying AI in our audits, leveraging the full breadth of AI experience and expertise from across our firm. Integrating AI and leading AI agent technology is a paradigm shift in driving innovation into the audit process, and we are making significant investments in this transformation. We are increasing use of AI tools in our audits today and developing a first-of-its kind, AI-native audit platform that will redefine how we deliver our audits. At the same time, we're proactive in our approach to establishing and maintaining business rules and policies that prioritize quality as well as providing extensive guidance and training on the responsible use of AI in our audits.

Tone at the top

We build a culture of quality by setting a clear tone at the top, considering areas such as how we win new work, accept new clients, develop and share thought leadership, recruit and develop our people, and create an inclusive and respectful work environment. Our senior leaders serve as ethical role models and inspire our people to put our purpose and values front and center — consistently sharing a clear vision of who we are and what we stand for.

In various communications, including practice-wide and firm-wide emails and webcasts, and during career milestone events and training, our Assurance leadership team delivers messages and shares experiences that encourage expected behaviors. These communications serve to emphasize the critical importance of quality, ethical behavior, and accountability to our purpose and brand, to our success as individuals and as a firm, and to the strength of the profession. Key messages communicated to our people by our Senior Partner and Assurance leadership team are reinforced by others, including sector and team leadership and engagement partners.

Acceptance and continuance

Our approval processes govern the acceptance of new audit clients and continuance of existing audit clients based on the audit team's responses to a series of questions, which in aggregate form the basis of our risk assessment. For the acceptance of new audit clients, our process requires approvals by lead audit partners, quality management partners, and sector leadership. For existing client continuance assessments, the extent and level of approval depend on the nature of the client and results of the required risk assessment. Additionally, an event-driven reassessment of our relationship with the client is performed when certain events occur or become known that were not considered at the time of the latest assessment.

When applicable, we perform inquiries with the predecessor auditor and evaluate those communications before agreeing to accept a new audit engagement. In addition, before agreeing to accept a new or continue an existing audit engagement, we consider whether the amount of audit fees is commensurate with the expected level of effort.

We accept new or continue existing audit relationships only when supported by our assessment of risks and when we believe our audit procedures can be satisfactorily designed and executed. We consider:

- the applicable professional and regulatory standards as compared to our professional competence and capabilities;
- the integrity, conduct, and reputation of key management, board members, and significant shareholders;
- the nature of the company's operations, its industry, and applicable laws and regulations;
- the potential impact on independence, conflicts of interest, and/or relationships with other entities and whether there are circumstances that might impair our independence or objectivity as auditors of the company; and
- the timing and resource needs of the engagement, including any potential constraints that would affect our ability to comply with applicable standards.

Accountability and incentives

Partners are evaluated based on their contributions toward our strategic agenda and their individual goals, inclusive of impact and quality. All partners, including lead audit partners, quality review partners (QRPs), auxiliary partners, and specialist partners are subject to our accountability program, which considers the results of external and/or internal inspections.

Partner accomplishments are measured based on the partner's relative performance against established goals. Partners receive a share of the firm's profits based on their level of responsibility, individual quality results, the firm's performance, and the partner's overall performance. Through audit quality awards, we further recognize and incentivize partners who exhibit outstanding behaviors with respect to audit quality consistent with our strategy and values, for example, demonstrating preparedness for and positive interactions during inspection or managing particularly challenging matters, including delivering difficult messages in an exceptional manner. Our audit partners are not evaluated or compensated for selling non-audit services to their audit clients.

Our non-partner professionals are eligible to participate in our annual performance bonus plan based, in part, on the achievement of quality goals and objectives. We also recognize certain individuals below partner each year for exhibiting outstanding audit quality behaviors consistent with our strategy and values.

When necessary, partners, managing directors, and directors/managers are required to implement a responsive action plan to address quality issues. Each plan is approved by the partners to whom they report along with applicable sector and team leadership. Implementation of each plan is monitored to confirm agreed-upon actions are undertaken.

Ethics, including independence and objectivity

Demonstrating ethical behavior, acting with integrity, and maintaining independence are hallmarks of the audit profession. Professionals across our firm understand the necessity of acting with integrity and the value of demonstrating objectivity in all we do.

We recognize that we operate in a complex environment with competing demands and expectations and with the potential for actual or perceived conflicts of interest. Our leaders firmly believe, and make it clear to our people, that no client, fee, or opportunity is worth compromising our values or independence.

Our purpose and values are the basis of the PwC Global Code of Conduct and its US companion. Each provides a frame of reference that underpins the high standards of ethical behavior expected of all of our people. Our policies related to ethics, including independence, integrate the requirements of the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA code) and the relevant standards and regulations established by US standard setting bodies and regulators, such as the U.S. Securities and Exchange Commission (SEC), PCAOB, and American Institute of Certified Public Accountants (AICPA). Further, in performing audits of public interest entities (PIEs), we also apply the independence standards for PIEs[4] in the IESBA code.

We require our partners and employees to complete training on our policies, including integrity, independence, information security, record-keeping, and fair competition, during our required new hire, new manager, new partner, and annual training. Individuals at our Acceleration Centers (ACs) receive similar training appropriate to their roles.

Compliance with these policies and the laws that provide the foundation for such policies is confirmed during our required annual compliance confirmation process. We monitor our compliance programs to confirm they are appropriately designed, operating as designed, and effective at meeting legal, regulatory, and firm requirements. We provide multiple ways for people to ask questions, obtain policy guidance, or voice concerns, including a dedicated Compliance Resource Center and an Ethics HelpLine through which concerns may be reported anonymously.

Ethics

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

1 **Integrity** to be straightforward and honest in al professional and business relationships.

2 **Objectivity** to not allow bias, conflict of interest or undue influence of others to override professional or business judgments.

3 **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.

4 **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.

5 **Professional Behavior** to comply with relevant laws and regulations and avoid any action that discredits the profession.

[4] Our policy, which is consistent with the AICPA Code of Professional Conduct, defines a PIE as an entity that falls within any one of the following categories:

- A publicly traded entity whose auditor is subject to the provisions of Regulation S-X, SEC Rule 2-01, Qualifications of Accountants, that are applicable to auditors of issuers;
- An investment company, other than an insurance company product, that is registered with the SEC pursuant to the Investment Company Act of 1940 and the Securities Act of 1933;
- An entity, one of whose main functions is to take deposits from the public that:
  - Meets the annual audit requirement imposed by Part 363, Annual Independent Audits and Reporting Requirements, of the Federal Deposit Insurance Corporation's (FDIC) regulations (12 CFR Part 363); and
  - Has consolidated total assets of $1 billion or more as of the beginning of its fiscal year; or
- An entity, one of whose main functions is to provide insurance to the public, that:
  - Is subject to the National Association of Insurance Commissioners' Annual Financial Reporting Model Regulation (referred to as the "Model Audit Rule" or "MAR"); and
  - Has $500 million or more in annual direct written and assumed premiums.

Network Standards

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 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, we have adopted PwC's Global Code of Conduct, Network Standards and related policies that clearly describe the behaviors expected of our partners and other professionals-behaviors 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.

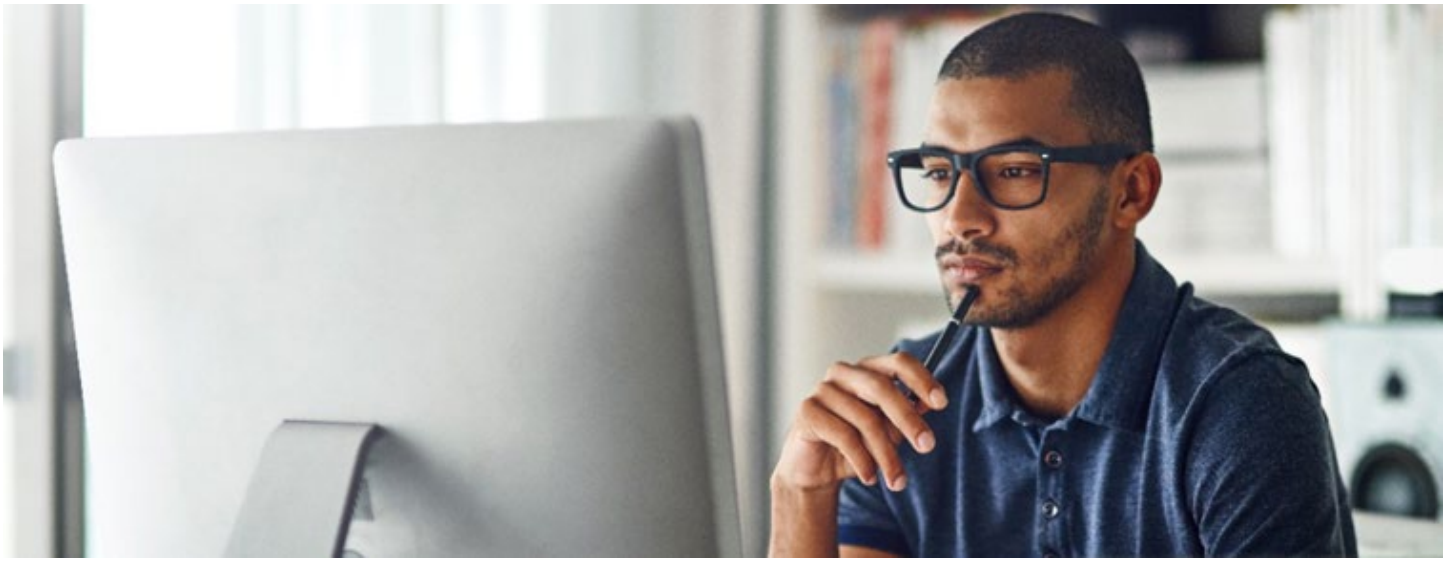
Upon hiring or admittance, PwC provides an overview of the PwC Global Code of Conduct and the expected behaviors for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility 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 behaviors 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 **Global PwC Code of Conduct**, the US companion **Our Standards** and the ethics helpline are available on-line for all internal and external stakeholders at **https://www.pwc.com/ethics**.

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

Finally, the Organization 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.



Independence compliance programs

As auditors, our stakeholders expect us to be independent in both fact and appearance to support our ability to exercise professional skepticism and draw objective conclusions. Our **Personal Independence at PwC site** provides an overview of PwC's personal independence requirements applicable to PwC partners, employees, third-party contractors, and their immediate family members.

Our independence compliance programs include systems and processes that support our people in maintaining independence, and when possible, leverage technology to automate important activities. These systems and processes include:

- recording and making available information about the entities for which independence is required for teams to be able to search which entities are restricted including the client name, affiliates and other client-related entities, securities, and assurance deliverables;
- reviewing for the permissibility of requested non-audit services for restricted clients prior to engagement, including involvement of independence specialists in certain situations;
- preclearing, recording, and maintaining securities and certain other financial arrangements of our professionals and their immediate family members, including an automated rules engine that determines whether the relationships are permitted or prohibited based on the restriction status of the entity and the current independence rules;
- automatically recording purchases and disposals of certain security transactions to assist our professionals in maintaining a complete and accurate portfolio of securities to be monitored;
- assessing the permissibility of proposed business relationships and monitoring the continued permissibility of previously-approved existing business relationships;
- centralizing and automating the gathering of certain information related to an independence assessment, including prior to acceptance of a new assurance engagement; and
- facilitating the process for obtaining advice on independence matters and documenting independence-related consultations.

Our independence systems and processes also support the monitoring of personal independence compliance, including documenting our professionals' annual confirmation of compliance, facilitating the process of sending engagement independence confirmations, generating the documentation necessary to evidence the confirmation process, and testing individual independence compliance. This includes monitoring the permissibility of investments for individuals required to maintain independence by comparing the time they charge to audit clients, including affiliates, to investments recorded by those individuals in the firm's system.

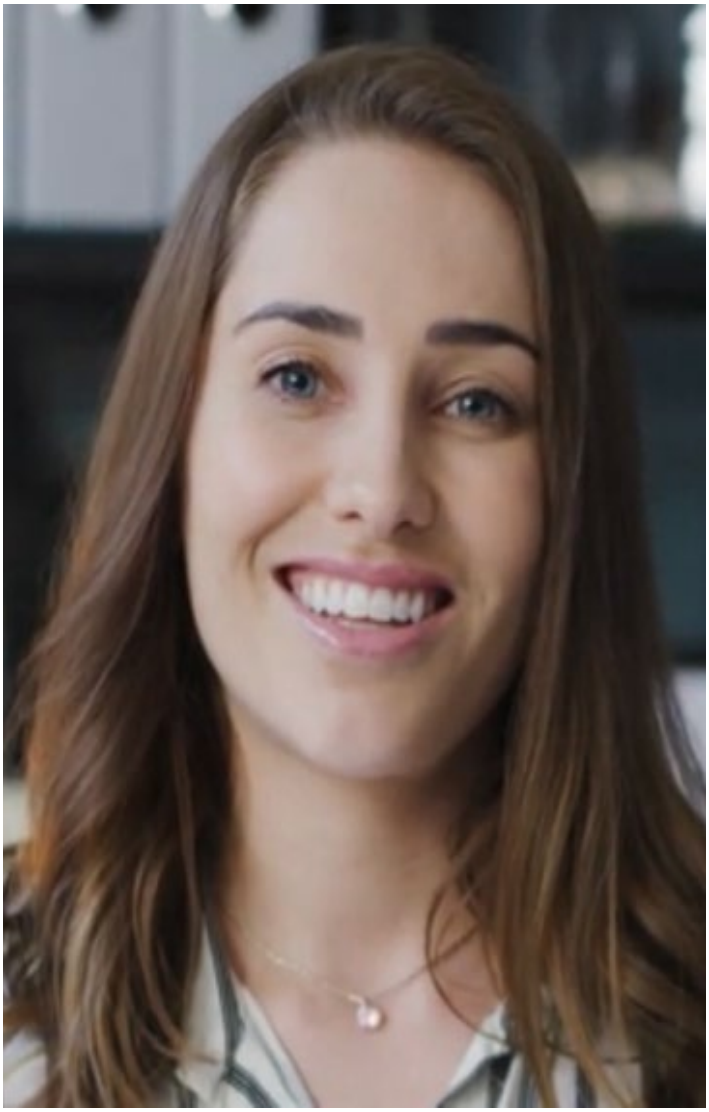
To further mitigate potential independence risk in the execution of non-audit services and to enhance audit committee pre-approval communications, our process for reviewing and authorizing certain non-audit services for SEC issuer audit clients includes:

- the review and assessment of the scope of services for permissibility by an independence specialist;
- the review of the related audit committee pre-approval communications, when certain criteria are met; and
- the performance of pre-engagement independence coaching sessions and independence in-flight reviews for certain engagements.

Our overall independence compliance programs consider independence in both fact and appearance and often go beyond regulatory requirements as they are designed to reinforce our purpose and values as well as to mitigate the risk of violations of the relevant rules and standards. We regularly consider our policies and update them accordingly based on changes in regulatory requirements or professional standards as well as other developments.

Our independence specialists, with the support of the ACs, assist our people by designing and overseeing the operation of our overall independence compliance programs, including consulting on independence-related matters, being available for when questions arise, and developing our independence training courses. In FY25, over 55,000 independence-related consultations and inquiries were completed with teams and individuals across the firm and at our ACs (approximately 38,000 in FY24)[5].

Our independence compliance programs periodically identify exceptions to our independence policies related to financial, service, and other relationships. These independence policy exceptions typically result from the inadvertent failure to follow the firm's processes. However, in some cases, they result from a service provided or relationship that existed during a period when the firm was not required to be independent or was subject to different independence requirements under which the service or relationship was not prohibited. For example, if management of a private audit client informs us of its decision to go public, in addition to evaluating the permissibility of ongoing services and relationships under the independence standards that apply to public companies, we assess the permissibility of previously completed services and relationships as appropriate under the independence standards.



When a potential exception is identified, the matter is analyzed with the firm's independence specialists to determine whether an exception to independence policy, rules, or standards has occurred. If it is determined that a violation of independence rules or standards has occurred, an analysis is completed to determine whether the firm remains objective and impartial. In certain situations, the firm and/or the firm's clients may consult with the regulator related to the matter. The nature of the violation, including its duration, the relevant mitigating factors, and the overall impact on the firm's objectivity and impartiality, are communicated in writing and discussed with those charged with governance at our audit client so that we can obtain their perspectives. If we or those charged with governance conclude we are not objective and impartial, we would not be able to continue the audit relationship.

We have an accountability framework that identifies specific actions and behaviors that are expected of our people to comply with independence policies and regulatory requirements related to financial, service, and other relationships. When exceptions occur, the accountability process involves multiple coaching discussions held with the partner or employee to reiterate the continued importance of maintaining independence, including additional training when needed. The framework includes consequences when exceptions occur, which may include financial impacts or may affect a partner's or employee's continued service or employment with the firm. These impacts are determined based on behaviors and circumstances that contribute to the firm's risk, including considering any recurring patterns or negative behavior. We remain focused on continually promoting awareness of the requirements and our policies, emphasizing the importance of compliance, and implementing processes, controls, and technology that facilitate compliance by our partners and employees.

[5] This includes independence-related inquiries submitted to dedicated partner support resources as well as questions submitted to our Compliance Resource Center, which is comprised of specifically trained individuals.

Our people

Independence training and confirmations

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

Partner rotation

On audits of SEC issuers, lead audit partners and quality review partners are required to rotate off engagements every five years, and certain other audit partners every seven years. Further, we maintain rotation policies for certain other partners and senior personnel on audit engagements not subject to the SEC rotation requirements.

The PwC Professional framework

This year we launched our revised **PwC Professional framework**, our global leadership development framework that provides a single set of expectations across our lines of service, roles, and territories. It assesses skills and competencies, expressed as observable behaviors and related impact across two dimensions–trusted leadership and distinctive outcomes. It also includes specific quality dimensions to guide our non-partner audit professionals in building critical skills and behaviors related to delivering audit quality such as professional skepticism, review and supervision, audit and/or attest skills, issues management, and accounting and financial reporting knowledge.

The performance of audit team members, excluding partners, is assessed against the dimensions of the **PwC Professional framework**. Each non-partner audit professional is aligned to a Development Leader who provides mentoring and career support through personalized quarterly discussion aided by performance data inclusive of the individual's progression against the dimensions.

Our revised **PwC Professional Framework** aligns to the launch of our Career Development experience, a cornerstone of our My+ strategy. Through enhanced tools and resources, the Career Development experience supports data-driven decision making and empowers Development Leaders to inspire their assignees' accelerated growth and development through meaningful and timely feedback. The experience is also expected to continuously improve based on feedback from our partners and people.

Apprenticeship, professional growth, and development

Our apprenticeship culture fosters continuous learning and teaching, providing our people with opportunities for growth, regardless of where or how they work. The composition of our audit teams provides newer team members the opportunity to work with more seasoned team members, which promotes meaningful on-the-job apprentice-style learning opportunities. Judgment is honed by observing how seasoned auditors approach issue identification, management, and resolution.

We continue to invest in our apprenticeship culture by providing our professionals with practical ways to establish strong team dynamics, develop others, and benefit from in-the-moment learning. In FY25, we enhanced training to reinforce the impact of apprenticeship and behaviors that drive audit quality and implemented facilitator-led, small group discussions designed to complement existing training for new reviewers. In addition, we emphasized more in-person time together through additional mandatory classroom training and organized in-person opportunities.

Technology and tools continue to support ongoing growth and development at all levels. This includes tools like **My Marketplace**, an AI-driven digital platform that connects people, skills, and opportunities across our firm.

To help provide a strong foundational start for all our first-year associates, their formal training takes into consideration the evolving expectations of associates. They begin at an in-person leadership program, which brings all our entry-level hires together in advance of multi-day technical training. This is followed by ongoing small group sessions that reinforce key learnings, enhance development, and drive quality. The first-year associate experience also supports our newest joiners in focusing their first year at the firm on building their network and honing their skills through client and project work as they receive ongoing feedback and coaching without the pressure of a peer-relative performance assessment at year-end.

There has also been significant focus and investments into the growth and development of AC audit team members. This includes our audit professionals completing strategic in-person work assignments while on secondment to ACs; engagement leader/team visits to ACs; alignment of training among audit professionals and AC audit team members to drive consistent teamwork, quality, execution, and skill enhancement; comprehensive programs to enable seamless collaboration; and more consistent well-being and developmental experiences.

Our audit workforce

Attracting, retaining, and developing top talent is fundamental to our ability to deliver quality services and help build trust. We are committed to delivering a meaningful experience that supports development for our people and the skills to serve their professional goals. Our people strategy is about maintaining an experience for our people in which:

- there is increased emphasis on growth and development;
- rewards and benefits are customized;
- well-being is stitched into our daily experiences; and
- there is flexibility to support our people as their lives and needs shift over time.

Our inclusion strategy enables us to foster a culture in which every individual feels they belong, can thrive, and have the opportunity to grow. Bringing people from different lived experiences and educational and professional backgrounds together fosters a strong diversity of thought and experience that enhances the quality and value of our work. It starts with an inclusive workplace that supports individual opportunities within the firm from recruitment to partnership.

Attracting talent

The pace of developments in standards and technology-combined with stakeholder expectations that are higher than ever–is transforming how we perform our audits and require that we bring together a team of individuals with diverse skills, backgrounds, and perspectives. Our recruiting efforts reflect these needs, and we continue to adapt how and where we source talent. We're also committed to taking action that benefits our profession and builds the future talent pipeline as an individual firm and as a member of the profession working with the Center for Audit Quality, the AICPA, and State Boards of Accountancy.

We continue to commit hours to existing and potential new activities to raise awareness of careers in accounting and auditing, including additional outreach at colleges and universities and new resources to increase student interest in accounting, such as our **Accountants have impACCT** video series and our **Destination CPA** program. We are also piloting the **Experience, Learn and Earn** integrated education and experience program from the AICPA and the National Association of State Boards of Accountancy.

Our hiring standards include a structured interview process with behavior-based questions built from The PwC Professional framework, an assessment of academic records, a review of relevant prior experience (if applicable), and background checks.

We support alternative pathways into accounting that build competency, preserve mobility, and help increase the number of aspiring professionals who attain their Certified Public Accountant (CPA) licenses. As part of our recruitment efforts, we have already invested in developing programs to increase interest in the profession and reduce barriers to obtaining a CPA license and will continue to do so. We also provide a variety of resources, including exam preparation materials, formalized group learning opportunities, and protected time to study, and we incentivize our people with a bonus to achieve their credential early in their tenures. Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Obtaining a CPA credential is an important element of a PwC audit professional's career progression and a prerequisite for promotion to audit manager.

Retention

Voluntary turnover in the public accounting profession can fluctuate based on several factors, including changes in external demand and competition in the market for jobs in accounting and auditing. The experience of our people can have a significant impact on voluntary turnover, and we remain focused and committed to our people strategy.

Global People Survey

In May of 2025, the PwC Network administered the Global People Survey, which among other components, measures the pride, advocacy, commitment, and overall satisfaction of our people (a measurement we call our People Engagement Index (PEI)). Many internal and external factors have the potential to impact our PEI; market demand for our talent and our total rewards and benefit programs are two factors that impact the commitment and overall satisfaction of our people. Our PEI has a substantial influence on how we define and adjust our people initiatives.

Continuing education

Learning that occurs through on-the-job supervision, review, and mentoring is supplemented through completion of in-person and virtual classroom courses and on-demand training programs. The way we deliver training continues to evolve to align with what audit work is done, by whom, when, and how. We reinforce the importance of learning to an individual's professional development, including providing our audit professionals with sufficient time to complete in-person and virtual training courses specifically targeted to their roles and experience levels. We also continue to increase the amount of in-person classroom opportunities for our people.

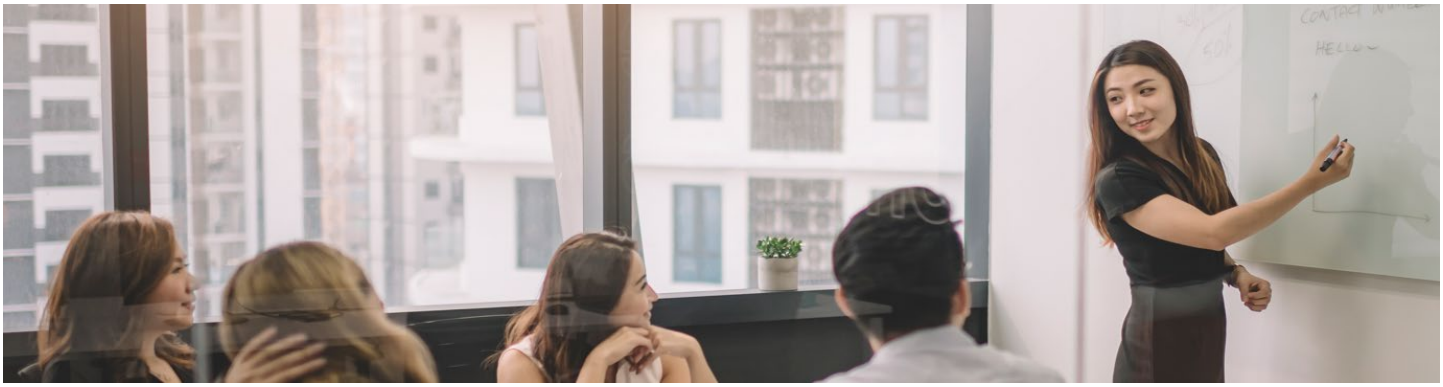
Our National Office Learning Team designs training that is responsive to developments impacting our audits, including:

- new accounting and auditing standards and financial reporting developments and consultations on accounting and auditing matters;
- observations from pre-issuance reviews and internal inspections, as well as PCAOB inspections and peer reviews;
- feedback from surveys and focus groups with audit team members; and
- other inputs related to monitoring quality, such as our analyses of quality drivers.

Our mandatory auditing and accounting training for audit professionals includes courses that address and integrate foundational auditing and accounting technical knowledge, PwC audit methodology, and interpersonal and strategic skills and use simulation-based activities for a more effective learning experience.

Our partners, managing directors, and directors/managers also receive sector-specific training and training related to new or revised professional standards and regulations and other practice or financial reporting developments, when applicable. AC audit team members are provided training that is aligned to the training provided to other audit team members performing in similar roles.

In addition, we offer audit team members training on non-technical topics, such as project management and issues management. Several years ago, we began digitally upskilling our workforce, building digital IQ regarding data wrangling, visualization and automation. We continue to provide numerous learning tools to support the digital acumen of our audit teams, expand the use of digital solutions (including AI) in audits, and foster a mindset of continual improvement and innovation.



Growth Centre, our new intelligent learning platform, aggregates mandatory, expected, recommended, and elective learning in one place along with an AI coach to answer questions about learning topics and suggest learning content tailored to individual goals, roles, and skills.

Completion of mandatory auditing and accounting training, as well as required annual independence, ethics, and compliance training, is a component of individual performance. Mandatory auditing and accounting training includes a learning assessment as part of the overall learning experience, as appropriate, which requires the participant to earn a passing score to be granted credit for course completion. We take steps to communicate and continually reinforce the understanding that assessments are required to be completed on an individual basis.

The amount of mandatory auditing and accounting training can vary from year to year based on a number of factors, including the issuance of new accounting and auditing standards.

Our audit professionals must meet the minimum continuing professional education requirements for licensure. The average annual training completed per audit professional significantly exceeds those minimum annual requirements. Failure to complete mandatory training or to achieve the minimum number of auditing, accounting, and ethics training hours for licensure can impact an audit professional's performance evaluation and compensation.

Our audit experience

We have an ongoing process to assess our audit approach, including the technology and tools used by our teams, so that it continues to align with our strategy and drive audit quality. In FY25, we took action to address various auditing, accounting, reporting, and other practice matters, including the following:

- Addressed accounting and auditing considerations related to new and developing areas, including the imposition of new tariffs and the ongoing evolution of trade policies, through guidance and training;
- Augmented procedures related to identifying and responding to fraud risks – including fraud inquiries, team discussions, and brainstorming related to fraud, whistleblower program evaluations, unpredictability procedures, and communications with audit committees;
- Expanded our GenAI capabilities with the introduction of a centralized collection of proprietary ChatPwC prompts and plugins, designed to assist our audit teams with day-to-day tasks such as document summarization and review preparation;
- Provided comprehensive guidance and resources to address the risks associated with AI and Gen AI in financial reporting and support responsible use of GenAI in the audit;
- Issued additional guidance and tools to facilitate communication with audit committees regarding matters, including the use of GenAI in the audit, potential risks of fraud, our evaluation of accounting policies, practices, and estimates, and matters related to independence;
- Introduced a new tool to streamline the drafting of engagement letters, reports, memos, and other documents to support the audit engagement;
- Enhanced our guidance, methodology and training to reinforce appropriate direction, supervision, and review throughout the audit;
- Developed new tools, guidance and training to support the implementation of new and revised audit standards, including the PCAOB's AS 1000, **General Responsibilities of the Auditor; and AS 2310, The Auditor's Use of Confirmation;**
- Introduced a new tool that uses a guided decision-tree to provide audit teams with quick answers to common questions using accounting, auditing, and reporting content in Viewpoint; and
- Refined existing audit guidance to further support consistency, for example, with respect to identifying significant accounts and disclosures and communicating with the audit committee regarding accounting policies, practices, and estimates.

Our audit teams

Our audit teams are composed of individuals who bring the right blend of technical capabilities and industry knowledge to deliver quality and value to our clients. In a complex, increasingly digitized business environment, this can also mean considering the convergence of industries, and our agile approach to assigning audit team members allows us to leverage our broad bench of audit professionals across industries as needed.

Our practice leaders use systems and processes to manage current and successor partners' portfolios, including understanding their skills and capacity to maintain audit quality as well as relevant rotation requirements.

With a continued focus on collaboration, we engage AC audit team members to perform an increasing amount of work in specific audit areas, allowing our audit professionals to focus on more complex or judgmental matters while managing workloads to meet the needs of and provide value-add insights to our clients.

Audit Center of Excellence

Audit professionals in our Audit Center of Excellence (COE) apply specialized skill sets to scope and complete procedures in certain areas of the audit and specific audit-related activities (e.g., the preparation of comfort letters).

COE audit professionals perform substantive and internal controls procedures in numerous audit areas, such as cash and cash equivalents, accounts receivable, accounts payable, investments, inventory, income taxes, payroll, and more. There are also sector-specific COE teams focused on areas including insurance premiums and claims, bank loans and deposits, and broker dealer revenues.

Quality review partners

Quality review partners (QRPs) and QRP assistants are a component of our quality control system. An individual serving in these roles must have the requisite technical knowledge, training, experience, and time to perform the role effectively.

QRPs and QRP assistants are involved in the most important aspects of the audit, including reviewing the audit plan, considering the firm's independence; evaluating the significant risks of material misstatement in the financial statements and our responses to those risks; and reviewing certain accounting, auditing, and financial reporting and disclosure matters.

Our audit process and technology

Our top-down, risk-based audit starts with obtaining an understanding of the company's industry and business, financial systems, processes, and internal controls. We combine deep, dynamic, tech-enabled analysis with the digital skills, industry and technical knowledge, and professional judgment of our audit teams to obtain this understanding and complete a data-driven risk assessment that guides the controls we select for testing and our substantive audit response. The timely involvement of more experienced audit professionals, including partners and managing directors, facilitates the appropriate consideration of materiality, audit risk, and planned response. Establishing audit planning milestones supports our audit teams in better allocating and managing resources and avoiding late surprises by performing audit work earlier in the audit cycle.

We conduct our audits following applicable auditing standards in order to obtain reasonable assurance regarding whether the financial statements are presented fairly, in all material respects. Although reasonable assurance is a high level of assurance, it is not a guarantee. An audit involves examining the underlying audit evidence, including information and reports provided by the company, on a test basis. In some circumstances, we also rely on – and for many companies, test and opine on – a company's internal control over financial reporting, which, due to inherent limitations, may or may not prevent or detect misstatements.

Today, our audit teams utilize Aura, the PwC Network's current, cloud-based audit platform to conduct all of our audits across the globe (more than 100,000 auditors across the PwC Network use Aura), driving quality and consistency on a world-wide basis. Aura enables sequential and intuitive audit planning and execution, leveraging embedded sector-specific content that drives consistency in execution.

We are designing, developing, and deploying next generation capabilities within and alongside our current audit technology, including new ways of securely ingesting, analyzing, and using data to deliver faster anomaly detection, earlier risk identification, deeper insights, easier collaboration with component teams, and more.

When needed, a network of professionals with advanced digital skills and training is available to support our audit teams in identifying and adopting the most impactful tools and automations for their engagement. Additionally, our unique technology-sharing platform, Digital Lab, enables audit team members to find, enhance, and share digital assets, including AI-driven automations, to enhance audit quality and efficiency.

Rooted in our rigorous risk and governance standards, our comprehensive suite of audit tools allows us to:

Exchange data faster with:

- sophisticated data acquisition capabilities and direct data feeds that securely extract, transform, and manage client data for assessment and analysis, eliminating handoffs and minimizing room for error;
- a global engagement workflow tool that facilitates the sharing of documents and deliverables securely and quickly; and
- real-time audit status dashboards that enhance transparency into audit progress.

Analyze deeper with:

- dynamic dashboards, visualizations, and process flowcharting that enable data-driven risk assessment and guided account scoping; and
- visualization and analysis of full populations of data to facilitate more focused analysis on outliers, trends, and risks.

Audit smarter with:

- improved project management dashboards that enhance monitoring and task prioritization;
- advanced automation that enhances the efficiency and effectiveness of our procedures, including the testing of information technology general controls, configurations, security, and key reports;
- automated document generation that provides a streamlined and simplified experience for drafting engagement letters, audit reports, and technical memos;
- efficient and interactive financial statement disclosure assessment capabilities;
- built-in digital checks that identify areas where audit documentation updates are needed; and
- sector-specific audit process enhancements.

Our audit teams also have access to GenAI capabilities that automate tasks and put information, data, and insights into their hands faster, including:

- ChatNational – a powerful, PwC-developed GenAI tool that uses Viewpoint, PwC's global research platform, to generate natural language responses to accounting, auditing, and reporting questions along with relevant Viewpoint search results, tools, training, and templates
- ChatPwC – a PwC-developed, intelligent assistant tool in a secure PwC environment where users can engage in diverse conversations and address a vast range of topics–our prompt library includes widely used prompts to provide quick solutions at scale
- Microsoft's M365 Copilot – an AI-powered assistant designed to help with a wide range of tasks, from summarizing important documents and meeting action items to generating first drafts of emails and deliverables

Data security

Our standards of behavior emphasize the importance of integrity and require our people to protect the confidentiality of client data and information. Our information security policies outline controls with which every partner and employee must comply in using or building technologies to support the audit. We use security technology and processes so confidential data is shared only on a need-to-know basis. Our Security Operations Center is tasked with monitoring and managing the global security systems that establish the security of firm and client assets and data. Teams of highly skilled professionals are focused on threat detection and response around the globe.

Specialists

Our audit teams utilize our broad network of multidisciplinary specialists to better understand our clients' businesses, identify and address relevant risks, stay informed on developing matters, and obtain insights related to the audit. Our teams combine experience across a broad range of capabilities to address various accounting and auditing areas, for example, the potential impact of complex income tax matters; valuation processes related to the use of fair value in financial reporting; information technology innovations; cybersecurity threats; and forensic investigations.

National Office

Our National Office is organized by technical competencies and aligned to the industries in which our clients operate, enabling these resources to effectively bring specialized knowledge and experience in a broad range of technical accounting, auditing, and financial reporting matters to audit teams and clients across all industries. National Office resources provide informed perspectives on client-specific matters, play an active role in standard setting and regulatory activity, and deliver thought leadership to our stakeholders. These resources, with the support of the ACs, are also responsible for keeping our policies and guidance in these areas current. Our policies identify matters that require National Office consultation and are updated as appropriate. Additionally, audit teams are encouraged to voluntarily consult with the National Office whenever they believe they could benefit from additional insights. In FY25, our National Office conducted thousands of consultations with our audit teams on the application of auditing and accounting standards to client-specific facts and circumstances. In the event an audit partner initially has a different view than the National Office consultant, a resolution process provides guidance for elevating the discussion until a firm position on the matter is reached.

The ratio of our partners/managing directors serving in technical support roles to the total number of audit partners/managing directors is based on our periodic evaluation of our technical support resource needs and leverage model and is intended to ensure sufficient, quality technical resources are available for our audit teams. This ratio also reflects the resources needed to prepare guidance, policies, and publications to address new accounting and auditing standards or other developments impacting financial reporting.

Chief Auditor Network

Our Chief Auditor Network provides our audit teams with on-the-ground support focused on advancing audit quality. They leverage their in-depth knowledge of our methodology and their sector-specific auditing experience to support the design of effective and efficient audit approaches, by providing advice through consultations with audit teams, performing targeted outreach to audit teams addressing quality reminders and recent developments, facilitating training and interactive sessions with audit teams and ACs, and supporting the internal and external inspections processes.

Through these activities, the Chief Auditor Network helps drive audit quality and provides leaders with insights on the practice environment and overall trends in the performance of our audits.

Quality Management Network

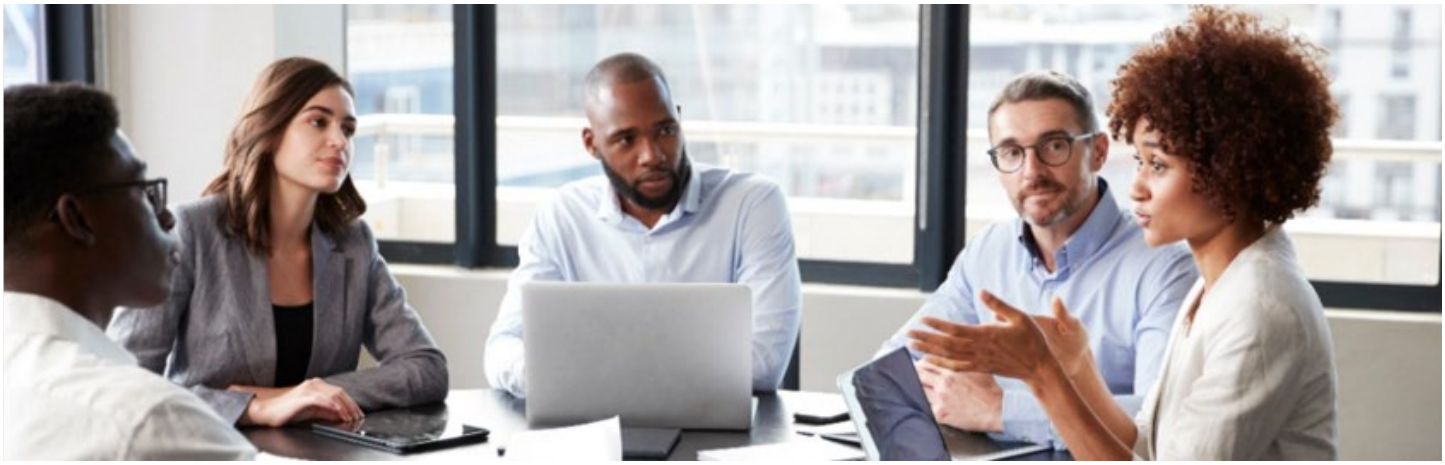
Our Quality Management Network comprises more than 120 experienced audit partners serving in local, sector, and national roles in support of our audit practice. Quality Management audit professionals are responsible for the design, development, and administration of our Quality Management policies and guidance.

The design of the Quality Management Network allows the Quality Management partners to provide support to audit partners and teams as they navigate complex issues with our clients and other stakeholders. A Quality Management partner is assigned to each audit partner and assists in assessing risks (including whether to undertake or continue an audit engagement) and applying the firm's quality management policies. Audit teams are required to consult with Quality Management on a variety of topics, including specific circumstances related to the determination of materiality, evaluation of errors, potential illegal acts, going concern considerations, and lead auditor considerations. Given the levels of collective experience, audit teams are encouraged to consult with Quality Management when they become aware of complex matters to evaluate the risks, consider the potential impact, and gather insights even when consultation may not be required.

Assurance Quality Advisory Committee

Specialists

Our independent Assurance Quality Advisory Committee (AQAC) provides perspectives and advice to our leadership team on aspects of the business, operations, culture, governance, system of quality management, and risk management approach that are reasonably expected to impact audit and assurance quality. The AQAC regularly discusses matters related to audit quality and our system of quality management. This includes recent inspection results and trends, consultation themes, our investment in AI, the role AI plays in the audit, our plans to address new standards and rules, and the evolution of our people and talent strategy. The AQAC continues to provide perspectives with respect to the standard setting and regulatory environment and our business/growth strategy. The establishment of the AQAC in 2020 made us the first firm with both a board that includes external members and an independent advisory committee focused on quality.



Assurance Quality Advisory Committee

Our system of quality management

Our system of quality management is designed to meet the requirements of the PwC Network's QMSE framework (which includes the requirements of ISQM 1) as well as the relevant quality controls standards of the PCAOB and AICPA.

Those assigned ultimate responsibility and accountability for our system of quality management evaluate and conclude on an annual basis as of March 31 whether it provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved. Annually, certain firm leaders, including our Senior Partner and Assurance Leader, sign a certification as to the design, evaluation, and disclosure of information related to our system of quality management, including procedures related to ethics and independence. This evaluation and certification are supported by functional leaders and control owners who complete internal certifications related to the controls for which they are responsible. The purpose of this evaluation and certification is to acknowledge (1) their responsibility, (2) whether they are aware of any exceptions in the design or operation of their controls that could impact reasonable assurance, and (3) their understanding that other leaders within the firm are relying upon these certifications to conclude on the overall effectiveness.

Our most recent annual evaluation concluded that as of March 31, 2025, our system of quality management over our audit practice is designed appropriately and operating effectively to provide reasonable assurance that the quality objectives prescribed by the relevant quality control standards, including ISQM 1, and the PwC Network's QMSE framework have been achieved. The design and operating effectiveness of our system of quality management over our audit practice is tested annually by our Inspections Group.

Leveraging technology and data, we take a proactive, risk-based approach to designing and operating our system of quality management to achieve our quality objectives. Our system operates in a continual and iterative manner and is designed to be responsive and resilient to changes in the nature and circumstances of the firm and developments in the auditing environment and the regulatory landscape. We also continue to invest in and reimagine our system of quality management to capitalize on the rapid technological change and changing business environment, including harnessing data and using technology to monitor audit quality on a real-time basis.

The evolution of our system of quality management has positioned us well to adapt to future regulatory developments, such as the PCAOB's new quality control standard, QC 1000. We have made substantial progress in our implementation of QC 1000 with ongoing oversight from Assurance leadership and expect to pilot many of the provisions of the new standard during FY26 prior to our adoption, which will occur on or before the effective date of December 15, 2026.

During this pilot period, we will continue to comply with and evaluate our system of quality management under currently effective standards.

Our system of quality management identifies risks and includes controls in the following functional areas:

- Organizational structure, including tone at the top and leadership's responsibility related to quality
- Independence, integrity, and objectivity
- Practice environment
- Personnel management, including training, assignment, and evaluation
- Acceptance and continuance of clients and engagements
- Engagement performance, including technology used in our audits and review and supervision
- Participation by Network firms
- Engagement partner and QRP assignments
- Monitoring, including internal inspections and root cause analyses of results
- Administration, including design and maintenance of quality management policies and procedures

Pre-issuance reviews

One way we monitor quality is to review audit work on certain audit engagements prior to the issuance of their respective audit reports. Our pre-issuance reviews provide audit teams with timely feedback that can be incorporated into audits prior to the completion of fieldwork, and the results are considered as part of our continuous improvement process.

Each year, we reassess the scope and areas of focus of these reviews, considering factors such as changes in professional, regulatory, and/or firm policy requirements; recent inspection results; macroeconomic considerations; the results of other monitoring procedures; our analyses of quality drivers; and knowledge gained by those charged with supporting audit teams' quality efforts.

An individual engagement may be selected for one or more pre-issuance reviews in a cycle. For example, in FY25, consistent with the prior year, certain of the selected engagements were subject to two pre-issuance review programs, with one focused on planning procedures and the other on execution-related audit activities.

Internal inspections of completed engagements

Our internal inspections program assesses audit and attest engagements' compliance with firm policies, procedures, and applicable professional and regulatory standards. The selected engagements are inspected after issuance of their respective reports.

Under the firm's internal inspections program, audit and attest engagement partners are generally selected for inspection every three to five years. Overall, the engagement selection process results in a sample of audit and attest engagements that is representative of our audit practice (e.g., sector, geography, size) and meets or exceeds the requirements in the applicable quality control standards. The internal inspections program is generally conducted from March through August each year and includes both issuer and non-issuer audit engagements as well as attest engagements. In each of our 2023, 2024, and 2025 internal inspection cycles, we performed reviews of more than 200 audit and attest engagements.[6]

The number of inspections performed within a cycle varies based on several factors including but not limited to: (1) application of partner review frequency policies, (2) nature, timing, extent, and results of previous monitoring activities, and (3) unpredictability.

The Inspections group oversees all aspects of the internal inspections program, including its design and execution. This group, along with support from audit professionals and specialists (if applicable) with relevant sector or technical experience, executes the annual inspections. Approximately 1,000 partners and professional staff participated as reviewers in the most recent internal inspections cycle.

The Inspections group communicates inspections observations and results to the audit practice and works with other groups in the National Office and firm leadership to provide input into (1) the identification of potential causal factors for inspection observations and (2) the development of actions we could take to continue to enhance quality.

External inspections

PCAOB inspections of our public company audit practice provide a data point for audit quality and represent an important check on our internal monitoring and assessment processes.

As the PCAOB states in the most recent inspection report, its "selection of audits for review does not constitute a representative sample of the firm's total population of issuer audits;" therefore, the results cannot be used to draw conclusions about the frequency of deficiencies throughout a firm's portfolio. The PCAOB's approach is designed to be weighted toward targeting items of interest to their regulatory purposes. There are inherent differences in the purpose and methods used by the PCAOB to select audits for inspection compared to those used for our internal inspections.

The most recent inspection report on our audit practice is dated February 26, 2025 (our "2024 PCAOB Inspection Report") and describes the results of the PCAOB's 64 (or approximately 4% of our issuer audits) inspections primarily of 2023 audits. [7]

[6] The number of reviews performed in each inspection cycle has been updated to include broker dealer and employee benefit plan audits as well as engagements performed under the AICPA and PCAOB attestation standards.

[7] Information included in this report related to the PCAOB's inspection reports are based on the information presented in the inspection reports publicly available on the PCAOB's **website**.

Part I.A of the PCAOB Inspection report

Part I, which is the public portion of the PCAOB Inspection report, contains an overview of the inspection procedures and observations on the engagements inspected. Part I.A includes discussion of deficiencies in certain issuer audits that were of such significance that the PCAOB believes that we had not obtained sufficient appropriate audit evidence to support our opinion(s) on the issuers' financial statements and/or internal control over financial reporting.

Number of PCAOB-inspected audits included in Part I.A

Year	Inspections[8]	Audits included in Part I.A
2024	64	10
2023	58	10
2022	54	5
2021	56	2
2020	58	1

Based on our analysis of potential contributing factors to the deficiencies included in Part I.A of our 2024 PCAOB Inspection Report, we did not identify a systemic issue or broader issue in a particular audit area. Nonetheless, we took prompt actions to assess and respond to the nature of the matters identified, and we continue to monitor, assess, and respond to feedback to maintain and further enhance audit quality. We have reinforced to our teams the importance of careful preparation of audit work and the appropriate level of direction, supervision, and review throughout the audit. We have also emphasized the importance of in-person experiences and apprenticeship.

The PCAOB's 2025 inspection cycle (generally covering 2024 year-end audits) is substantially complete. Based on the most current information, we are anticipating a lower number of Part I.A, Part I.B, and Part I.C deficiencies in our 2025 PCAOB Inspection Report. These results are consistent with our culture of quality, our commitment to continuous improvement, our investments, and the dedication of our people.

Part I.B of the PCAOB Inspection report

Part I.B of the PCAOB Inspection report includes certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those for which the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). Part I.B of our 2024 PCAOB Inspection Report includes deficiencies related to various requirements of the PCAOB, including instances when we reported in writing to the audit committee that there were no significant deficiencies, which although factual, is precluded by AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with **An Audit of Financial Statements, and AS 1305, Communications About Control Deficiencies in an Audit of Financial Statements.**

[8] Includes one, two, and six interim reviews inspected by the PCAOB for 2023, 2021, and 2020, respectively, none of which were included in Part I.A.

Part I.C of the PCAOB Inspection report

Part I.C of the PCAOB inspection report includes instances of what the PCAOB report refers to as "apparent non-compliance with SEC and certain PCAOB rules related to independence," identified through our own compliance procedures or the PCAOB's inspections. Part I.C of our 2024 Inspection Report covers the period from April 1, 2023 to March 31, 2024 and includes eight PCAOB-identified instances in 63 audits reviewed and 144 instances across 67 issuers identified through our own compliance procedures ("firm-identified").

The majority of the firm-identified instances (100) related to financial relationships, including investments in and other financial relationships with an audit client, including its affiliates. Based on the total volume of financial relationships entered into our systems for pre-clearing, recording, and maintaining securities and certain other financial arrangements during the period covered by Part I.C, less than 1% resulted in a firm-identified instance of non-compliance. In addition, 27 of the firm-identified instances related to audit committee pre-approval, of which 22 related to a service provided over multiple years for one issuer.

As acknowledged by the PCAOB in Part I.C, we have evaluated the instances noted within that section. For each, the firm and the relevant audit committee determined that the firm's objectivity and impartiality were not impaired. In reaching conclusions about our independence, we follow the processes described on page 10.

We continue to review and make enhancements, as appropriate, to our independence compliance programs and related training and guidance based, in part, on our analysis of identified instances of noncompliance.

Part II of the PCAOB Inspection report

Part II of the PCAOB inspection report reflects observations identified during the PCAOB's review of certain practices, policies, and processes related to our system of quality control. The Sarbanes-Oxley Act mandates that Part II not be made public if a firm addresses the quality control observations to the PCAOB's satisfaction within 12 months of the date of the Inspection report.

The PCAOB has not notified us of its determination of how we addressed the quality observations contained in Part II of our 2021 Inspection Report, 2022 Inspection Report, and 2023 Inspection Report. The 12-month period expires on February 25, 2026 for our 2024 Inspection Report.

Peer review

Our most recently completed peer review was conducted by Grant Thornton LLP for the year ended June 30, 2024 and covered audit and attest engagements that are not subject to permanent PCAOB inspection. In the peer reviewer's opinion, the system of quality control in effect for the firm's accounting and auditing practice applicable to engagements that are not subject to PCAOB permanent inspection for the year ended June 30, 2024 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. The firm has received a peer review rating of pass. The report is publicly available on the AICPA **website**.

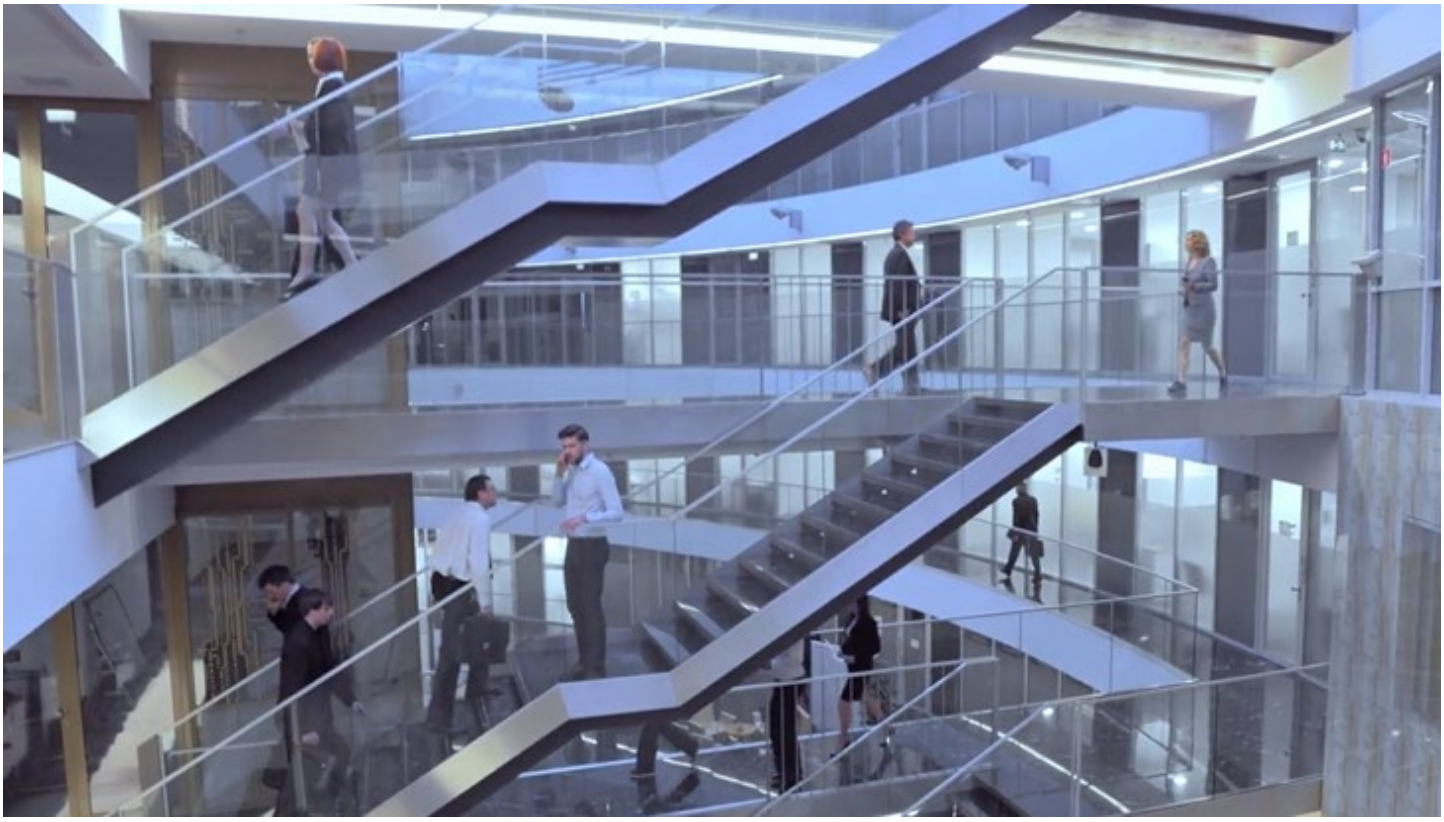
Analyses of quality drivers

As part of our formal efforts to identify the root cause of identified audit deficiencies, we perform a root cause analysis of audits with and without deficiencies identified through internal and external inspections. As part of a robust and mature process, a dedicated team of reviewers from our National Office who are independent of the engagement team identifies and considers factors relevant to technical knowledge, supervision, review, and professional skepticism as well as factors related to other elements of our system of quality management that may have contributed to audit quality. These potential causal factors are identified by reviewing audit workpapers, including the review of guidance and tools/templates, performing interviews, as well as evaluating certain characteristics related to the engagement and certain members of the engagement team.

In addition, we analyze vast amounts of data for audits with and without deficiencies to identify whether certain factors may correlate to audit quality. Examples of this data include the hours incurred on the audit, whether the client recently undertook an initial public offering, whether key engagement team members are in the same sector as the client, the number of years that key engagement team members have been on the engagement, the number of other audits the engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was planned and performed. The results of these analyses are communicated to Assurance leadership and used to identify actions that may be useful to implement across all or certain elements of our practice to enhance audit quality and improve our system of quality management. Further, we monitor progress, including the effectiveness of the actions we take, and make further adjustments or implement new actions as appropriate.

We continue to explore ways to enhance our root cause analysis. We have found that, by leveraging technology in our analyses and continually enhancing our efforts to monitor progress, we are able to identify potential causal factors and appropriate actions earlier and to a greater level of precision–driving appropriate change more rapidly and effectively.

Structure and ownership



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 that are separate legal entities.

PricewaterhouseCoopers International Limited

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 PwCIL, an English private company limited by guarantee. PwCIL does not practice 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 coordinate 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 the resources and methodologies of the PwC Network are made available to them. 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 agree 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 that contain “PricewaterhouseCoopers;” however, there is no ownership by PwCIL. A member firm cannot act as an 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 any member firm’s exercise of professional judgment.

The governance bodies of PwCIL are:

- The Global Board, which represents the interest of all members of the PwC Network, has overall responsibility for the governance of PwCIL and the PwC Network and for the oversight of the Network Leadership Team.
- The Network Leadership Team sets the strategy and standards for the PwC Network.
- The Strategy Council, which is made up of the senior partners of some of the largest PwC firms, agrees on the strategic direction of the Network and facilitates alignment for the execution of strategy.
- The Global Leadership Team, which reports to the Network Leadership Team, is responsible for key service line and functional areas across the PwC Network.

Legal structure and ownership of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP provides audit, assurance, and certain advisory services and is registered with the PCAOB to perform audits of US public companies and SEC-registered broker dealers. PricewaterhouseCoopers LLP is a Delaware limited liability partnership. PricewaterhouseCoopers LLP is owned by PwC US Group LLP and individual partners and principals who actively participate in its business.[9]

In the United States, each of PricewaterhouseCoopers LLP, PwC US Group LLP (and its primary subsidiaries), and PwC USA LLP are member firms of PwCIL. Services to clients are provided by the subsidiaries of PwC US Group LLP, including the entities listed below (the "Related Entities"):

- PricewaterhouseCoopers LLP
- PwC US Consulting LLP
- PwC US Business Advisory LLP
- PwC US Tax LLP

PwC US Group LLP and its Related Entities also are organized under Delaware law, and each is a separate and distinct legal entity. The partnerships provide distinct and complementary services, including audit and assurance, tax, and advisory services. Each of the Related Entities is separately capitalized and has its own Executive Board and Chief Executive Officer. PwC USA LLP has certain responsibilities for cross-functional coordination and oversight of the PwC US entities. PwC USA LLP has no ownership interest in PwC US Group LLP or its subsidiaries.

[9] PwC US Group LLP is also a Delaware limited liability partnership and is owned by its partners and principals who actively participate in its business or the business of its primary subsidiaries. A partner is a CPA while a principal is not. Only CPAs may sign an audit opinion or perform any other function reserved by law or by the firm solely to CPAs. Partners and principals are alike in most other aspects.

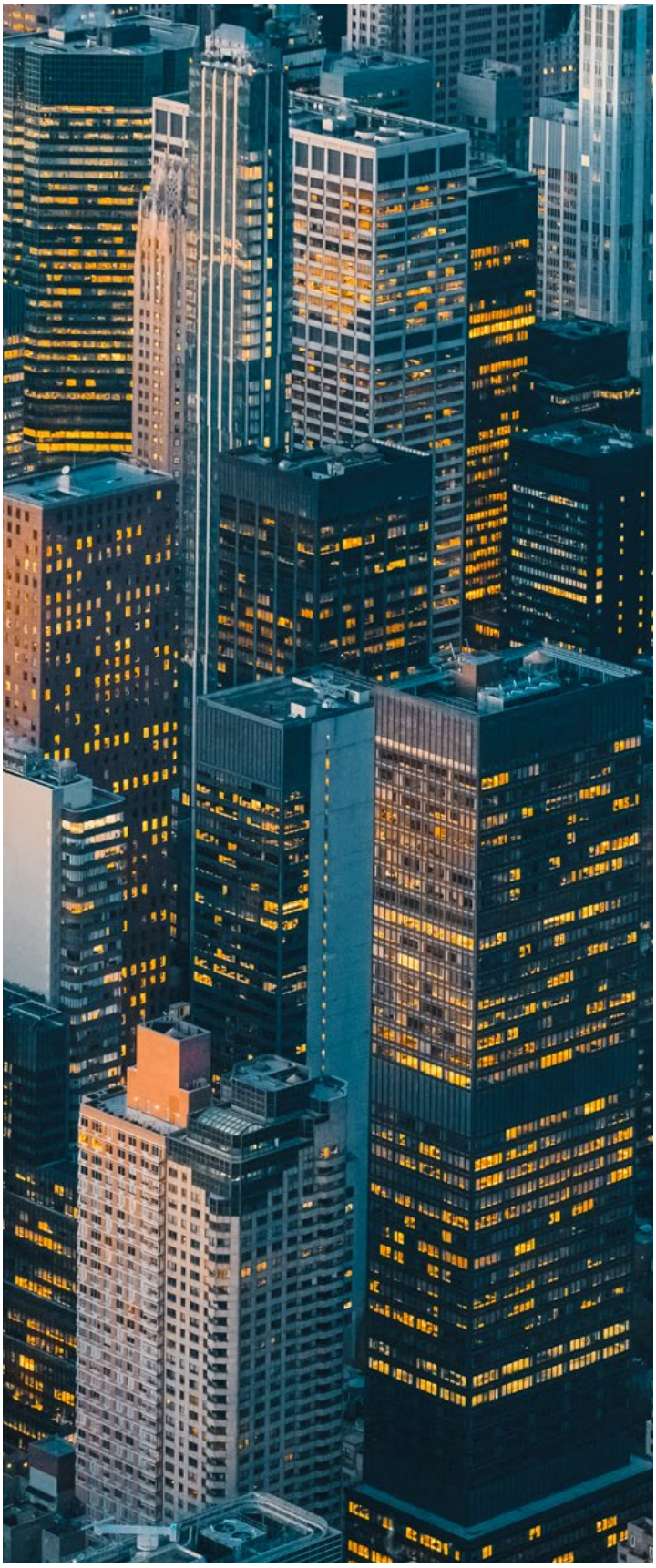
The PwC USA LLP Senior Partner, elected by US partners and principals, manages the firm's overall strategy pursuant to the powers delegated by the firm's partners and principals, and works in concert with an **Operating Committee** appointed by the Senior Partner. The Senior Partner of PwC USA LLP is also the Senior Partner of PwC US Group LLP.

The Senior Partner of PwC US Group LLP appoints the members of the PricewaterhouseCoopers LLP Executive Board, subject to the approval of the partners and principals of PricewaterhouseCoopers LLP. The PricewaterhouseCoopers LLP Assurance Leader and a majority of its Executive Board are CPAs. The PricewaterhouseCoopers LLP Executive Board has the authority, among other things, to approve the admission of partners and principals to the firm, require the withdrawal of partners and principals from the firm, and approve the firm's financial statements (subject to any other applicable approvals).

The Practice Quality Committee (PQC) of PwC US Group LLP is responsible for professional quality oversight of the firm and the Related Entities. With respect to PricewaterhouseCoopers LLP, the PQC is responsible for oversight of the audit, attest, and other public accountancy services, including whether the services are performed in compliance with professional standards and applicable laws. The PQC also has oversight responsibilities related to PricewaterhouseCoopers LLP's system of quality management.

PricewaterhouseCoopers LLP is licensed to practice public accountancy in all 50 states and certain other US jurisdictions. In addition, PwC US Group LLP, PwC US Tax LLP, and PwC US Business Advisory LLP are also licensed to practice public accountancy in various jurisdictions.

The Assurance management team, led by the Assurance Leader, establishes and implements the strategy for the PricewaterhouseCoopers LLP Assurance business. Certain members of PricewaterhouseCoopers LLP's Executive Board and management team, including the Assurance Leader, also sit on the PwC US Group LLP Operating Committee and Executive Board. The PwC US Chief Commercial Officer has oversight of each line of service leader. The Senior Partner and Assurance Leader are responsible for the establishment and maintenance of PricewaterhouseCoopers LLP's system of quality management as a whole. Income-at-risk provisions have been signed by the most senior members of our Operating Committee, including the Senior Partner, Chief Operating Officer, Chief Commercial Officer, Chief Financial Officer, General Counsel, Assurance Leader, Tax Leader, and Advisory Leader. The income-at-risk provisions are expected to apply in circumstances such as pervasive and significant firm-level incidents, for example, significant breakdowns in the system of quality management.



Operating Committee as of July 1, 2025

Member	Title
Paul Griggs	PwC US Senior Partner
Roz Brooks	Public Policy Leader
Deanna Byrne	Assurance Leader
Krishnan Chandrasekhar	Tax Leader
Tyson Cornell	Advisory Leader
Kristin Francisco	Chief Operating Officer of Assurance
Tim Grady	Chief Operating Officer
Kathryn Kaminsky	Chief Commercial Officer
Jennifer Kennedy	Chief Operating Officer of Tax
Jenny Koehler	Chief Operating Officer of Advisory
Kristin McHugh	Chief Marketing and Communications Officer
Emmanuelle Rivet	Chief Risk Officer
Yolanda Seals-Coffield	Chief People & Inclusion Officer
James Shira	US and Global Chief Information Officer
Zach Stern	General Counsel & Chief Administrative Officer
Michael Thiessen	Chief Clients & Markets Officer
Darin Wettengel	Partner Affairs Leader
Colin Wittmer	Chief Financial Officer
Matt Wood	US and Global Commercial Technology & Innovation Officer
Farhad Zaman	Chief Network Officer

List of public interest entities

A list of the EU/EEA Public Interest Entities (defined as those incorporated outside of the EU/EEA that have transferable securities listed on a EU/EEA regulated market) for which we carried out a statutory audit during the year ended June 30, 2025 can be found below:

Public interest entities
Adtran Holdings Inc.
Bank of America Corporation
Ford Motor Company
JPMorgan Chase & Co.
MBIA Global Funding, LLC
Mercedes-Benz Finance Canada Inc.
Mercedes-Benz Finance North America LLC
Merck & Co, Inc.
Mondelez International, Inc.
Noble Corporation plc
Schlumberger Limited
SPDR Dow Jones Industrial Average ETF Trust
The Goldman Sachs Group, Inc.
Toyota Motor Credit Corporation

Financial information

Revenue disclosures required by Article 13 Item 2(k) are as follows:

US firm gross revenue for year total (ended June 30, 2025 in millions USD):

Audit Revenues earned by EU/EEA Public Interest Entity audit clients	212
Audit Revenues earned by UK Public Interest Entity audit clients	166
Audit Revenues earned by all other audit clients	5,665
Non-Audit Services Revenues earned by EU/EEA Public Interest Entity audit clients	1,435
Non-Audit Services Revenues earned by UK Public Interest Entity audit clients	100
Non-Audit Services Revenues earned by all other clients	17,451
Gross Revenue	25,029

US gross revenue mix – by segment:

Assurance	26%
Tax	24%
Consulting	50%

PwC Network revenue

Total turnover achieved by statutory auditors and audit firms from EU/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 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 June 30, 2025.

EU EEA member firms

The table below is a list of audit firms and statutory auditors within the Network i.e., from EU or EEA Member States as of June 30, 2025 (firms with an asterisk at the end of their names are as of December 31, 2024).

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 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.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de 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

Thank you

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