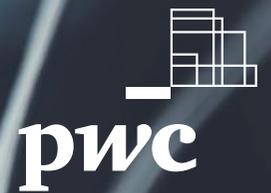


2022 PwC Korea Sustainability Report

Accelerating the Pace of Change



Contents

02	CEO Message	30	Sustainability Areas
04	Our Special Focus	31	PwC Korea's Sustainability Management
05	Our Global Strategy - The New Equation	33	Responsible Business
07	Enabling Our People	42	Environmental Stewardship
11	Our Net-Zero Journey	45	Our People
15	About PwC Korea	56	Social Impact and Contribution
16	FY22 Highlights	60	Appendix
17	About Samil PwC	61	Performance Data
19	About PwC Consulting	66	ESG Index
20	About PwC Network	69	ESG Framework
21	PwC Korea Service Platforms	71	Thought Leadership
24	Sustainability Foundation		
25	Governance Structure		
27	Stakeholder Participation		
28	Materiality Assessment		

About This Report

Overview ▶ 「2022 PwC Korea Sustainability Report」 is the sustainability report published by PwC Korea for the second time. PwC Korea aims to transparently disclose its efforts to fulfill its role and responsibilities as a member of society and communicate with stakeholders.

Reporting Standards ▶ This report has been prepared in reference to the reporting principles of the GRI (Global Reporting Initiative) Standards and is written according to the Professional & Commercial Services industry standard of SASB, which is a sustainability accounting standard. Financial performance is presented based on the Korean Generally Accepted Accounting Principles (K-GAAP).

Reporting Period ▶ The report highlights major activities and achievements from July 1, 2021 to July 30, 2022 (FY22). It also includes achievements from the second half of 2022 to enhance the continuity of reporting and understanding of the readers. For performance data, the figures for the past three years (FY20-FY22) are provided to enable year-on-year trend analysis.

Reporting Scope ▶ PwC Korea is comprised of Samil PwC, PwC Consulting, PwC Customs Services Corporation, Samil Tax Corporation, and Samil Future Foundation. The scope of reporting information includes all of PwC Korea, and for non-financial performance applicable only to certain entities, it is indicated separately in the text that it is the performance of the corresponding entity. PwC Korea's performance data in the area of ESG (pages 61-65 of this report) has been prepared by each entity.

Contact ▶ Please contact the ESG Platform team (kr_esgplatform@pwc.com) for any inquiries regarding the report.

Samil PwC, PwC Consulting, PwC Customs Services Corporation, and Samil Tax Corporation participated in the production of this report as a respective independent PwC Network Firm.

CEO Message



Dear valued stakeholders of PwC Korea,

The financial year of 2022 was a year in which the world worked together to respond to an increasingly unstable social and economic environment due to various events such as the Ukraine War, the COVID-19 pandemic, inflation, and supply chain collapse.

PwC Korea, as one of the 152 member firms belonging to the PwC Network with over 328,000 professionals, has been exploring various ways to fulfill our role as a 'Community of solvers' to solve challenges faced by companies and society, with a focus on 'The New Equation' for success. In rapidly changing business environments, we have provided one step higher solutions to customers by adding digital capabilities to our profession across all lines of service including audit, tax and financial advisory, and consulting so that we can contribute to the continuous success of the Korean economy, knowing that a requirement for increasing sustainability is the trust between our stakeholders.

Focus on quality and innovation

PwC Korea's experts are enhancing their digital capabilities to the level where they can 'Learn', 'Work', 'Share', and ultimately 'Realize' new services using digital tools. The integration of existing services with digital technology has shown concrete results in saving 172,677 hours in the audit process during 2022 as well as increasing service quality and efficiency.

We also manage a service platform that provides integrated solutions for hot issues in recent corporate management and economics such as ESG, unicorn companies, business inheritance, deals, risk verification, and variety of customized management services. We provide advanced information and services through sharing the experiences and know-how of PwC experts worldwide.

Focus on people

The key to taking responsibility for the sustainability of a professional organization is 'retaining talent.' PwC Korea, through significant investment in people, fosters a culture of respect and collaboration among employees, opens up new



challenges, and encourages employees to reach their full potential. To this end, we have developed a People Strategy comprised of three focus areas: Culture, Development and Empowerment and strive for a healthy organizational culture that respects diversity through proactive communication. As part of these efforts, we have formed the Culture Change & Communication (CCC) team under the CEO to initiate activities to promote innovative organizational culture that engages both the Millennial Generation and Generation Z.

Focus on society

PwC Korea is actively engaged in responding to climate change and in fulfilling social responsibilities to extend positive impact on the environment and communities around us. In 2019, we joined RE100 with PwC Network, and in 2020, we declared Net-Zero, aiming to reduce carbon emissions by 50% by 2030, and we are voluntarily participating in efforts to respond to climate change. As a result, we are the first accounting firm in Korea to have achieved K-RE100, and to have offset more than 20,000tCO₂e of carbon emissions to date. Through the Samil Future Foundation, we also plan to create a virtuous cycle for sustainable growth in our society by improving the educational environment for young people who will lead Korea's future and by conducting a variety of projects to increase the accounting transparency of public service corporations.

Dear valued stakeholders,

PwC Korea actively embraces rapid changes in the business environment and continuously invests in them to make them our competitive advantage. Our achievements of innovation will serve as an opportunity for the industrial ecosystem to mature in long-term and contribute to the growth of stakeholders working with us such as employees and business partners, and ultimately result in sustainability of our environment and society. We ask for your support for PwC Korea's efforts towards this goal.

Thank you.

Hoonsoo Yoon

PwC Korea
Territory Senior Partner



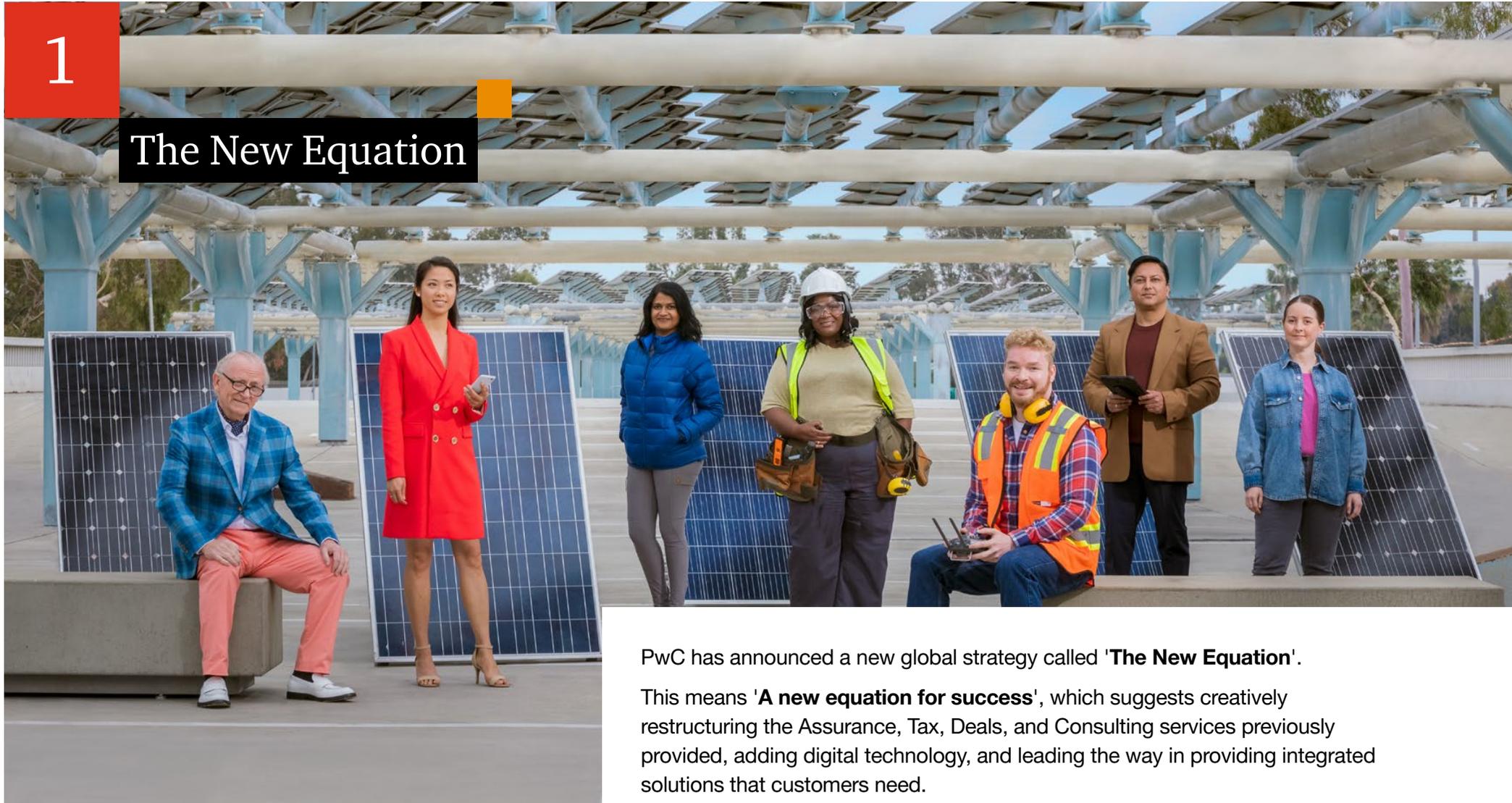
2022 PwC Korea Sustainability Report

Our Special Focus



1

The New Equation



PwC has announced a new global strategy called **'The New Equation'**.

This means **'A new equation for success'**, which suggests creatively restructuring the Assurance, Tax, Deals, and Consulting services previously provided, adding digital technology, and leading the way in providing integrated solutions that customers need.

PwC's medium to long-term strategy, 'The New Equation', developed in June 2021, is being faithfully executed by PwC firms around the world, including PwC Korea. The 'Community of Solvers', consisting of approximately 328,000 PwC Network employees, demonstrates their professional expertise as a key talent pool leading the success of this strategy, enabling client companies and stakeholders to achieve important goals of 'Building trust' and 'Achieving sustained outcomes'.

PwC Network has reported its major achievements over the past year in applying the New Equation to various services provided by PwC, promoting change for building trust between society and businesses, fostering steady growth, and practicing ESG for a sustainable society. These achievements are reported in the [PwC Global Annual Review 2022](#).

PwC Korea also sympathizes with the need to increase the sustainability of society and accelerate the pace of positive change under the New Equation strategy, and is participating in activities in achieving this strategy.



FY22 PwC Network Major Achievements

Enhancing professionalism and maintaining quality

Building a strong community of solvers · Delivering quality

- Created over 32,000 jobs and secured more than 328,000 key talents.
- PwC Network invested USD 3.1 billion globally, of which USD 570 million was spent on employee education and training.
- Investing USD 1 billion in a new audit program to establish the next-generation audit ecosystem.
- More than 1,000 Senior Executives have received trainings to enhance their capabilities through the PwC Trust Leadership Institute.
- Over 93,000 PwC employees have completed ESG training through the Global ESG Academy.

Digital Performance

Investing in new audit technologies

- Over 146,000 employees of all global PwC Network maintain audit quality by utilizing Aura, a cloud-based Enterprise Resource Planning (ERP) system.
- Over 700,000 employees and clients of all global PwC Network safely and quickly share information through Connect, a collaborative platform for remote auditing.
- Utilizing the Halo for Journals program, a large-scale data analysis program for computer-assisted audits, with PwC Network's 18,000 audit clients, enables fast and in-depth analysis on businesses.

Financial performance

Record financial performance

- PwC Network has achieved total annual sales of over USD 50 billion and has recorded the highest growth rate since 2005.

Environmental and social contribution

Having a positive impact on society

- Consistently achieving targets from all firms affiliated with the PwC Network for achieving the 2030 Net-Zero Commitment.
- PwC Network employees worldwide contributed 789,000 hours of volunteer work.
- Established a cooperative relationship with UNICEF to support 'Generation Unlimited', which aims to unleash the potential of young people around the world.
- Strengthened trust in the capital market through compliance with rigorous audit standards.
- Performed a leading role as a corporate citizen through strategic partnerships and participation in global forums related to ESG.
- Contributed to employment, tax revenue generation, and improvement of the quality of life in local communities by supporting sustainable growth of companies.
- Improved disclosure transparency
 - Reporting on WEF Stakeholder Capitalism Metrics through Global Annual Review
 - Publishing PwC Network Climate-related Disclosures Report according to TCFD Framework.

2

Enabling Our People



All employees of the PwC Network are '**Community of Solvers**' who provide optimal solutions based on professionalism and sincerity. The PwC Network, consisting of approximately 320,000 experts in 152 countries around the world, demonstrates the highest expertise in various fields such as audit, tax, management strategy, policy making, and data analysis, contributing to solving complex problems faced by the business community.

To this end, PwC Korea has established the People Strategy consisting of three key areas: **Culture, Development, and Empowerment**. Based on active communication, we are forming a healthy organizational culture that respects diversity, nurturing excellent professionals, and fulfilling our role as a sustainable growth and local community solution provider.

Culture Change & Communication (CCC)

We endeavor to form a PwC Values-based healthy organizational culture by searching for new possibilities as a trusted expert, respecting each other, working together, and providing differentiated services. To this end, Samil PwC has established CCC (Culture Change & Communication) team directly under the CEO in FY22 to steer a direction to organizational change and actively initiating innovative activities for cultural change.

Direction of Organizational Culture Change



Changes in Leadership

Emphasizing horizontal leadership through strengthening and improving leadership skills related to work methodology.



Culture of Respect and Growth

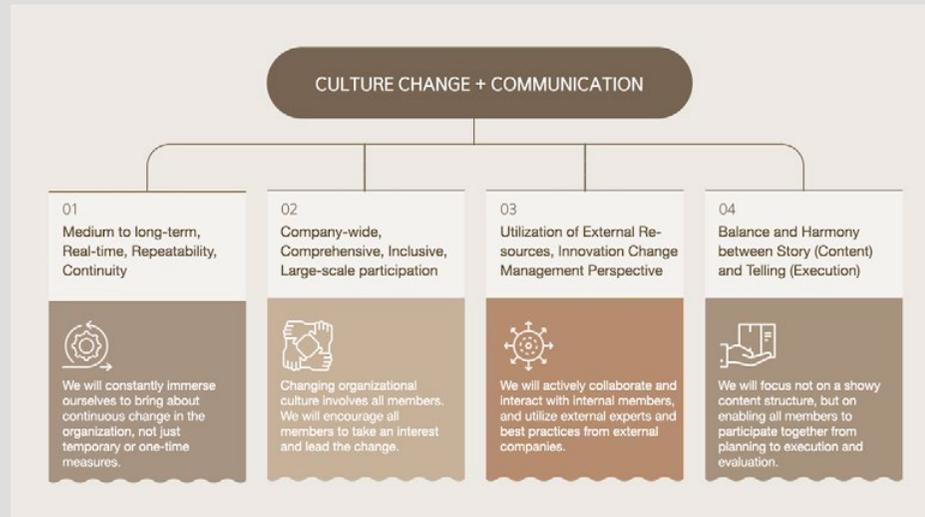
Development of working methods that reflect the organization's core values, and foster a culture of respect and growth based on autonomy and responsibility through annual diagnosis and improvement activities.



Development of Internal Communication

Initiate real-time mutual communication based on cooperation and collaboration through the development of an internal communication platform.

CCC Initiative Principles



CCC Major Initiatives

<Culture Change> Working Methodology 1.0

- Determined the direction of working methods that can be flexibly applied in accordance with the nature of work and circumstances, based on autonomy and responsibility.
- Drafted working methods and conducted a workshop with S.meme 1st congregation (70 members) in August 2022.
- Selected CEO key tasks and collected thoughts from the New Year Strategy TF and all partners in November 2022.
- As a starting point, we plan to continuously diagnose and update the working methods every year by finding a point of agreement from diverse views of the team members.

<Communication> Internal Communication Platform Development

- S.meme 1st congregation compiled ideas through an internal communication platform idea contest, and developed specific plans for platforms such as S-Know (knowledge bulletin board), Samil Petition, S-Eats (lunch bulletin board), and 3355 (mentor platform).
- We plan to first open a bulletin board where members can freely communicate and a suggestion box where they can directly raise issues and opinions to the company, in order to secure a sufficient period for establishing a healthy communication culture, and sequentially open additional functions.

Digital Transformation

PwC Korea is initiating digital education so that employees can 'learn', 'work', 'share', and ultimately 'realize' new services by utilizing digital technology. In particular, under the Digitize the Network (DTN) strategy, various digital competency enhancement programs and solutions are being presented. Accordingly, PwC Korea has planned its own Digital Pathfinder curriculum to train employees on key technical skills and the use of digital tools such as data analysis, processing, and visualization.

Based on the experience and intelligence accumulated by employees through Digital Pathfinder, we have launched the subscription-based service called Worldwide Easy View which visualizes the journal data of companies overseas and allows management information and exceptions to be viewed on web and mobile. We are also developing a wide range of profitable digital service products. In the future, we also aim to provide customized education based on the individual competency level of employees.



Digital Upskilling Program

- ▶ Managing digital programs such as Alteryx, Power BI, Tableau, etc. to enhance employees' digital tool skills.



Enabler

- ▶ Digital Accelerator: Selecting applicants by department to focus on enhancing digital capabilities and excavating ideas to improve work efficiency and effectiveness.
- ▶ Digital Badge: A certification system for employees' digital competence



Digital Lab

- ▶ Use digital solutions such as Aura, Halo, Connect, Count, RPA, and Halo Crypto Solution when performing audit work and managing business.

PwC Korea Digital Capability Enhancement Results

Number of employees participating in the FY22 Tech skill-up program

254
employees



Number of training courses of the FY22 Tech skill-up program

430



Number of cumulative Digital Badge issued

201



Number of Digital Assets shared in Digital Lab

1,000+



Inclusion & Diversity

The core competencies of 'A Community of Solvers' are a wide range of views and expertise. PwC Korea understands the vision of PwC Network's Inclusion & Diversity to transform itself into a leading organization promoting inclusivity and diversity of employees, clients, and stakeholders. We pledge to realize the values of Inclusion & Diversity (I&D) throughout our system, policies, and organizational culture as a responsible member of the PwC Network.



Enhancement of Organizational Inclusion

- ▶ Fostering inclusive organizational culture and strengthening communication based on activities of the CCC (Culture Change & Communication).
- ▶ Listening to the voices of employees through S.meme activities.



Improvement activities for I&D awareness

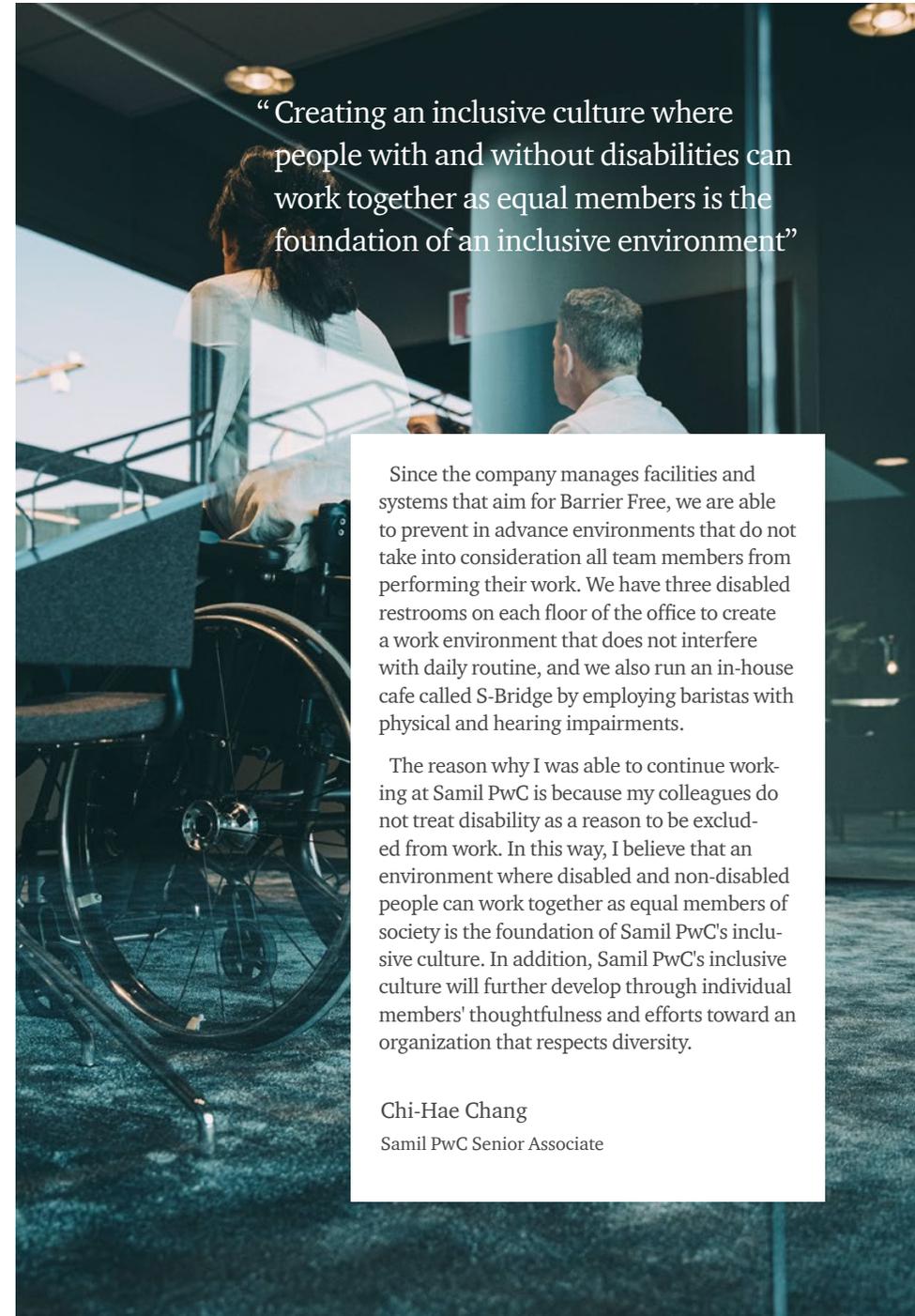
- ▶ Performing Inclusive Mindset training at the level of PwC Network.
 - In four phases: expansion of perspectives, awareness, understanding and action for I&D.
 - Incremental adoption after trial-run in Samil PwC's Assurance divisions.
- ▶ Additional development planned for Inclusive Culture training program.

“Creating an inclusive culture where people with and without disabilities can work together as equal members is the foundation of an inclusive environment”

Since the company manages facilities and systems that aim for Barrier Free, we are able to prevent in advance environments that do not take into consideration all team members from performing their work. We have three disabled restrooms on each floor of the office to create a work environment that does not interfere with daily routine, and we also run an in-house cafe called S-Bridge by employing baristas with physical and hearing impairments.

The reason why I was able to continue working at Samil PwC is because my colleagues do not treat disability as a reason to be excluded from work. In this way, I believe that an environment where disabled and non-disabled people can work together as equal members of society is the foundation of Samil PwC's inclusive culture. In addition, Samil PwC's inclusive culture will further develop through individual members' thoughtfulness and efforts toward an organization that respects diversity.

Chi-Hae Chang
Samil PwC Senior Associate



3

Our Net-Zero Journey

Climate change is one of the most pressing issues facing our world today. Companies need to respond to climate change by systematically reducing carbon emissions and embracing green growth as a new momentum for economic growth. PwC Korea is committed to doing its best to fulfill this role.

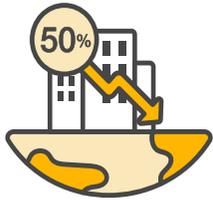
PwC Korea has declared that it will actively participate in global efforts to achieve Net-Zero by 2030 as a responsible corporate citizen and a member of the PwC Network. In addition to efforts in reducing the emissions within our organization, we are also gathering our efforts in reducing emissions from suppliers and client companies.

Net-Zero by 2030

PwC Korea, as a responsible corporate citizen, has declared its commitment to 'Net-Zero' and set a goal to reduce its Scope 1 and 2 emissions by 50% and Scope 3 emissions by 50%, compared to 2019, by 2030 through a 4.3% annual reduction in carbon emissions. This reduction target was set and officially approved by SBTi (Science Based Targets initiative).

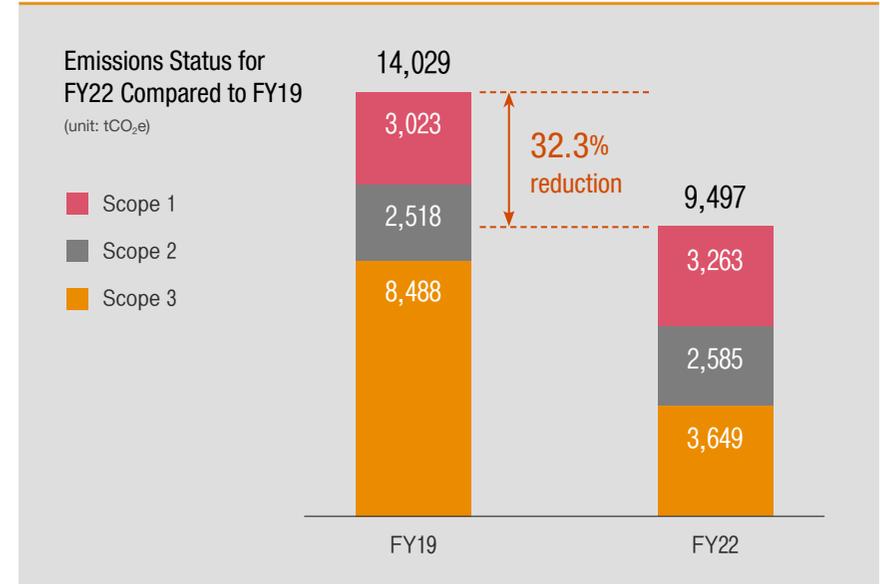
In FY22, we reduced overall carbon emissions by 32.3% compared to 2019, achieved RE100, which converted 100% of its electricity use to renewable energy, and started offsetting carbon emissions for all Scopes 1 to 3, creating tangible results.

In accordance with our 2030 Net-Zero implementation plan, we plan to continue our medium to long-term efforts in minimizing emissions from business trips, encouraging external stakeholders to achieve Net-Zero, and securing carbon offset budgets.



Our Mission

- ▶ Goal to reduce carbon emissions by 50% by 2030 (compared to FY19 Baseline)
- ▶ Convert 100% of electricity usage to renewable energy (RE100)
- ▶ Implementation of residual emission offset through participation in carbon absorption projects



PwC Korea Net-Zero Roadmap

PwC Korea has established emission reduction roadmaps by scope to participate in the Net-Zero implementation and is actively engaging in reduction projects. In addition, we are steadily continuing offset activities to reduce the environmental impact of business operations.

Corporate vehicle replacement Scope 1, 2

PwC Korea plans to gradually replace corporate vehicles with low-carbon vehicles such as electric vehicles from 2025. We also plan to continuously review infrastructure-related policies, market trends in the electric vehicles supply and maintenance sector to reflect them in our plan to replace the corporate vehicles.

Office electricity conversion to renewable energy Scope 1, 2

As a member of the PwC Network, PwC Korea joined the RE100 initiative in 2019 and since FY22 it has been participating in the Green Premium System, one of the ways of carrying out RE100 activities, by purchasing and using 100% of the electricity as renewable energy.

Reduction of emissions related to employee business trips Scope 3

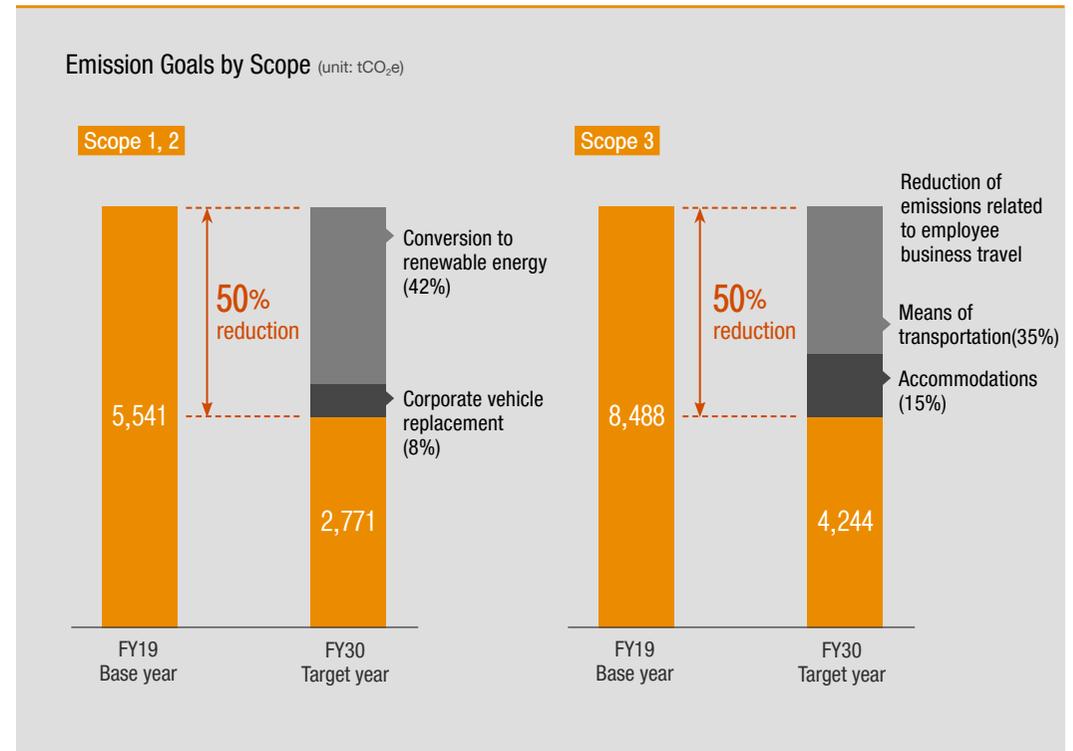
We are reducing the number of overseas trips through systematic management of business schedules and use of video conferencing system, while encouraging the use of low-carbon emissions transportation. The emissions related to employee business trips for FY22 are 2,649tCO₂e, already reaching our target level.

Reduction related to purchase of raw materials¹⁾

In order to reduce greenhouse gas emissions in the supply chain, we have established a plan to increase the proportion of purchases of raw materials (such as laptops, office supplies, paper, etc.) from suppliers, who are SBTi target certified, by 2025 to more than 50%.

Introduction of Electronic Certification System

PwC Korea is contributing to reducing carbon emissions from office spaces by using electronic certification for all contracts, including external audit contracts through the introduction of electronic certification system in November 2022.

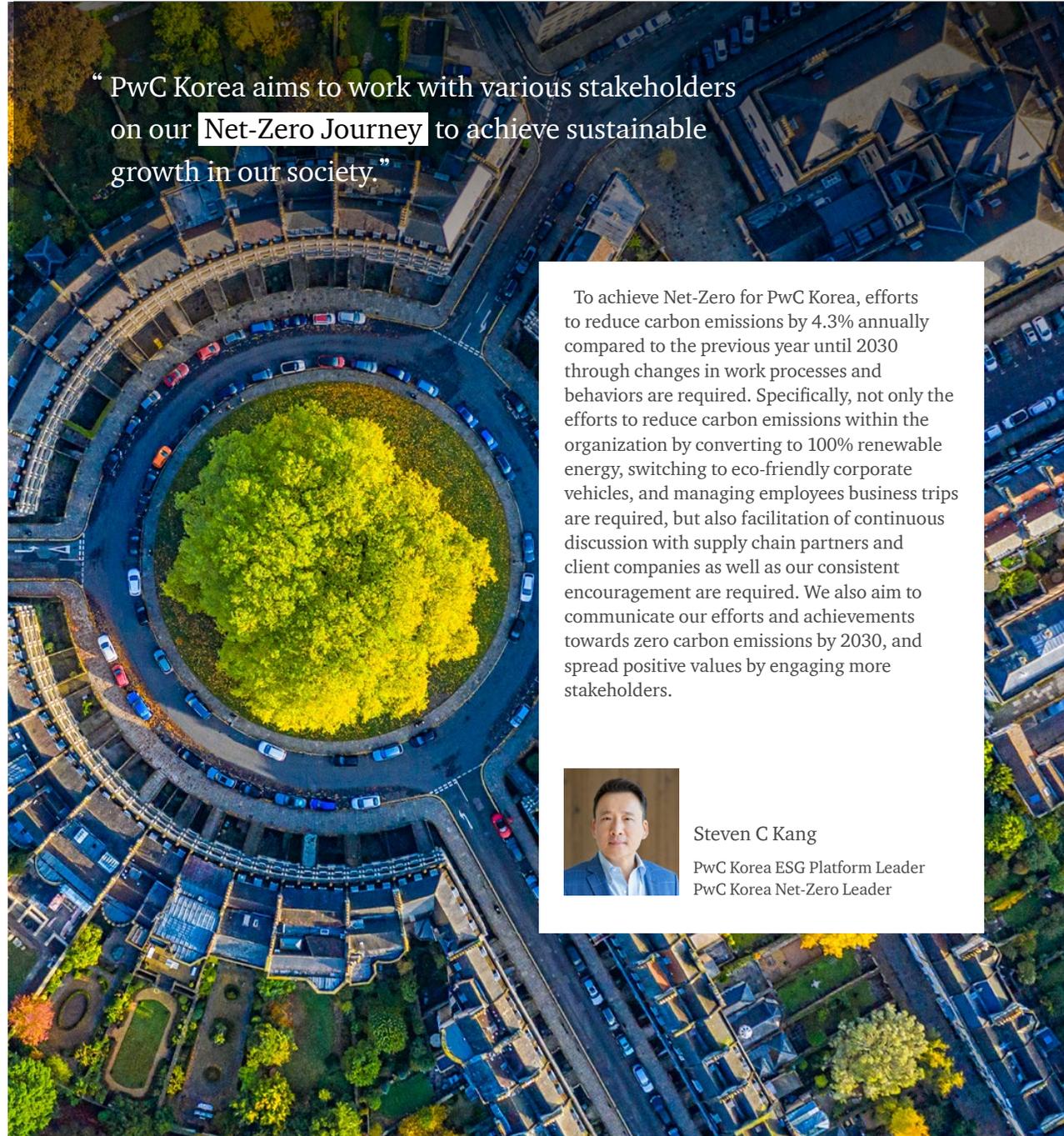
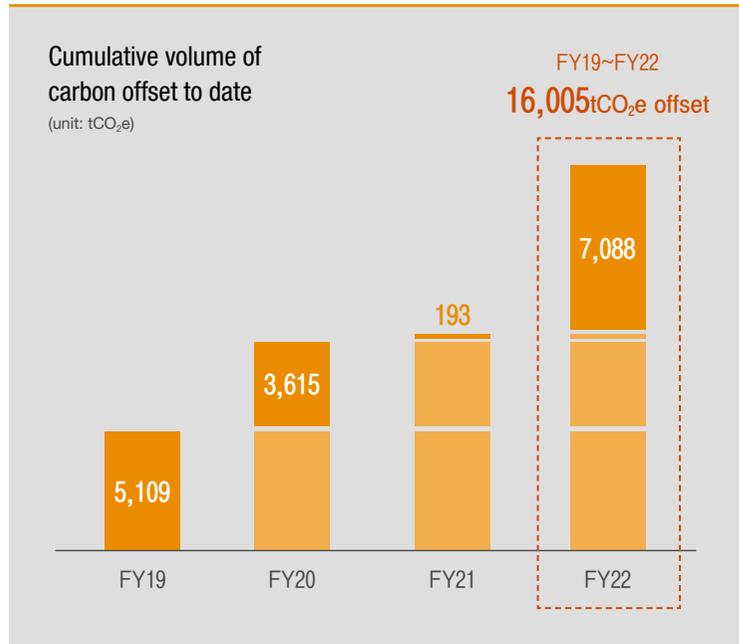


¹⁾ Purchased product and service categories are not included in Scope 3 emissions aggregation and reduction target

Efforts of PwC Korea to Minimize the Environmental Impact of Carbon Emissions

The priority for achieving Net-Zero is to reduce the amount of carbon emissions to zero, but efforts to reduce the impact of carbon emissions that is inevitably generated through conducting business is also required.

Since 2018, PwC Korea has been supporting various carbon reduction projects such as reforestation and renewable energy production to offset the total carbon emissions from business trips by air. From FY22, the voluntary carbon offset scope will be expanded to cover not only emissions from air travel but also the total emissions generated through business activities in Scope 3.



“PwC Korea aims to work with various stakeholders on our **Net-Zero Journey** to achieve sustainable growth in our society.”

To achieve Net-Zero for PwC Korea, efforts to reduce carbon emissions by 4.3% annually compared to the previous year until 2030 through changes in work processes and behaviors are required. Specifically, not only the efforts to reduce carbon emissions within the organization by converting to 100% renewable energy, switching to eco-friendly corporate vehicles, and managing employees business trips are required, but also facilitation of continuous discussion with supply chain partners and client companies as well as our consistent encouragement are required. We also aim to communicate our efforts and achievements towards zero carbon emissions by 2030, and spread positive values by engaging more stakeholders.

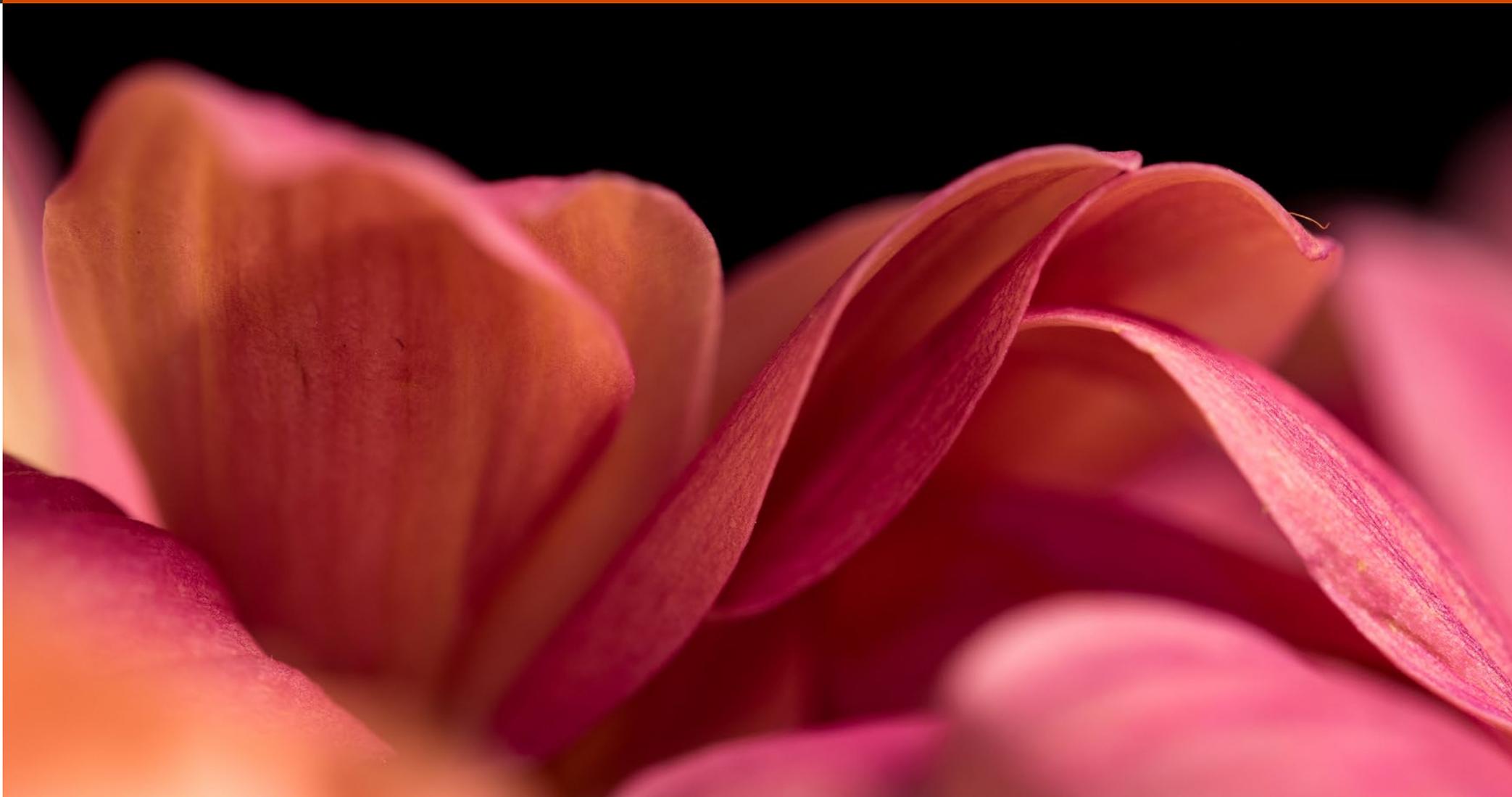


Steven C Kang
PwC Korea ESG Platform Leader
PwC Korea Net-Zero Leader



2022 PwC Korea Sustainability Report

About PwC Korea



FY22 Highlights

Business

Revenue

Exceeded ₩1 trillion

Total revenue of Samil PwC, PwC Consulting, PwC Customs Services Corporation, and Samil Tax Corporation

Enforcement actions ratio compared to the number of external audits in the last 3 years

0.05%

The lowest among domestic Big 4 accounting firms

Launched digital service product

Worldwide Easy View

Visualization service for overseas subsidiaries' journal data

Environment

2030 Net-Zero Plan

50% ↓

Plan to reduce Scope 1, 2, and 3 emissions by 50% by 2030

100% renewable energy usage

Achieved RE100

Employee

Increase in organizational satisfaction compared to the previous year

9% ↑

Global People Survey - People Engagement Index Score 75%

Completion rate of independence, ethics, and information security education

100%

Regular employee training for employees, training for new hires

Community

Beneficiaries of social contribution

1,566 people

Consulting for transparency improvement

Supported 4 public interest entities

Samil Future Foundation & NPO Services Team

About Samil PwC

Samil PwC, established in 1971, is the largest accounting firm in Korea, with over 3,600 professionals providing specialized services tailored to the industrial needs of client companies engaged in global management. As a member firm of the PwC Network, Samil PwC strives to secure client trust and maximize value by sharing knowledge and experience with over 328,000 professionals in 152 countries worldwide. By enhancing ethical awareness as professionals and making meticulous efforts in fulfilling corporate social responsibility through community service activities, Samil PwC is laying the foundation for growth of its members as an organization with global capabilities.

Samil PwC strives to pursue PwC's five core values of 'Act with integrity', 'Make a difference', 'Care', 'Work together', and 'Reimagine the possible', and constantly makes an effort to create an environment in which all employees have the expertise and integrity to grow. The foundation of these efforts is the 'Best in All' spirit, which aims to be the best in all areas of Assurance, Tax, and Deals.

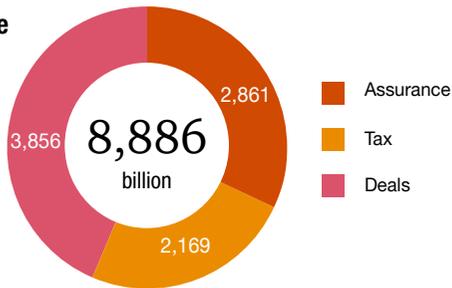
Company Information

(as of June 30, 2022)

Company name	Samil PricewaterhouseCoopers	Year of Establishment	1971
CEO	Hoonsoo Yoon	Headquarters location	100, Hangang-daero, Yongsan-gu, Seoul

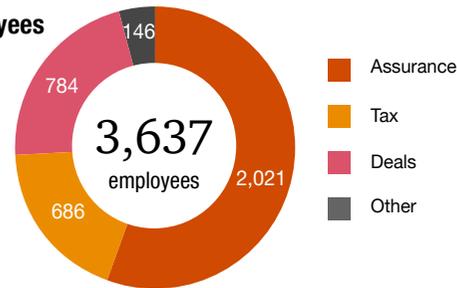
Revenue

(for FY22)



Number of Employees

(as of June 30, 2022)



Service Areas of Samil PwC

Assurance



"The Assurance division is continuously striving to enhance the transparency and reliability of information provided to the capital market. We provide high-quality audit services not only for traditional accounting and financial information but also for non-financial information such as ESG reporting, for the stakeholders of the capital market. For our clients who report financial and non-financial information, we support effective problem-solving and value creation activities through professionals with excellent expertise using digital-based tools. Furthermore, we are fulfilling a responsible role as a member of society by developing and sharing expertise in related fields such as accounting, finance, and ESG."

Leader **Kee-won Oh**

Provided Services

- Financial statement audit
- Advisory on internal accounting control system
- Advisory on capital markets and accounting
- Advisory on anti-dumping and custom duties
- ESG Platform
- Blockchain advisory
- Support for Audit Committee
- Insurance actuary
- Internal audit support and internal control advisory
- Public sector consulting
- Data and digital authentication
- Corporate education service (Samil Academy)

Tax



"The Tax division is preemptively responding to market demands by forming teams in various fields in addition to the existing service areas to strengthen expertise, and creating virtual teams that link specialized teams into a matrix organization to generate synergy. Based on activities for the satisfaction and growth of employees, we provide differentiated and excellent services, and actively promote Thought Leadership activities such as issuing publications, hosting seminars, external lectures and academic activities, and engaging in public tax services to fulfill our social responsibility and contribute to the development of the tax environment."

Leader **Joong-Hyun Lee**

Provided Services

- Restructuring tax advisory
- Services for nonprofit organizations
- Tax diagnosis and investigation support
- Private equity tax advisory
- Acting as an agent for tax audit appeals and ruling inquiries
- Overseas investment and investment structure services
- Inheritance and gift tax advisory
- Tax advisory on shared services
- Local tax advisory
- Tax services for employees working overseas
- Tax advisory related to ESG inquiries
- Services related to domestic investment

Deals



"The Deals division aims to provide services based on the experience and knowledge accumulated over a long period of time, creating an integrated platform, that meets the complex and diversified client needs. To this end, we have launched the M&A center to create synergy by bringing together the advisory capabilities scattered across organizations, and will create better results by focusing on efficiency and digitalization in Transaction Service, such as due diligence and value evaluation. We will strengthen the expertise of all members to provide financial advisory services that deliver the highest value to clients in the era of changes."

Leader **Dae-Joon Park**

Provided Services

- Mergers and acquisitions advisory
- ESG Due Diligence for increasing corporate value
- Mergers and acquisitions due diligence advisory
- Capital Project and Infrastructure & Equity, Utilities and Mining
- Financial advisory for private equity funds
- Cross border corporate finance and M&A
- Corporate restructuring advisory
- Dispute support
- Advisory on valuation and value enhancement strategies

About PwC Consulting

PwC Consulting is a professional entity which provides customized solutions to confront challenges faced by clients in a rapidly changing business environment. Based on innovative and multiple consulting capabilities, we provide optimal solutions that are practical and applicable to areas such as finance, risk, IT, strategy, and operations. As a member of the PwC Network, we share our experience and knowledge through the global knowledge sharing platform, Connected Source, to enhance our services and we support resolving business issues of major domestic companies, building long-term strategic partnerships.

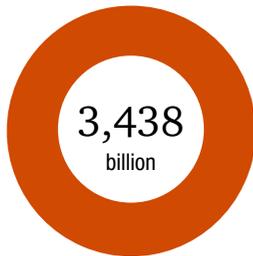
Company Information

(as of June 30, 2022)

Company name	PricewaterhouseCoopers Consulting	Year of Establishment	1986 (Establishment of Samil PwC Consulting Corporation)
CEO (Chief Executive Officer)	Key Hak Lee	Headquarters location	92, Hangang-daero, Yongsan-gu, Seoul

Revenue

(for FY22)



Number of Employees

(as of June 30, 2022)



Consulting



"PwC Consulting focuses on providing solutions for client innovation and sustainable growth based on a culture of mutual trust and respect. In order to lead market changes in the rapidly changing business environment, we have set our strategic goals in creating innovative service portfolio, maintaining outstanding service quality, and strengthening and retaining excellent talents and professional capabilities. We also aim to provide the highest value and performance to our clients by continuously improving our performance-oriented management system and strengthening and maintaining alliances with domestic and foreign partners to better execute our Operation Excellence strategy."

Key Hak Lee

Representative of PwC Consulting

Provided Services

- Finance: Financial strategy, financial and management accounting
- Risk&Compliance: ERM, fraud risk, AML, Cyber security
- Operation: Supply chain, innovation
- Financial Services: Strategy, PI and system implementation for financial institutions
- Strategy: Business strategy, organizational innovation, M&A strategy
- Customer Insights: Direct to Customer, Digital B2B
- Technology: DT Strategy, ERP, ITO
- AI & Analytics: AI · Machine Learning consulting
- ESG: Diagnosis · Strategy, carbon neutrality, TCFD

Samil PwC and PwC Consulting participated in the production of this report as independent PwC Network Firms.

About PwC Network

PwC International Ltd is a global accounting network that delivers professional services such as accounting, tax, and consulting. It was established in 1998 through the merger of Price Waterhouse and Coopers & Lybrand. Through the PwC Network, it provided professional services to over 190,000 global corporate clients, including 84% of Fortune 500 companies for FY22, recording a total revenue of USD 50.3 billion.



Revenue (for FY22)



Number of employees (as of June 30, 2022)



¹⁾ Europe, Middle East, and Africa



PwC Korea Service Platforms

PwC Korea operates issue-based platform organizations to comprehensively respond to emerging agendas in the global business environment. In each platform, experts from each business division in PwC Korea gather together to share expertise and know-hows, and provide optimal solutions through collaboration. In particular, PwC Korea is leveraging the knowledge and experience of service platforms operating within the PwC Network to further enhance its services.



ESG Platform

ESG Platform provides diverse and systematic consulting services to help clients establish strategies to minimize negative impacts on the environment and society, and actively respond to social issues such as climate change, resource scarcity and human rights.

Development of ESG Strategy and Management System

- Establishment of ESG Vision and management strategy
- Definition of KPI and Goal Setting
- Execution of strategy and implementation of performance monitoring system

ESG Report Consulting and Certification

- Development of reporting strategy on a consolidated basis
- Advisory for preparing sustainability report and TCFD report
- Scenario analysis
- Third-party Assurance of ESG reports

ESG Transformation Project Implementation

- Carbon neutrality and RE100 strategy
- ESG management on supply chain
- Assessment of impact on human rights

Implementation of ESG System

- Establishment of ESG information and performance management system
- Establishment of investment portfolio evaluation system for financial institutions

Other

- Social value measurement
- ESG Due Diligence
- Tax advisory related to ESG



Deals Platform

Deals Platform is a collaboration of experts in various advisory fields such as audit, tax, and consulting to provide high-quality service for various client issues related to deals. We provide the best advisory services for M&A, divestitures, splits, mergers, and joint ventures in the pre- and post-transaction stages of deal execution.

Value Identification (Pre-deal)

- Strategic Deal Sourcing (developing new growth strategies, restructuring business portfolio)
- Deal Value Maximization (enhancing the value of potential sale target)
- Transaction Blueprint (valuation and planning)

Deal Execution

- Due Diligence
- Valuation
- Negotiation Support
- Tax Structuring (advisory on M&A · sales structure)
- Value Creation

Value Realization (Post-deal)

- Value Creation (sales strategy, cost reduction initiatives)
- Value Monitoring (KPI-based monitoring)
- Value Leakage Protection
- PMI (Post-Merger Integration)



Risk & Regulatory Platform

Risk & Regulatory Platform provides optimized customized solutions that meet the demands of regulatory issues such as Risk Assurance services for stakeholders, compliance services in response to regulatory changes, and new business licensing services based on the credibility of accounting firms.

Service Organization Control (SOC)

- Issuance of Service Organization Control (SOC) for internal control certification
- Advisory on pre-diagnosis of risks, and responses to disputes and litigation
- Digital Forensic

License

- Support for obtaining licenses for new business ventures (such as internet-only bank licensing, my data permission, virtual asset exchange licensing, etc.)

Regulatory Compliance

- Providing compliance services in accordance with regulations

Private certification

- Providing third-party certification services according to the internal demand of the company (compiling and delivering the outcome of award ceremony, certifying the probability of online game probability-based items, etc.)



P&MS Platform

P&MS (Products & Managed Services) Platform provides PwC's services in the form of digital solutions as Products or as Managed Services for work which requires expertise. It supports business continuity even in situations where unexpected risks occur, and provides agile response services on-site or through virtual platforms as needed.

Audit

- Digital PA (Private Accounting)
- Providing fair value of financial instruments required for financial reporting and internal control purposes (E-Valuation)

Financial Advisory

- Monitoring and providing analysis for the Peer Group
- Performance efficiency management using digital tools

Tax Advisory

- Automated selection of products and services subject to VAT (VAT ID Validation)
- Consistent and efficient execution of tax processes (Tax Managed Services)

Consulting

- Monitoring and response support for company information exposed on the dark web (Dark Hunter)
- Providing open-source based data analysis platform and operating environment (Analytics as a Service)



EPB Platform

EPB (Entrepreneurial & Private Business) Platform provides comprehensive consulting services in two areas: ownership management and business management. Ownership management includes asset management, governance structure, valuation and succession of ownership from the owner's perspective. Business management includes support activities for business growth and profitability of the company.

Owner's Agenda Advisory

- Comprehensive advisory on corporate management and ownership management
- Personal asset management

Corporate Growth Strategy and Execution Advisory

- Medium and long-term strategy development
- M&A for discovering new growth engines

Organizational Diagnosis and Organizational Capacity Improvement Advisory

- Outsourcing of key personnel
- Digital capability diagnosis

Corporate Governance Structure Improvement Advisory

- Establishment of efficient corporate governance structure
- Portfolio adjustment

Corporate Succession and Exit Advisory

- Business succession
- Sale of shares of the largest shareholder

Risk and Regulatory Compliance

- Analysis of risks and establishment of management system
- Development of legal and regulatory compliance strategy



Unicorn Platform

Unicorn Platform is an integrated service platform that provides optimal solutions to maximize corporate value and strengthen global competitiveness based on its experience in supporting the establishment, growth, investment attraction, M&A, domestic and overseas listing, and exit of numerous unicorn¹⁾ companies.

M&A and Fundraising Services

- Fundraising and securing investment
- IR Package Service
- M&A (merger and acquisition advisory)
- Due diligence and evaluation
- Pre-IPO, financial assessment, structuring

Overseas Listing and Expansion Services

- Overseas listing and securing investment
- Financial audit for overseas listing
- Outbound projects and global business expansion

Accounting and Tax Services

- Financial statement preparation and accounting advice
- Audit
- Analysis of tax savings effect of selecting methods of fundraising, securing investment and deal structuring
- Tax diagnosis, tax audit support
- Corporate tax filing agency

Consulting Services

- Strategy development
- Financial chain management
- Supply chain management
- Technological advancement
- Digital solution

¹⁾ Unlisted startup companies with enterprise value of over ₩ 1 trillion



2022 PwC Korea Sustainability Report

Sustainability Foundation



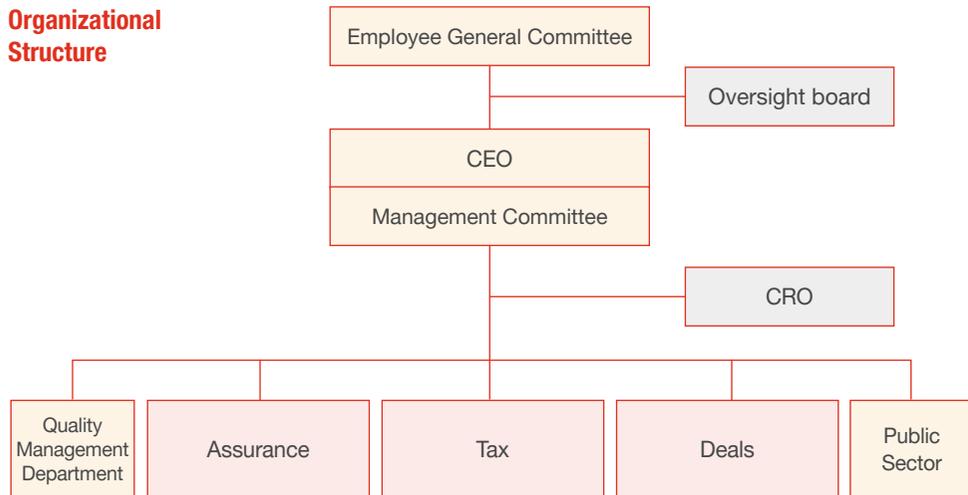
Governance Structure

Sound governance and transparent leadership are the foundation for sustainable growth. PwC Korea promotes efficient management activities and strives for sustainable development based on transparent decision-making by the highest governing body in each entity.

Organizational Structure of Samil PwC

The Employee General Committee composed of the corporation's employees, is the highest governing body that deliberates and decides on the basic policies of the entity's management and reviews matters of business operations. The Oversight Board, for the benefit and best interest of Samil PwC and its subsidiaries, fulfills the role of checks-and-balance by reviewing or agreeing to the matters reported and approvals made by the Employee General Committee and the decisions reached on the major management activities by the Management Committee. The Management Committee deliberates and decides on important matters in the execution of the CEO's duties. The members of the Management Committee are recommended by the CEO and appointed with the consent of the Employee General Committee. The Chief Risk Officer (CRO) oversees risk management activities such as compliance with regulations, anti-corruption, and information security. Samil PwC manages specialist organizations for each service type, including Assurance, Tax, and Deals, to provide optimal solutions tailored to each client company's needs. We manage specialist organizations in response to issue-specific matters by identifying key agendas emerging in industries and running platforms such as ESG, EPB, and Unicorn platforms.

Organizational Structure



Composition of Oversight Board

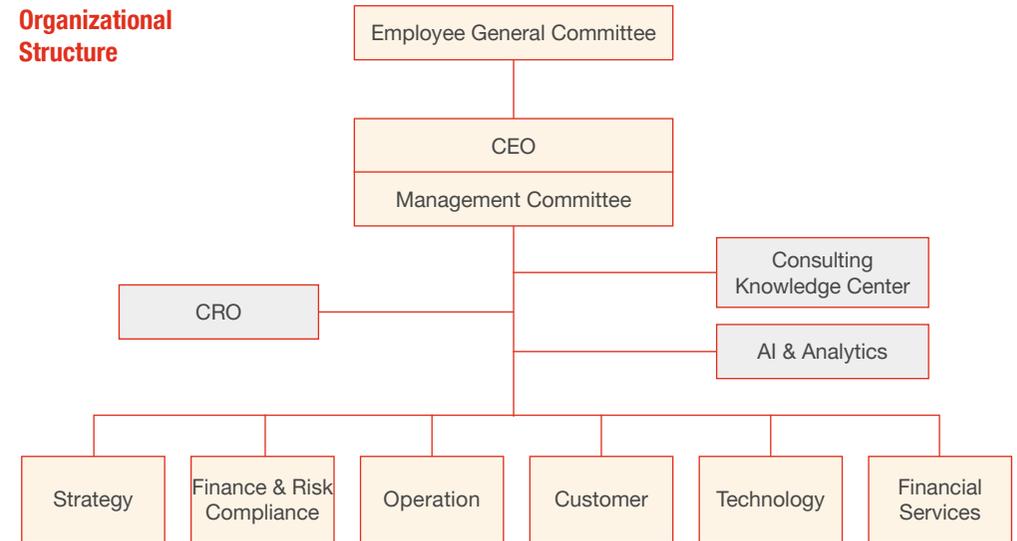
Name	Gender	Term	Position · Career
Joon-Seon Min	Male	25.6.30	Deals LoS Deputy Leader
Sang-do Lee	Male	23.6.30	Chairman of Oversight Board, Tax LoS Deputy Leader, International Tax Leader, TPP Leader
Young-sin Lee	Male	23.6.30	Tax LoS Deputy Leader, Finance Leader, International Tax Leader, New Growth Business Leader
Min-soo Jung	Male	24.6.30	CoE Leader of Capital Transaction
Seung-Ho Lee	Male	25.6.30	Assurance LoS Deputy Leader, Service Deliver Leader
Joonki Hong	Male	25.6.30	Assurance LoS Deputy Leader, Finance Deputy Leader
Jung-Hoon Lee	Male	25.6.30	Deal FDD Leader
Dhal Choi	Female	25.6.30	L&E Leader, Accountancy Education Panel of IFAC (International Federation of Accountants)
Eu-Gene Lee	Male	23.6.30	Insurance Sector Leader

Organizational Structure of PwC Consulting

The Employee General Committee, the highest decision-making body of PwC Consulting, has the voting rights to deliberate and decide on all important matters, including the execution of the company's business matters. The Management Committee, which assists the CEO, handles matters entrusted by the CEO in relation to the entity's management. The members of the Management Committee are appointed by the resolution of the Employee General Committee with the CEO's recommendation. The CRO oversees entity-wide risk management activities, and the Consulting Knowledge Center (CKC) team develops training programs for employee growth, implements education systems, selects appropriate global industry-specific topics for understanding, and periodically provides analysis to share knowledge. The team also manages and educates work regulations, processes and methodologies, and monitors quality management activities.

PwC Consulting manages a team, namely 'Strategy &' specialized in strategic consulting providing Finance & Risk Compliance, Operation, Customer, Technology and Financial Services. It also manages a separate AI & Analytics division to support companies in responding to the era of fourth industrial revolution.

Organizational Structure



PwC Network means a network of PwCIL's Network Firms that provide specialized services.

In each country around the world, accounting firms must act independently according to local regulations. Therefore, the PwC Network is not a multinational corporation, but is composed of separate entities that collaborate to provide quality services to clients worldwide. Samil PwC and PwC Consulting are also affiliated with PricewaterhouseCoopers International Limited as Network Firms, and exist as independent Network Firms with no equity relationship.

Stakeholder Participation

PwC Korea defines its key stakeholder group which has a direct or indirect impact on business operations and management activities as employees, clients, regulatory agencies, local communities, and business partners. To enhance transparent communication and provoke active participation from the stakeholder group, PwC Korea manages various communication channels.



Key Communication Channels with Stakeholders

<p>Employee</p> 	<p>Client</p> 	<p>Regulatory Agency</p> 	<p>Local Communities</p> 
<ul style="list-style-type: none"> • CCC (Culture Change & Communication) • S.meme • Global People Survey • Internal portal (PageOne) • Town Hall Meeting • Samil Happiness Council • Employee General Committee 	<ul style="list-style-type: none"> • Corporate website • Client Feedback Service • Seminar and publication 	<ul style="list-style-type: none"> • Conferences, meetings and forums for setting policies • Public Electronic Disclosure (DART) • Transparency report 	<ul style="list-style-type: none"> • Community contribution activities <ul style="list-style-type: none"> - Operation of Samil Future Foundation, a public service corporation - Activities supporting children and young people - Activities supporting NPO (NPO Services Team)
<p>Business Partners</p> 	<p>Media</p> 	<p>Retiree</p> 	<p>Prospective Employee</p> 
<ul style="list-style-type: none"> • Business Partner purchasing system • Supplier Selection Committee • Ethics pledge 	<ul style="list-style-type: none"> • Press release • Seminar and publications 	<ul style="list-style-type: none"> • Alumni portal • Alumni newsletter • Distribution of corporate publications 	<ul style="list-style-type: none"> • Recruitment information session • Internship program

Materiality Assessment

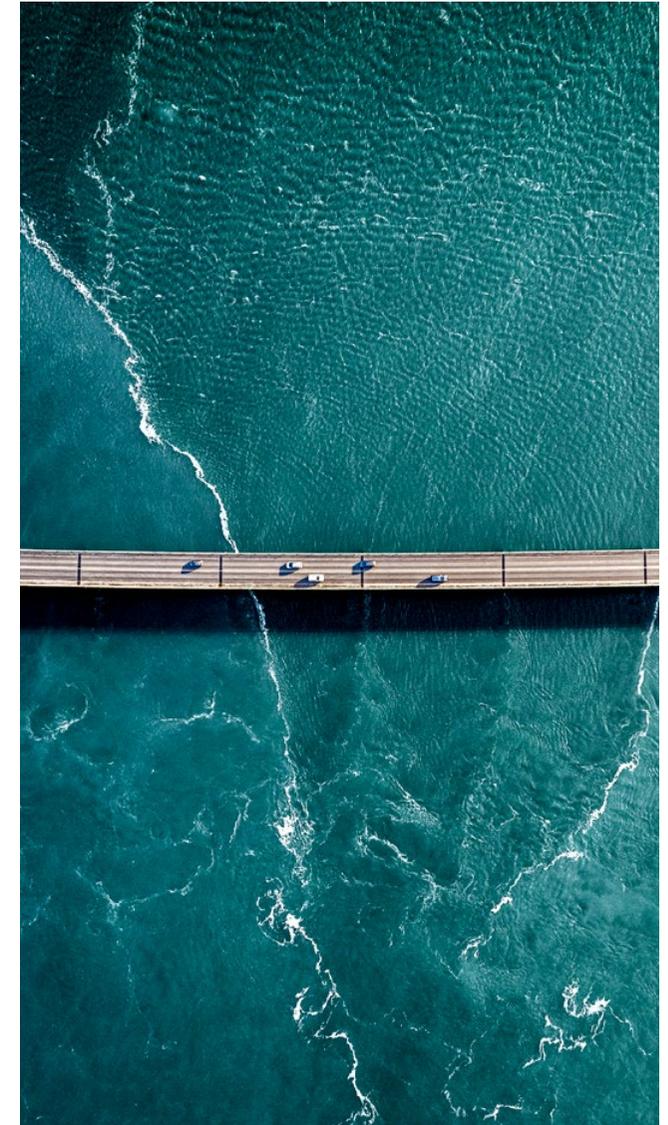
Each year we identify the sustainability issues most material to our business and stakeholders by assessing the economic, social, and environmental and cultural impact of our activities and business relationships. PwC Korea has identified a total of 17 sustainability issues and collated them into a 'sustainability issue pool' by analyzing internal and external conditions surrounding PwC Korea and by compiling stakeholders' thoughts. Activities and performance related to material issues are transparently disclosed in this sustainability report.

Results from Materiality Assessment

Through materiality assessment, we have selected a total of 5 most material issues. They include 'service quality management', 'compliance with ethics and independence', 'information security', 'recruitment and retention of talent', and 'employee training and professional competency enhancement.' We aim to communicate transparently with the stakeholders by reporting on the most material issues with corresponding response strategies, key achievements, and detailed activities.

Materiality Assessment Process

<p>Step 1. Creating sustainability issues pool</p>	<p>Considering the internal and external conditions and industry characteristics surrounding PwC Korea, a total of 17 sustainability topics have been identified and put into a pool.</p> <ul style="list-style-type: none"> • ESG disclosure and evaluation initiative requirements (GRI Standards, SASB, TCFD, UN SDGs, MSCI, WEF IBC Metrics, K-ESG indicators, KRX recommended disclosure indicators, National Pension Service ESG evaluation indicators) • Sustainability issues addressed in the industry
<p>Step 2. Evaluation on prioritizing sustainability issues</p>	<p>Analysis of the impact on the external conditions</p> <ul style="list-style-type: none"> • ESG-related issues covered in major publications released externally by PwC Korea • Review of management vision • Employee survey conducted from October 4 to October 21, 2022 (for 17 days) • Analysis of global standards on sustainability reporting • Screening of reporting issues in the industry • Media analysis
<p>Step 3. Selection of material issues and review of validity</p>	<p>We selected 5 material issues that have a significant impact on the external environment, and reviewed the validity of ESG Materiality through a report to the Management Committee for the finally selected material issues.</p>



Definition of Impact of Material Issues

High: ●●● Medium: ●●○ Low: ●○○

Name of Issues	Definition of Impacts	Impact Level
Service quality management	Pursuit of stable service quality maintenance and client satisfaction through a systematic quality management activities, developing governance of quality management, setting policies and monitoring their execution	●●●
Compliance with ethics and independence	Enhancing stakeholder trust through compliance activities that fulfill the inherent role and responsibility of accounting firms by complying with laws and ethics and performing work independently and fairly	●●●
Recruitment and retention of talent	Securing excellent talents and creating high-quality jobs based on efforts to improve working environment and establish an appropriate employee compensation system	●●●
Information security	Enhancement of client trust and reduction of social cost incurred in the event of information leakage by establishing an information security management system and response system to prevent security breach	●●●
Employee training and professional competency enhancement	Development of a talent development system and implementation of proactive upskilling to enhance the expertise of employees, leading to increased work engagement and improved service quality	●●●
Community contribution	Promoting mutual growth with local communities through social contribution activities such as volunteer work and donations, as well as stakeholder collaboration efforts	●●○
Respect for diversity	Prohibition of discrimination based on gender, religion and creation of organization culture that promotes respect for diversity	●●○
Sound governance structure	Building stakeholder trust through the establishment of an efficient, independent and transparent decision-making system (including ESG) for the top decision-making body	●●○
Risk management	Improvement of stability of business operations and maintenance of service quality through firm-wide management of financial and non-financial risks	●●○
Response to climate change	Establishment of medium to long-term reduction targets for greenhouse gas emissions, participation in global efforts to address climate change through emission reduction activities, and contribution to the transition to a low-carbon economy	●●○
Creation of social value through services	Contribution to solving social problems in the process of providing services considering social impacts, such as Pro bono and Discounted Engagement Service	●○○
Labor relations based on trust	Protection of employee rights by promoting a culture of communication for cooperative labor relations and managing the Samil Happy Council	●○○
Employee health and safety	Arrangement of a safe work environment by protecting, maintaining, and enhancing the mental and physical health of employees	●○○
Protection of human rights	Securing a working environment that respects human rights across all areas including employees, business partners, and local communities	●○○

Waste management	Minimizing negative environmental impact through waste reduction activities	●○○
Efficient use of resources	Efficient operation and management activities for use of resources such as energy and water to create an eco-friendly business	●○○
Sustainable supply chain	Creating a sustainable business environment through collaborative activities with subcontractors and business partners	●○○

Sustainable Management Topic

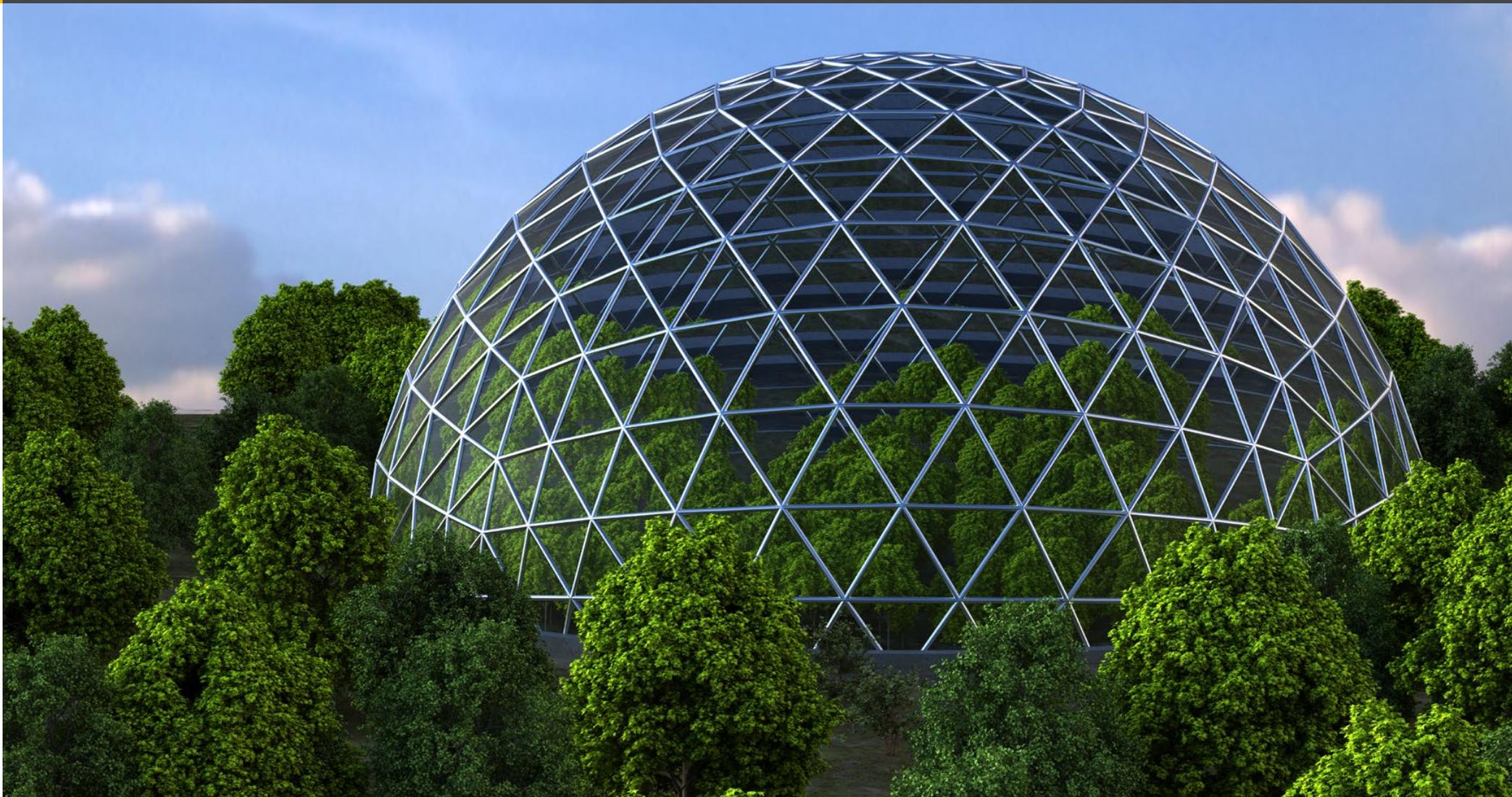
The selected sustainability topic based on materiality assessment is linked to the four areas of sustainable management initiatives, and we aim to actively communicate with stakeholders by disclosing in this report governance structure, strategy, risk management, metrics and targets, key achievements, and detailed activities by each issue in the order of importance.

Initiative Areas	Sustainability topic	Reporting page	Disclosure indicators (GRI, SASB, WEF IBC)
Responsible Business	● Service quality management	33-41	GRI 205 (Anti-corruption) GRI 418 (Customer Privacy) SASB SV-PS-230a. (Data security) SASB SV-PS-510a. (Professional integrity) WEF IBC Principles of Governance (Corporate Governance)
	● Compliance with ethics and independence		
	● Information security		
	● Sound governance structure		
	● Risk management		
Environmental Stewardship	● Response to climate change	42-44	GRI 302 (Energy) GRI 305 (Emissions) WEF IBC Planet (Earth)
	● Waste management		
	● Efficient use of resources		
	● Sustainable supply chain		
Our People	● Recruitment and retention of talent	45-55	GRI 401 (Employment) GRI 404 (Training and education) GRI 405 (Diversity and equal opportunity) SASB SV-PS-330a. (Workforce Diversity & Engagement) WEF IBC Prosperity
	● Employee education and professional competency enhancement		
	● Respect for diversity		
	● Trust-based labor-management relations		
	● Employee health and safety		
	● Protection of human rights		
Social Impact and Contribution	● Contribution to local communities	56-59	GRI 203 (Training and education) WEF IBC Prosperity
	● Creation of social value through services		



2022 PwC Korea Sustainability Report

Sustainability Areas



PwC Korea's Sustainable Management

PwC Korea has selected 'Responsible Business', 'Environmental Stewardship', 'Our People', and 'Social Impact and Contribution' as its four main areas of sustainability management, and has managed its performance by establishing an approach strategy for each area. Each area is linked to the United Nations Sustainable Development Goals (UN SDGs), and PwC Korea has participated in solving global issues through various business projects and activities.

4 Major Areas	Strategic Direction	Key Areas	FY22 Key Achievement ¹⁾	Related SDGs	
Responsible Business 	PwC Korea and its employees are committed to independence, ethics and objectivity as the basis of all conduct of business. For this purpose, we plan to develop the independence management policy, rules of ethics, quality management regulation, information security policy, and monitoring system to comply with relevant overseas and local laws and regulations.	Service quality management <ul style="list-style-type: none"> Implementation of PwC Network ERM core risk self-diagnosis activity Strengthening quality management policies and procedures Advancement of digital audit methodology 	<ul style="list-style-type: none"> Identified key risks and development of response strategies for each risk Established Digital Accelerator Team for advanced digital audit methodology (based on Samil PwC) 	 Establishment of a just judicial system	
		Independence <ul style="list-style-type: none"> Application of improved PwC independence procedures and implementation of independence system Improvement and maintenance of PICT results Establishment of revised independence regulations 			<ul style="list-style-type: none"> 100% completion rate for regular independence training for all employees achieved No violations of regulations related to independence and no disciplinary actions
		Ethical management <ul style="list-style-type: none"> Conducting ethics training for all employees Strengthening internal control systems for compliance with internal ethical standards and relevant laws and regulations Management of internal and external reporting channel 			<ul style="list-style-type: none"> 100% completion rate for ethics training of all employees
		Information security <ul style="list-style-type: none"> Maintaining adequate level of security patching Virus infection prevention Maintaining completion rate of employee security training Prompt response to security breach 			<ul style="list-style-type: none"> The first domestic accounting firm to obtain and maintain ISO/IEC 27001 certification for information security No client information leakage and security breaches incurred Provided training for phishing email response and disaster recovery simulation 100% completion rate of information security training for regular employees and new hires
Environmental Stewardship 	PwC Korea has declared its participation in the 2030 Net-Zero initiative and is aware of its responsibility for the environmental impact inevitably created by its business activities. It is carrying out carbon offset projects to reduce greenhouse gas emissions from air travel, such as business trips. We are also promoting environmental protection activities, such as using energy-efficient offices.	Response to climate change and environmental impact reductions <ul style="list-style-type: none"> Promotion of emission reduction projects according to the 2030 Net-Zero plan Execution of projects in the 9 key areas including conversion to renewable energy, measurement and disclosure of environmental impacts and supply chain management Improvement of employee environmental awareness Promotion of carbon offset for total carbon emissions (Scope 1-3) 	<ul style="list-style-type: none"> Obtained SBTi approval for the goal of reducing Scope 1 and 2 emissions by 50% and Scope 3 (employee business travel) emissions by 50% by 2030 compared to 2019 Accomplished RE100 through purchasing green premium Minimized emissions from reducing the number of business trips through the use of video conferencing systems, reducing emissions from external travel, and encouraging the use of low-carbon transportation Implemented energy saving campaign for employees (based on Samil PwC) Offsetted 7,088tCO₂e of carbon emissions through support for community contribution projects 	 Affordable and clean energy Sustainable energy  Climate action Solving Climate Change	

¹⁾ Key achievement in FY22 are derived from PwC Korea, and performances that are only applicable to Samil PwC are specified separately

4 Major Areas	Strategic Direction	Key Areas	FY22 Key Achievement ¹⁾	Related SDGs	
Our People 	PwC Korea runs a systematic training program and provides regular coaching to enable employees for their upskilling. We are also enhancing inclusion and diversity for the wellbeing of all employees, and improving work methodology and work environment.	Inclusion and diversity & Communication <ul style="list-style-type: none"> Improvement of organizational culture and strengthening of communication Conducting Global People Survey Initiating activities enhancing inclusion Implementation of employee I&D awareness improvement training 	<ul style="list-style-type: none"> Established a dedicated cross-functional team CCC (Culture Change & Communication) to improve organizational culture and communication (based on Samil PwC). <ul style="list-style-type: none"> Initiated employee crew S.meme 1st team activities (preparation of working methodology guidelines and development of internal communication platform). Achieved Global People Survey participation rate of 73% and organizational satisfaction (PEI, People Engagement Index) of 75%. Accomplished increase in the ratio of new female hires and promotions compared to previous year. 	 Achievement of gender equality  Reduced inequalities	
		Recruitment and retention of talent & Training and upskilling <ul style="list-style-type: none"> Coaching for growth support Enhancing ESG capabilities Improvement of industry understanding Enhancing communication skills and leadership Enhancing digital capabilities 			<ul style="list-style-type: none"> Increase of employees for coaching at Samil Coaching Center (based on Samil PwC) Implemented ESG mandatory training for all professional employees (100% completion rate) (based on Samil PwC) Implemented monthly industry-specific seminars Self-planning and management of Digital Pathfinder curriculum <ul style="list-style-type: none"> A total of 254 employees participating in Tech skill-up programs
		Employee health and safety and well-being <ul style="list-style-type: none"> Establishment of health and safety system Physical and mental well-being support Creating flexible working environment Employee welfare benefits support 			
Social Impact and Contribution 	PwC Korea is engaged in volunteer work activities and in supporting relevant organizations to contribute to the local community and promote a healthy economic ecosystem in Korea by utilizing our expertise and experience of employees.	Support for NPO <ul style="list-style-type: none"> Implementation of support program for improving accounting transparency of public service corporations Sharing expert knowledge with NPO Implementation of activities of Discounted Engagement Service Support 	<ul style="list-style-type: none"> Supported consulting services to improve transparency for four public service corporations Published books for NPO and hosted training and seminars for NPO employees Performed 40 Discounted Engagement Services for NPO 	 Good health and well-being Promotion of Healthy Life and Welfare  Quality education Ensuring quality education	
		Support for children and young people <ul style="list-style-type: none"> Education Support for welfare facilities and alternative educational institutions Improvement of housing and environment and support for medical expenses 			<ul style="list-style-type: none"> Beneficiaries of social contribution: 1,566 people
		Volunteering and donations <ul style="list-style-type: none"> Participation in Yongsan-gu Corporate Volunteer Group (Yongsan Dragons) Activities of Samil Voluntary Community Service Club Donation for disaster relief 			

¹⁾ Key achievement in FY22 are derived from PwC Korea, and performances that are only applicable to Samil PwC are specified separately

Responsible

Business



Highlight 01

Service quality management through advanced digital audit methodology (based on Samil PwC)

Highlight 02

Implementation of upskilling training programs for employees and new hires and achievement of a completion rate of 100%
- Independence training, Ethics training, Information security training

Highlight 03

The first domestic accounting firm to obtain and maintain ISO/IEC 27001 certification for information security

Service Quality Management

PwC Korea proactively identifies, responds to, and manages risks that may arise in rapidly changing business environments. We place quality as a core value of our work and strive for a culture of quality management throughout the organization.

PwC Network Risk Management System

PwC Network has established an Enterprise Risk Management (ERM) system for risk management and identified 18 Key Network Risks (KNRs) with significant potential impact every year, which are disclosed through the Global Annual Review. The PwC Global Board and Risk Committee review risk portfolios and response plans for each PwC Network firm. PwC Korea also performs a self-assessment annually for Key Risk in accordance with the PwC Network ERM system, identifies key risks and priorities considering the level of risk impacts and possibility of occurrence and develops response strategies which are reported to the chief executive officer.

Quality Management Policy

PwC Korea complies with the PwC Network Risk Management Policies and Procedure (NRMP), which defines the quality management responsibilities and code of conduct for employees throughout the business process, including submission of proposal, acceptance of engagement, and execution of contracts. By establishing a Recognition and Accountability Framework by each business unit, we execute a systematic quality control, assigning quality management responsibilities to both Partners and team members, rewarding excellent quality management performance, and clearly state any penalties imposed when quality-related problems are identified.

PwC Key Network Risks



Management's Responsibility for Quality Management.

Samil PwC executes procedures by each business unit to fulfill the quality management responsibility. We ensure service quality is maintained at the appropriate level by instructing the project managers to understand the requirements of internal and external regulations, methodologies, and procedures. The Partners with Risk and Quality Management responsibilities, especially the Line of Service Leaders have responsibilities for overall risk and quality management and the CEO has the ultimate responsibility for the control of the quality management system. Our management also communicates the importance of quality management to employees through regular face-to-face meetings, emails, and training and supports the quality-oriented work culture. The Chief Risk Officer oversees the OGC team, which reviews contract, provides legal advice, and conducts litigation work to prevent and minimize legal risks related to the company's overall business, the LoS RM team, which manages the quality of work performed by each LoS according to its specific nature, the Independence team, which ensures compliance with independence requirements imposed by regulations and related systems, and the Ethics Office team, which establishes policies and procedures for the compliance with ethical requirements and prevention of corruption. While overseeing these teams within our organization, Samil PwC plans, manages, and controls activities for providing high-quality services, preventing corruption, and complying with regulations, and takes responsibility for the overall business risks.

Assurance LoS Quality Management

Samil PwC's Assurance division aims to establish an audit ecosystem suitable for the era of fourth industrial revolution, which is human-led, tech-powered, and data-driven. Through investment in digital tools such as Connect, Halo, and Aura, the division significantly reduces the time spent on repetitive tasks and concentrates resources on areas that require professional judgments, thereby increasing the effectiveness of audit work. The Assurance division carries out quality and risk management activities through the Quality Management Office, which oversees compliance with PwC Network audit guides, facilitates training to maintain quality, manages and reviews the audit documentation system (Aura), and monitors compliance with documentation requirements. The Quality Management Office consists of a Director responsible for designing and managing the quality management system, a full-time quality management team member with at least five years of experience, and a legal expert. To enhance the quality of audit services, the division has an Audit Quality Advisory

Committee, composed of internal and external experts, which discusses ways to improve the quality of audit activities and provides views in enhancing their effectiveness. Furthermore, through regular monitoring led by a designated Compliance Officer elected by the Employee General Committee, the division ensures compliance with relevant regulations when performing assurance and non-assurance services.

Key Quality Management Activities in the Assurance Division

Implementation of Monitoring Quality Management	<ul style="list-style-type: none"> Implementation of monitoring individual audit quality <ul style="list-style-type: none"> Performing post-audit reviews annually for at least 30% of Audit Engagement Partners Reporting of post-audit review results to management and carrying out measures for deficiencies Monitoring of effectiveness on design and operation of quality management system <ul style="list-style-type: none"> Monitoring the system on an annual basis and sharing the results with the relevant business team to reflect them in the quality improvement plan
Oversight and Review by Skilled Personnel	<ul style="list-style-type: none"> Implementation of management and oversight of works performed by directors who perform audit engagements and quality management reviewers using Aura Designation of preparers and reviewers of all documents in Aura Designation of documents mandatorily reviewed by directors who perform audit engagements
Digital Audit Methodology	<ul style="list-style-type: none"> Connect: A collaborative platform for efficiently sharing information with clients required for audit engagements Halo: Large-scale data analysis program for computer-assisted audits Aura: PwC Network's cloud-based audit platform for documenting audit procedures and results RPA(Robotic Process Automation): A system that automates repetitive and regular tasks through robot software Digital Lab: A platform where audit teams can develop and share automation programs (Digital Asset) that can be used in audit engagements Assurance Digital Accelerator: A task force of employees researching and developing digital tools for improving the efficiency of assurance work

Tax LoS Quality Management

Samil PwC's Tax division has prepared the Global Tax Code of Conduct to fulfill its social responsibilities and build trust, and is making its best efforts to manage service quality based on clear business performance principles. As a tax advisory service quality management organization, it manages the Knowledge Information & Innovation Center (KIC) and Tax Policy Panel (TPP). The Risk Management (RM) team manages review of independence, advisory, compliance with regulations of non-audit service engagements. KIC also conducts research and development work as well as technical advisory work. Through a preliminary review process, TPP supports in providing holistic advisory including risk management services for engagements fraught with technical complexities. The RM team conducts monitoring at the PwC Network level to check not only the compliance of the responsible Partners' independence but also the fulfilment of their responsibilities for quality control and reflect them in their evaluation. Through the operation of the Capital Transaction Center of Excellence (CoE) and Digital CoE, Samil PwC conducts in-depth reviews of corporate restructuring tax laws and initiates in developing automation programs (Digital Asset) that can be used in tax-related engagements.

Key Quality Management Activities in the Tax Division

Oversight and Review by Skilled Personnel	<ul style="list-style-type: none"> • 3-Step work management: First reviewer for all tax engagements, second review, and application of a system of approval by the final reviewer • Operation of KIC(Knowledge Information & Innovation Center): Implementation of expert group review and advisory engagements that require in-depth examination • Review process for Higher Risk Engagements: For higher risk engagements, a separate review and consultation process with experts such as the Second Partner, KIC, and M&A CoE
Employee Quality Management Training	<ul style="list-style-type: none"> • Tax Start, Tax School: Implementation of mandatory training for entry-level employees on tax engagements • Tax Briefing: Introduction of latest precedents and controversial issues by KIC • Lecture on Tax Law, Advanced training for employees awarded with promotion
Implementation of Monitoring for Independence and Quality Compliance Environment	<ul style="list-style-type: none"> • Development of work performance guidance through regular Tax RM training and RM Knowledge MAP • Implementation of monitoring of compliance with laws and regulations and independence of tax advisory services for all teams who perform tax engagements • Implementation of monitoring on quality compliance environment by business unit

Deals LoS Quality Management

Samil PwC's Deals division imposes strict risk and quality management procedures based on PwC ERM system, PwC NRMP and Advisory QMSRP (Quality Management System and Risk Processes Standard) to ensure service quality. The leader of the Financial Advisory division establishes relevant policies, takes responsibilities for continuous monitoring and improvement activities to ensure risk management and service quality maintenance, designates the Risk Management Partner (RMP) and manages a Risk Management team, consisting of a full-time manager with more than 10 years of experience and legal experts. To gain the trust of our clients, we endeavor to provide high quality services by establishing a Centre of Excellence (CoE), a team of experts in financial advisory services, and designating leaders in key markets through which we support in-depth business service and quality improvement activities.

PwC Consulting - PwC Consulting Quality Management

PwC Consulting emphasizes compliance with regulations, processes, and methodologies in performing work for service quality management, and defines the scope of responsibility in advance to establish grounds for sanction measures when problems are identified or fall short of the predetermined goals. As a PwC Network member, PwC Consulting complies with PwC NRMP emphasizes the importance of maintaining work quality through various channels and conducts regular monitoring of quality management outcome. Through this, PwC Consulting aims to appropriately manage quality-related risks and increase reliability in its services.

Independence

PwC Korea is an entity that renders external audit services and strictly adheres to independence, integrity, and objectivity as the foundation of its business while providing professional services to clients.

Independence Compliance Strategy

PwC Korea continues to strive to meet high level of independence requirements through improvements in independence assessment procedures and system, and activation of independence advisory. In 2022, we have set three focus areas: application of improved PwC independence procedures and introduction of independence system, improvement and maintenance of PICT (Personal Independence Compliance Testing) results, and enforcement of revised independence policies.

Priority Areas of Emphasis on Independence

<p>01 Application of improved PwC independence procedures and introduction of system.</p>	<p>02 Improvement and Maintenance of PICT Results</p>	<p>03 Enforcement of Revised Independence Policies</p>
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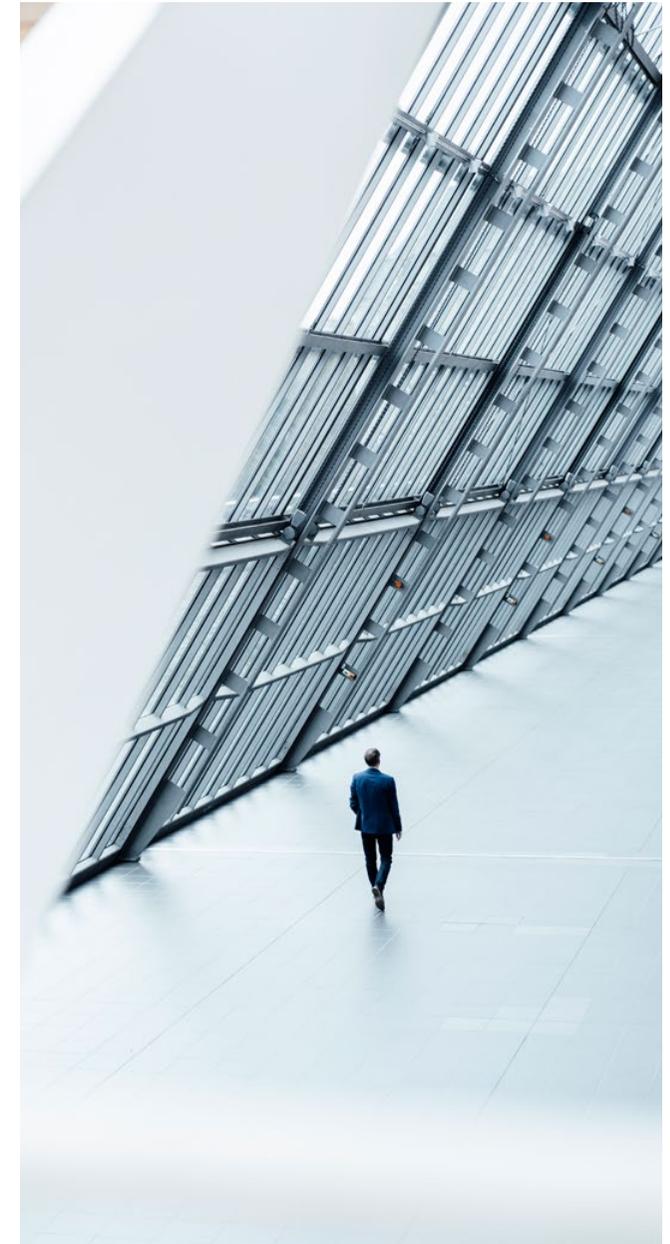
Organization Driving Independence

PwC Korea is stipulating the policies of the dedicated team for independence, appointed an Independence Leader and formed a dedicated Independence Team, to oversee the independence-related tasks. The Independence Leader and Independence Team revises independence-related policies, provides independence advice, monitors and improves independence compliance, and reports major independence issues to the Management Committee or CEO.

Independence Standards and Review Criteria

PwC Korea complies with laws and regulations related to independence, and enacted the Samil Independence Regulations. We comply with the independence regulations of the PwC Network and the PwC Network Risk Management Policy.

Domestic Standards	International Standards	PwC Regulations
<ul style="list-style-type: none"> • Laws and regulations including Certified Public Accountants Act, Laws relating on External Audit and Corporations • Regulations on ethics including the Code of Conduct for Certified Public Accountants and the Audit Standards 	<ul style="list-style-type: none"> • PCAOB (The Public Company Accounting Oversight Board) Ethics and Independence Standards • IFAC (International Federation of Accountants) Ethics Standards • US SEC Rules 	<ul style="list-style-type: none"> • PwC Network Independence Regulations • PwC Network Risk Management Policy



1) The Public Company Accounting Oversight Board
 2) International Federation of Accountants

Supporting Independence Compliance and Monitoring

The Independence team conducts independence consultations to support compliance with independence, and provides regular independence training for all PwC Korea employees. The Independence team provides guidance to employees on the importance and procedures of compliance with independence through the Independence website and internal notices. Furthermore, the Independence team performs continuous monitoring of compliance with independence in accordance with the "Investigation and Disciplinary Policies for Violations of Independence" stipulated by PwC Korea. If a breach of independence is detected, appropriate measures are taken, such as sending a warning letter or determining the level of disciplinary action through the Personnel Committee, depending on the seriousness and intentionality of the matter in accordance with the policies imposed by PwC Korea.

Supporting Activities for Independence Compliance

Independence Advice	<ul style="list-style-type: none"> • Official advisory services for independence inquiries including individual independence, independence related to non-assurance services, and independence procedures. • Development of a continuous inquiry and response system through emails and telephones.
Independence Training and Communication	<ul style="list-style-type: none"> • Annual mandatory independence training provided to all employees. • Additional independence training conducted for new joiners and promoted employees. • Continuous guidance on independence-related issues through the Independence website and internal notices, banners, and screensavers.

Risk Control Procedures for Independence Impairment Risk

PwC Korea and its employees are utilizing the CES (Central Entity Service) system which maintains and manages information on all audit clients of PwC Network firms and their affiliates subject to independence compliance, in order to proactively control the risks of independence breach. Through CES, PwC Korea and its employees are verifying whether it is permissible to have a financial relationship with a particular company and checking in advance whether a company requires compliance with independence when accepting non-audit engagements.

Demand for Annual Independence Confirmation Statement (ACC)

PwC Korea annually requests an ACC (Annual Compliance Confirmation) from all employees to control the risk of independence breach due to personal relationships, confirming compliance with the firm's policies and procedures regarding independence, ethical requirements, and financial relationships. We obtain confirmation that the employees of Samil PwC have not been employed as executives or managers in charge of finance in the client companies and their affiliates, which require independence compliance, for the past 1 year. If a case is found, then the independence team reviews whether there are any independence issues.

PICT(Personal Independence Compliance Testing) Implementation

Every year, PwC Korea selects a sample of employees, including partners, to monitor personal financial status through PICT by reviewing their and their spouse's financial transaction history (stock investment, savings, loans, etc.) and employment history. During the execution of PICT, compliance with independence regulations such as the Certified Public Accountants Act, PwC Independence Policy, SEC rules, etc. relating to personal and financial interests and employment relationships is checked to prevent potential independence violations in advance.

Stock Trading Management System

The Independence team periodically checks the stock investment status of PwC Korea employees. Twice a year, we check on the stock investment status for all Samil PwC employees and their spouses to prevent any potential threats to independence. As part of the checking procedure, we verify the completeness, accuracy, and timeliness of the information put into the stock management system and the holding information of the listed stocks by requesting information about share ownership, share transaction statements and share balance statements from the Korea Securities Depository. In FY22, we randomly sampled and checked the stock investment status of employees once in the second half of 2021 and once in the first half of 2022, and found that there were no breach of independence regulations and no disciplinary actions were imposed.



FY22 PwC Korea's Regular Independence Training Completion Rate

100%



FY22 PwC Korea's Violations of Independence Obligations and Disciplinary Actions

Zero

Ethics

PwC Korea is a professional organization committed to enhancing the transparency and reliability of the capital market, and strives to meet the social obligations for corporate social responsibility and ethical management.

Ethical Management Strategy

PwC Korea communicates the importance of ethical business conduct with its employees and strives to create a fair, transparent, and healthy work environment. We also aim to proactively improve the work environment, policies and systems to prevent employees from being exposed to ethical risks.

Ethical Management System

PwC Korea established an Ethics Office composed of professionals including lawyers, and specified its role and responsibilities in its internal policies and standards. The Ethics Office collaborates with the Samil PwC L&E (Learning & Education) team, PwC Consulting CKC (Consulting Knowledge Center) team to develop and implement ethics training programs, monitor compliance with ethical obligations and relevant laws and regulations, process internal and external reports of breach and counseling, and support ethical management activities including ethics campaign. The Ethics Office prepares a risk assessment and action plan (Risk Assessment and Action Plan) and reports it to the Management Committee, which oversees the overall activities of the Ethics Office on an annual basis. A Business Conduct Leader is appointed to establish and implement a system that can directly report major ethical management issues to the Management Committee.

Preparation of Ethical Code of Conduct

PwC Korea is the first accounting firm in Korea to enact the Ethical Code of Conduct and proposed ethical decision-making and behavioral standards to which all PwC Korea employees must adhere to. The Ethical Code of Conduct is consistent with the PwC Network's Code of Conduct but tailored to the Korean local circumstances, and includes supplementary codes. We promote a more fair and transparent ethical management by strictly complying with the 10 core values named as 'E-10'.

Third Party Code of Conduct

PwC Korea has introduced the Third Party Code of Conduct established at the PwC Network level since 2020, which sets minimum standards of integrity and behavioral principles expected not only from our employees but also from third parties collaborating with PwC Korea. To ensure compliance with the Ethical Code of Conduct of all business partners of PwC Korea, the Code has been written into the standard contracts and published on the website. We monitor its compliance on an annual basis.

Ethics Training Topics for Employees and New Joiners

- Code of Conduct
- Obligation to maintain confidentiality and prohibition of insider trading
- Information Security
- Anti-money laundering
- Anti-corruption
- Prevention of sexual harassment
- Improving awareness of people with disabilities
- Independence training



FY22 PwC Korea Employee Ethics Training
Completion Rate

100%

Employee Ethics Awareness Enhancement Activities

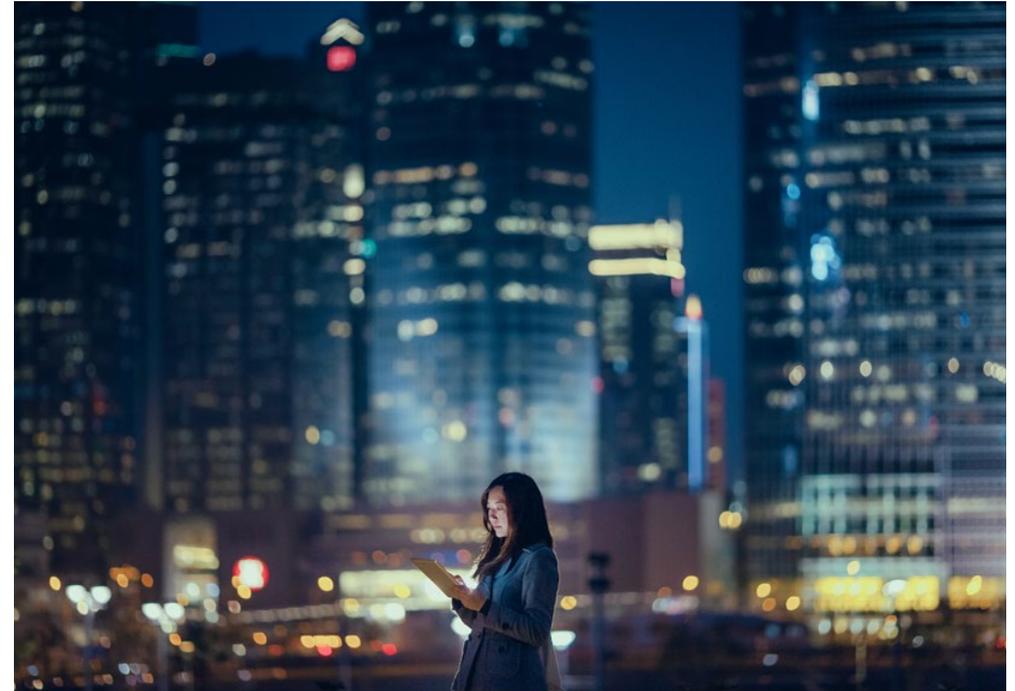
PwC Korea conducts employee ethics training tailored to the characteristics of each entity. Every year, training programs are conducted for all employees, including anti-corruption, sexual harassment, and independence. For new employees, completion of ethics training is mandatory upon employment. PwC Korea also carries out ethics campaigns through internal notices and screensavers. PwC Korea implements a pledge system, including compliance pledges for laws and regulations, security, ethics, and E-10 compliance pledges for new employees, to promote employees' commitment to ethical compliance.

Stakeholder Reporting System for Internal and External Parties

Samil PwC and PwC Consulting run a Service Center which processes internal and external reports of breach and suspected breach of Ethical Code of Conduct from employees, clients, and third parties. All cases received by the Service Center are processed in accordance with the law and regulations, under strict principles of protection of the reporter's identity and confidentiality. If a breach is confirmed after review by the Ethics Office, disciplinary measures are taken. If weaknesses in the design and operation related to the quality management policy are identified during the reporting process, improvement activities are carried out.

Reporting Procedure for Breach

<p>Samil PwC Internal and External Reporting Channels</p>	<ul style="list-style-type: none"> • Phone: 02-792-2428 • Email:kr_ethics@pwc.com • Online Internal and External Reporting Center www.pwc.com/kr/ko/ethics/whistle-blower.html • Postal/Visit Report: Ethics Office, Samil PwC, 100, Hangang-daero, Yongsan-gu, Seoul, South Korea
<p>PwC Consulting Internal and External Reporting Channels</p>	<ul style="list-style-type: none"> • Phone: 02-709-0502 • Email:kr_pwcc_ethics@pwc.com • Online Internal and External Reporting Center www.pwccconsulting.co.kr/ko/aboutus/ethics/whistle-blower.html • Postal/Visit Report: PwC Consulting Ethics Office, 92, Hangang-daero, Yongsan-gu, Seoul, South Korea



Information Security

PwC Korea is committed to maintaining security by taking as top priority the protection and risk prevention of all tangible and intangible intellectual properties and client information encountered during the performance of professional duties.

Information Security Strategy

Under the mission of supporting PwC Network firms gaining client trust in protecting client information, PwC Network Information Security (NIS) executes Network Technology strategy, including policies for information security and data protection. PwC Korea has established a medium- to long-term plan to accomplish not only the existing information security objectives but also the Network-level strategies and monitors the progressive performance. We have secured visibility and control of information security and aim to build a system that can respond strongly to external threats by concentrating efforts in reducing cyber security exposure. We have established four security enhancement goals, including maintaining an adequate level of security patches, reducing virus infection rates, improving security training completion rates, and promptly responding to security breaches. We have achieved all of these goals in FY22.

PwC Korea Information Security Objectives

1. Comply with relevant laws and regulations.
2. Maintain client trust and service level.
3. Minimize risks to the business.
4. Comply with PwC Network regulations.



FY22 PwC Korea Client Information Leakage Cases Zero

Zero



FY22 PwC Korea Number of Information Security Breaches Zero

Zero

Information Security Policy

PwC Korea complies with local and overseas information security laws such as the Personal Information Protection Act, the Act on Promotion of Information and Communications Network Utilization and Information Protection, and the EU General Data Protection Regulation (GDPR). We also prepared information security management policies, internal management plans for personal information, and guidelines for protecting intellectual properties and made them applicable and obligatory to all employees and subcontractors managing our intellectual properties.

Information Security Regulations and Policies

<p>Samil Information Security Management Policies (Firm regulations)</p>	<ul style="list-style-type: none"> • Purpose, Scope, and Employee Responsibility of Information Security • Responsibilities and Authorities of Information Protection Leader
<p>Internal Management Plans for Personal Information</p>	<ul style="list-style-type: none"> • Roles of Information Protection Leader and Information Security Team • Technical, managerial, and physical measures for protecting personal information and policy for responding to breaches. • Personal Information Security Training • Management and oversight of the trustee when outsourcing personal information processing.
<p>Guidelines for Protecting Intellectual Properties</p>	<ul style="list-style-type: none"> • Overall procedures for managing intellectual properties.
<p>PwC Network Information Security Regulations</p>	<ul style="list-style-type: none"> • Overall establishment and operation of information security system

Information Security Management System

PwC Korea has three information security teams to promote intellectual properties protection and management, and specifies the responsibilities and obligations of each team in the internal job description. The DTI (Digital Transformation, Technology & Information Security) team is in charge of information system security and maintains a collaborative system with PwC Global NIS (Network Information Security). The HC (Human Capital) team is responsible for personnel information security, including employee recruitment, rewards and penalties. The GA (General Affair) team performs physical security activities, managing access to the office building. When requested by the Information Protection Officer, a Function team is designated to support the practical work of the information security team.

Operation of Information Security Committee

PwC Korea manages an Information Security Committee to efficiently protect intellectual properties, review and deliberate on information protection plans and other important security-related issues. The DTI, the team in charge of information security system, reports to the Information Protection Leader (IPL), designated by the CEO, the current information security status and significant risks identified. The IPL, who is also the Chairman and President of the committee, convenes the Information Protection Committee every month to deliberate and resolve on major agenda items.

Major Deliberations and Resolution of the Information Security Committee

- Review of significant changes in information security management system and related policies.
- Review of Information security audit results and action items
- Review and discussion of measures for serious information security threats and deficiencies.

Information Security Certification

In 2005, PwC Korea became the first accounting firm in Korea to obtain international certification ISO/IEC 27001 for information security management system established by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). PwC Korea has maintained this certification through annual post-assessments by external third party agency, which objectively verifies the reliability of PwC Korea's information security system.

Security Incident Response System

PwC Korea manages an information security incident response system to effectively prevent security incidents and respond promptly to an incident. We manage and regulate in detail the definition of security incidents, dedicated teams, and processing procedures in accordance with the internal information security management guidelines. In the event of a security incident, we deploy dedicated people according to the type of incident to form a CERT (Computer Emergency Response Team), and perform systematic response activities in accordance with step-by-step procedures, including system isolation, security incident analysis, actions required based on analysis results, management of history, reporting outcome, and post-management.

Prevention Activities for Information Security Incidents

PwC Korea obligates all employees to submit a security pledge in July every year, upon joining or leaving the firm, to prevent information leakage in advance. To prevent such incidents more rigorously, security audits are conducted, and weaknesses are identified and improved in advance through security level measurements. Furthermore, four phishing simulation emails are sent annually to raise awareness of email phishing attacks among all employees and enhance their response capabilities. In April 2022, a disaster recovery simulation training was also conducted to enhance emergency response capabilities.

Employee Information Security Training

PwC Korea provides regular information security training to employees every year to enhance security awareness and encourage voluntary compliance with information security policies. In FY22, training was conducted for a total of 4,550 employees, achieving a 100% completion rate. Information security training completion was mandatory for new joiners and interns. During their onboarding, we help them understand information security guidelines, and a 100% completion rate was achieved in FY22. PwC Korea is also committed to promoting firmwide security awareness by posting information on the Digital & Technology website, such as information security related policies, guides, incident response procedures, and frequently asked security-related questions and answers.

FY22 Information Security Training Implementation Status

Description	Regular Employee Information Security Training	New Employee Information Security Training
Title	FY22 Smartly and Safely	FY22 New Joiner Information Security Training (E-learning)
Audience	As of May 31, 2022, the number of eligible employees at Samil PwC was 3,625 and at PwC Consulting was 925.	Among new joiners between 2021.7.1 ~ 2022.6.30, the number of eligible employees at Samil PwC: 272, PwC Consulting: 342.
Program	Prevention of Information Leakage Incidents and Identification and Response Policy	Overall information security guidelines and procedures
Completion Rate	100%	100%

Environmental Stewardship



Highlight 01

Establishment of 2030 Net-Zero Implementation Goal and Obtaining SBTi Certification

Highlight 02

Achieving RE100 through the acquisition of green premium

Highlight 03

Offsetting a total of 7,088tCO₂e of Scope 1, 2, and 3 emissions through support of community contribution projects

Climate Change Response and Reduction of Environmental Impact

PwC Korea recognizes its responsibility to actively respond to climate change as a professional organization that provides sustainable business strategies to clients. It is the first accounting firm in Korea to have declared to actively participate in global efforts to achieve Net-Zero, and have established greenhouse gas emission reduction targets and roadmaps.

Environmental Management System

The M&C (Marketing & Communications) team is in charge of initiating environmental management activities of PwC Korea. The environmental management plans and monitoring of outcomes are implemented through review and approval by leadership, including the Management Committee and Net-Zero Leader. PwC Network aggregates CS (Corporate Sustainability) performance, including environmental data, of worldwide member firms, including PwC Korea, and reports it annually through the Global Annual Review. PwC Korea evaluates the appropriateness of environmental performance, including energy usage and greenhouse gas emissions, through internal review processes and reports such performance through the Sustainability Report.

Environmental Management Governance



2030 Net-Zero Commitment

PwC Network declared its commitment to Net-Zero in September 2020 to actively respond to climate change. Based on the commitment goals set by PwC Network in 2018, including efficient energy use, 100% conversion to renewable energy, and offsetting residual emissions, the objective of the declaration is to reduce Scope 1 and 2 emissions by 50% and Scope 3 (business trips) emissions by 50% by 2030 compared to 2019 emissions, which has been approved by SBTi.

PwC Korea, as a responsible firm belonging to the PwC Network, has declared participation in Net-Zero and has been certified for the same goal through SBTi. To achieve this goal, efforts to reduce carbon emissions by 4.3% annually compared to the previous year until 2030 are required through changes in work processes and employee behavior.

1) The Science Based Targets initiative was voluntarily launched to bolster businesses' climate action by presenting guidelines and methodologies to set science-based GHG emissions reduction goals in line with the goal reached through the Paris Agreement

Key Reduction Activities

PwC Korea is focusing on achieving annual emission reduction goals not only by attempting to reduce emissions within the organization, but also by establishing specific execution plans to reduce emissions from products and services acquired. In FY22, we acquired green premiums and converted 100% of our power usage to renewable energy early, and started investing in carbon absorption projects that contribute to the local communities. Consequently, we have achieved a level of reduction and offset performance that exceeds the total emissions for FY22.

Net-Zero Performance by Key Areas

Key Areas		PwC Network Net-Zero Target	FY22 Performance of PwC Korea
Scope 1	Vehicle Emissions	<ul style="list-style-type: none"> Reduction by 50% by 2030 compared to 2019 	<ul style="list-style-type: none"> Complete Replacement of diesel-run vehicles Establishment of low-carbon vehicle replacement plan from 2025
Scope 2	Electricity Usage	<ul style="list-style-type: none"> 100% conversion to renewable energy by 2025 	<ul style="list-style-type: none"> Achievement of RE100 through acquiring green premium of 100% power usage
Scope 3	Business Trips	<ul style="list-style-type: none"> Reduction by 50% by 2030 compared to 2019 	<ul style="list-style-type: none"> Activation of remote service delivery model and continuation of expanding the use of low-carbon transportation
	Acquired Products/ Services	<ul style="list-style-type: none"> Reduction of emissions by 50% by 2025 (purchased from companies that have set science-based targets initiative (SBTi)) 	<ul style="list-style-type: none"> Reduction through acquiring products and services from companies with SBTi targets
Scope 1, 2, 3	Carbon Absorption	<ul style="list-style-type: none"> Offset of emission from FY23 	<ul style="list-style-type: none"> Support for community projects that contribute to the reduction of 7,088 tCO₂e
Improvement of Carbon Management for Emissions Reduction		<ul style="list-style-type: none"> Awareness raising and management of Net-Zero reduction objectives 	<ul style="list-style-type: none"> Conduct employee-participating campaigns (such as Count Us In) Net-Zero performance report to Management Committee Securing carbon reduction budget Emissions data assurance by a third party completed

FY22 Emissions (unit: tCO₂e)

Greenhouse Gas Emissions	FY19	FY22	Remark
Scope 1 Emissions	3,023	3,263	
Scope 2 Emissions	2,518	2,585	
Scope 3 Emissions	8,488	3,649	Business travel
Total Emissions Amount	14,029	9,497	
RE100 Implementation and Offsetting			
Green Premium		-2,585	
Carbon Offset Projects		-7,088	
Total Carbon Offset		-9,673	
Net Emissions		-176	

Support for Projects Contributing to Local Communities

PwC Korea has started offsetting the total carbon emissions (Scope 1~3) generated by its business, including the Scope 3 emissions related to employee business trips from FY22, in accordance with its 2030 Net-Zero Implementation Plan. By supporting projects such as 'Sichuan Household Biogas' in China, 'Gyapa Efficient Stoves' in Ghana, and 'Acre Amazon REDD+ Portfolio' in Brazil, a total of 7,088tCO₂e emissions have been offset.

FY22 Support Project¹⁾

<p>Sichuan Household Biogas (China)</p>	<p>Contribution to the growth of local economy and the creation of an environmentally friendly stockbreeding environment through clean and affordable energy and agricultural fertilizers acquired from installation of small-scale biogas plants in low-income rural households raising livestock in the Sichuan province of China</p>	<p>Estimated annual emission reduction amount: 880,000tCO₂e</p>
<p>Gyapa Efficient Stoves (Ghana)</p>	<p>Contribution to cost savings on fuel purchases and reducing air pollution by providing Gyapa stoves to households that cook food using solid fuels which can reduce fuel consumption by approximately 50% and decrease carbon emissions and exposure to toxic gases</p>	<p>Total fuel cost savings: \$165million</p>
<p>Acre Amazon REDD+ Portfolio (Brazil)</p>	<p>Contribution to sustainable development by supporting ecosystem restoration in collaboration with local communities to prevent damage to the Amazon rainforest and providing alternative models for economic growth without deforestation.</p>	<p>Estimated annual emission reduction amount: 360,000tCO₂e</p>

Employee Environmental Campaign

Samil PwC participated in the 'Turn off the lights and turn on the stars' campaign, which was held on August 22, 2022, as part of its climate change response activities. The office air conditioner temperature was raised by 2℃ from 2 to 3 p.m., and for 5 minutes from 9 p.m., the lights in the office building was turned off to save energy. A small raffle event was held, where participants submitted proof shots of energy-saving practices in their offices and homes, and prizes were given out through a draw. Furthermore, through the use of employees' PC screen savers, Samil PwC encouraged daily activities that could reduce environmental impact, encouraging the use of tumblers and raising awareness of the firm's Net-Zero initiative and status.



1) Source: Climate Impact Partners analysis

Our People



Highlight 01

Implementation of PwC Network People Strategy

Highlight 02

People Engagement Index increased by 9% compared to the previous year (75%).

Highlight 03

Formation of CCC (Culture Change & Communication) organization (Samil PwC)

Highlight 04

Implementation of digital competency enhancing (Digital Pathfinder) curriculum

Highlight 05

Development of health and safety management policy, health and safety management regulations

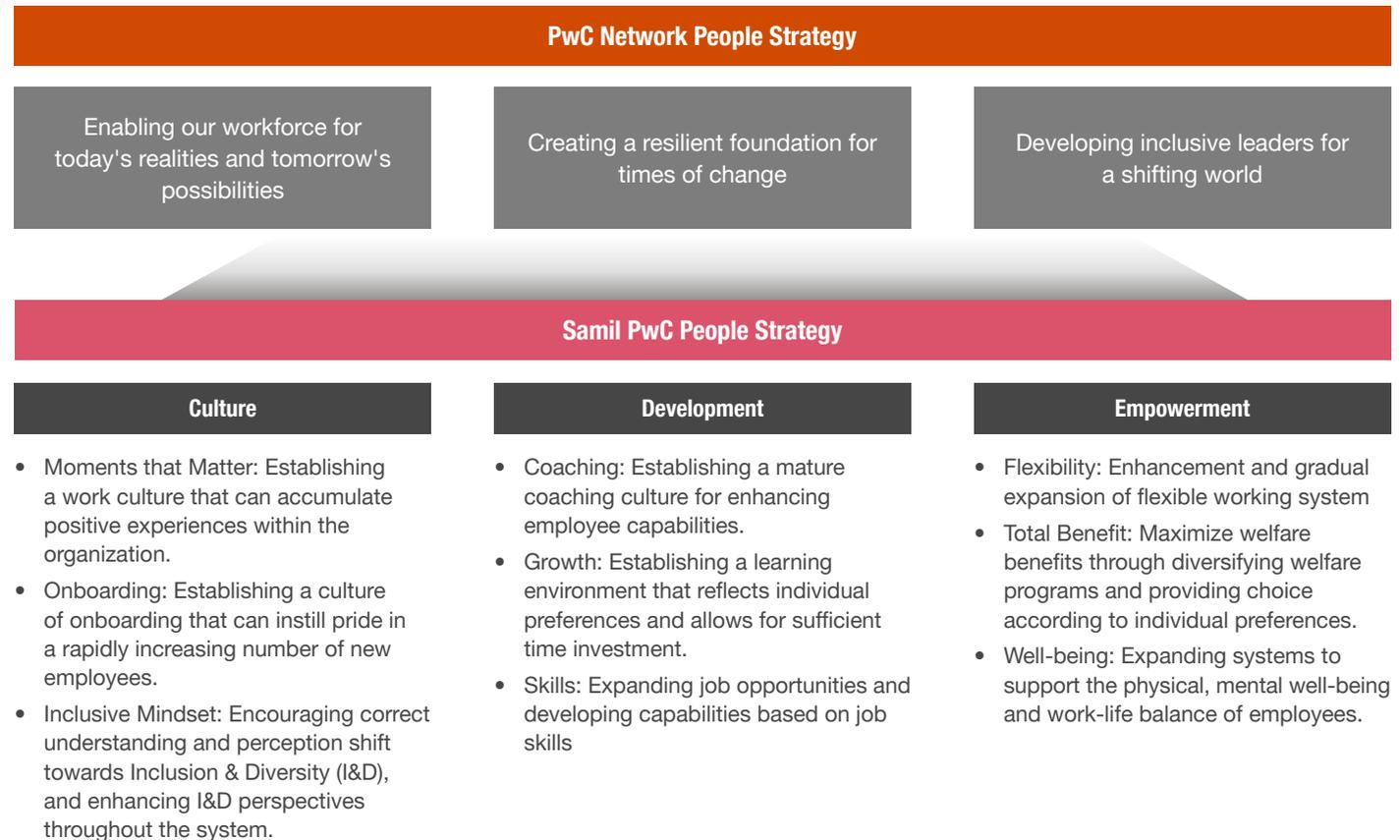
Highlight 06

Management of S-Bridge (exemplary workplace for the disabled in the form of an in-house cafe)

PwC Network People Strategy

The driver of PwC Korea's growth is to secure and retain excellent talents. Accordingly, we aim to establish a basis to enhance employees' organizational and job engagement by implementing PwC Network's The New Equation strategy and People Strategy. In addition, Samil PwC is carrying out investment activities for employees by concretizing the Samil People Strategy, which consists of three main areas: Culture, Development, and Empowerment.

People Strategy Alignment



People Strategy Operating System

PwC Korea manages the HC (Human Capital) team, which is responsible for overall human resource management, including talent recruitment and career development, compensation and benefits, flexible work environment, and employee health and safety, with the top priority of attracting and retaining outstanding employees. HC develops improvement plans for HR system to continuously improve the working environment and organizational culture, approved through the review process of the HC Council by business unit and the deliberation and resolution of the Management Committee. In the area of inclusion and diversity, PwC Korea has appointed an I&D (Inclusion & Diversity) Leader to develop a strategy consistent with PwC Network's I&D policy and monitor performance. For employee training and competency enhancement, Samil PwC's L&E (Learning & Education) team and PwC Consulting's CKC (Consulting Knowledge Center) team are in function. Meanwhile, Samil PwC has established the CCC (Culture Change & Communication) team directly under the CEO to promote a healthy organizational culture centered on employees and to enhance internal communication.

Organizational Culture of Communication

PwC Korea is leading a culture of trust based on clear communication to improve employee satisfaction and engagement.

Strategy for Improving Organizational Culture and Enhancing Communication

Samil PwC conducted an examination of the health of its organizational culture based on global trends, the status of the PwC network, and internal and external data analysis to promote improvement in organizational culture and strengthen communication. Through this examination, it identified focus areas including leadership, respect-and-growth culture and awareness, and improvement in internal communication. We aim to carry out activities that can strengthen the health of the organization through collaboration with relevant teams by each focus area, establish an organization culture in which employees can be happy, and enhance employee engagement through transparent internal communication. As we deal with topics sensitive to employees, we attempt to actively reflect their views throughout the planning, execution, dissemination, and evaluation stages so that the characteristics of each team and the values of Samil PwC can be harmonized and organizational health could be achieved. The progress of the initiative will be managed through continuous monitoring of performance indicators including GPS (Global People Survey) results, multidimensional diagnosis results, and Pulse Survey on working methods.



Organization Initiating Culture and Communication

PwC Network has presented a 'Focus on people' strategy to support individuals in forming relationships with the organization, growing within the organization, and becoming immersed in the organization, as employees' mindset has shifted towards valuing a sense of belonging and stability within the organization after COVID-19. Samil PwC has established a CCC (Culture Change & Communication) team directly under the CEO in FY22 to promote change consistent with PwC Network. CCC has reached a consensus on the direction of organizational culture change through Management Committee, presentations during Partners' day, and is carrying out organizational culture innovation activities from FY23 through CEO-employee meetings and S.meme activities in collecting thoughts of employees by each team and position.

Establishment of Labor Relations Based on Communication

Samil PwC manages the Samil Happy Council, a labor-management council. The council consists of nine employee representatives and nine management representatives elected through direct, secret, and anonymous voting, and it communicates employee complaints, evaluations and compensation, and major employee matters every quarter. Each business unit leader promotes an organization culture that encourages horizontal communication by facilitating Town Hall meetings with employees in their team bi-annually or more if required. PwC Consulting conducts active communication between employees and management with an employee representative team consisting of four members from each business unit. The members attend the quarterly council meetings and discuss issues such as HR affairs of management and employee welfare systems.

¹⁾ An organization where employees of each division and position gather to share opinions on organizational culture and communication while also promoting activities for change. Shortened from Samil Members Enjoy Together, its name means "creating a culture in which every member participates happily", and carries a comprehensive context that culture of Samil PwC is well-spread and imbued within our employees.

Global People Survey

PwC Korea conducts a Global People Survey (GPS), which is an organizational satisfaction survey for all PwC Network employees, to examine, analyze, and improve employee satisfaction. The FY22 GPS achieved a participation rate of 73% for PwC Korea and recorded a People Engagement Index Score of 75%, which is a 9% increase from FY21.



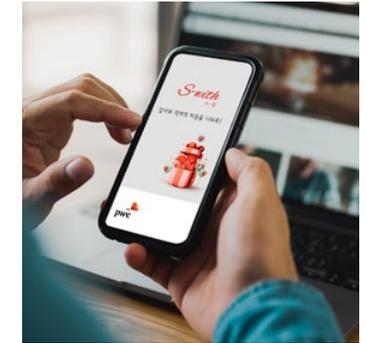
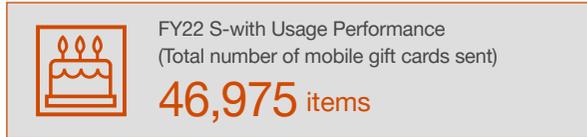
Major GPS Index Categories

People Engagement Index	Pride in the firm, participation, dedication, overall job satisfaction
Meaningful Work Index	Job satisfaction, potential for growth and competency development, consistency with areas of interest
Inclusion & Diversity Index	I&D (Inclusion & Diversity) leadership, inclusive organizational culture, sense of belonging for employees
Quality Behaviors Index	Quality management leadership, regular feedback and coaching, ethical business practices
Values Index	Consistency between PwC Values and personal values



S-with Program

Samil PwC has introduced the S-with program, which allows employees to express gratitude and encourage each other by exchanging text messages and gifts. Every year, Samil PwC allocates a small budget to all employees through this program, and employees express their gratitude to each other by giving mobile gift cards.



CEO's Award

PwC Korea gives out CEO's Awards for teams and employees who have been a great model to others for pioneering unique and new business areas or practicing PwC Korea's values including Excellence, Creativity, Teamwork, and Value Creation. In FY22, 14 teams (54 people) were selected as the Best Project Team and 21 people as the Best People in Samil PwC, and 9 teams (102 people) were selected as the Best Project Team and 8 people as the Best People in PwC Consulting, acknowledging their contributions to improving organizational culture.



Inclusion and Diversity

PwC Korea believes that diverse talents and inclusive organizational culture are the driving force for sustainable growth, and creates an organization in which all members can feel a sense of belonging.

Inclusion & Diversity (I&D) Strategy

PwC Korea shares PwC Network's I&D vision to become an organization that leads the promotion of inclusion and diversity among employees, clients, and stakeholders. As a responsible member of the PwC Network, we aim to realize the values of I&D not only in policies and regulations but also in the overall organizational culture. To achieve this, we have set up key focus initiatives including enhancement of organizational inclusion and employee I&D awareness improvement training and have implemented specific action plans.

FY22 Activities by Key Focus Area

Enhancement of Organizational Inclusiveness	<ul style="list-style-type: none"> Establishing an inclusive organizational culture and strengthening communication based on CCC (Culture Change & Communication) activities Listening to employees' voices through S.meme activities
Employee Inclusion & Diversity Awareness Training	<ul style="list-style-type: none"> Conducting Inclusive Mindset Training at PwC Network Level <ul style="list-style-type: none"> Proceed through four stages: Widen your lens, Awareness, Empathy, and Action on the topic of I&D Gradually expanding adoption after pilot operation of Assurance division in Samil PwC Planning to additionally develop Inclusive Culture education program

Monitoring I&D Performance

PwC Network member firms are monitoring Network Leadership I&D KPIs regulated by the PwC I&D Committee. PwC Korea manages six common I&D indexes and one separately selected index as leadership performance indicators, which are uniformly applied throughout the PwC Network. The TSP (Territory Senior Partner) representing PwC Korea sets medium- to long-term goals for the performance indicators and periodically monitors their progress.

Increasing Female Recruitment

PwC Korea is taking the lead in recruiting and nurturing female talent to ensure gender diversity among its employees. In FY22, the ratio of female recruitment and promotions increased compared to the previous year, and we will continue to retain active female staff.

Trend of Increasing Female Employment Rate

Year	Female Employment Rate in Samil PwC	Female Employment Rate in PwC Consulting
FY21	35%	32%
FY22	43%	38%

Trend of Increase in Female Promotion Rate*

Year	Female Promotion Rate in Samil PwC	Female Promotion Rate in PwC Consulting
FY21	74%	68%
FY22	80%	80%

*Female promotion rate compared to the number of female employees eligible for promotion.

Increase of Employment for People with Disabilities

Samil PwC is the first accounting firm in Korea contributing to creating jobs for people with developmental disabilities by establishing its subsidiary, namely 'Samil Sharing Happiness.' Employees with developmental disabilities work as baristas at S-Bridge, an in-house cafe that provides free drinks and snacks to Samil PwC employees, and as office cleaners. In FY22, eight severely disabled people were newly hired for cleaning partner offices, and a total of 43 employees with developmental disabilities are hired. Efforts are being made to provide the optimal work environment tailored to individual characteristics and capabilities through periodic interviews, and plans are underway to develop new job positions for severely disabled people.



Implementation of Work-Life Balance Support Program

PwC Korea supports employees to maintain a balance between work and family through maternity and family-friendly programs. We implement customized support systems including childcare leave in different stages during pregnancy, childbirth, and childcare periods, and such support systems are available to both female and male employees. We also strictly manage internal policies and regulations to ensure that employees who take temporary leave or flexible work hour programs due to reasons such as pregnancy, childbirth, childcare, and family care do not suffer from any disadvantages.

Work-Life Balance Support Program

Childcare Leave	Up to 1 year of childcare leave for pregnant employees, employees with children under the age of 8 or in second grade of elementary school or below.
Shortened Working Hours During Pregnancy Period	2-hour shortened working hours per day for pregnant women who are within 12 weeks of pregnancy or after 36 weeks of pregnancy.
Shortened Working Hours During Childcare Period	1~5 hours shortened working hours per day for childcare for employees with children under the age of 8 or in second grade of elementary school or below
Shortened Working Hours During School Period	1 hour shortened working hours per day during school period (March) for employees with children entering elementary school
Reduced Working Hours	2-5 hours shortened working hours per day due to reasons such as family care, health management, and academic burden
Reduced Working Days	Working in only certain day of the week due to reasons such as family care, health management, and academic burden
Seasonal Reduced Working Program	Implementation of leave-by-request system during Non-Busy Season
Flex-time Working Program	Adjust commuting time within 1 hour



Mom's Lounge

PwC Korea provides support for female employees during pregnancy and helps them return to work smoothly after childbirth by running a dedicated lounge called Mom's Lounge. The lounge is equipped with various nursing and convenience items such as blankets, breast pumps, foot massagers, and childcare books, and is available for free use. All items are regularly washed and disinfected to create a safe environment for users.

Samil Daycare Center

To reduce the childcare burden of employees with young children and create a work environment in which employees can focus on their work, we are the first accounting firm in Korea to have opened an in-house daycare center. Samil Daycare Center is managed through a professional entrusted childcare agency, and in FY22, it provided high-quality childcare services to a total of 25 Samil PwC employees and their children, ensuring a balance between work and family life.



Recruitment and Retention of Talent

Recruiting talented individuals with the potential to grow into global experts is the basis for sustainable business and growth. PwC Korea continues to expand its investment in discovering and nurturing excellent talents to enable the firm and its employees to grow together.

Efforts to Acquire Outstanding Talents

Samil PwC has made it mandatory for all interviewers to complete interviewer training since 2019, and in FY22, a total of 52 interviewers have strengthened their professional competence through this training program. To recruit talents suitable for the needs of each business unit, we allow separate screening by and duplicate applications to each business unit, and partially introduced blind interviews to ensure fairness. Furthermore, we are implementing a flexible recruitment strategy by managing a ad-hoc recruitment system to secure excellent talents in a timely manner. We actively recruit professionals through year-round ad-hoc recruitment and conduct open hiring event to the general public to recruit suitable talents for each business unit. Samil PwC's ad-hoc recruitment has increased 4.3 times compared to the previous year, with approximately 510 employees hired on an ad-hoc basis during FY22.

Global Talent Development

PwC Korea manages programs to cultivate global talents with international perspectives and mindsets. In FY22, a total of 35 key talents were dispatched to PwC offices in 13 countries including the United States and China through the overseas dispatch system, actively supporting the global management with local PwC experts. We are strengthening our identity as a global expert group by accepting dispatched experts in each field from PwC offices around the world, and helping to enhance the global capabilities of Partners through global talent development programs provided by the PwC Network.

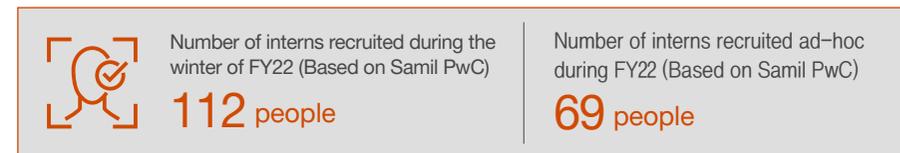


System of Regular Transfers to Different Divisions

Samil PwC has implemented a regular transfer system to different divisions that provides opportunities for employees to transition to other business units to support career development and enhance organizational agility. This occurs twice during the year and as of FY22, 155 employees have pursued career transitions. We actively support employees to build their capabilities in different divisions through an internal job posting system.

Internship Program

PwC Korea is actively recruiting interns to build an excellent talent pipeline and provide job experience opportunities to job seekers. Samil PwC hired a total of 112 interns during the winter season in FY22, and expanded its ad-hoc internship program to more than twice the previous year, hiring a total of 69 interns. We are continuously expanding the link between internship programs and formal employment to secure talented individuals with job suitability.



Samil Coaching Center

Samil PwC strives to foster a culture of discovering each other's potential and supporting growth based on mutual respect among employees, and manages the Samil Coaching Center to implement various programs. Team Leaders (coach) conduct regular coaching interviews and ongoing feedback conversations with employees (coachee) to support them in developing their careers and maximizing their growth potential at each stage of their lives. In FY22, the regular coaching training program was extended to both the existing team leader and the project manager group to enhance the firm-wide coaching capabilities. A Coaching Letter is published every month to share coaching-related news and useful information with employees, and efforts are being made to discover and disseminate the best practices of coaching through the "My Coaching Story" contest.

Samil Coaching Model



 <p>Number of employees who have completed FY22 Team Leader(Coach) Check-in Training</p> <p>89 people</p>	<p>Number of employees who have completed FY22 Team Leader(Coach) Year-end Conversation Training</p> <p>41 people</p>	<p>Number of employees who have completed FY22 Project Manager Human-Centered Mindset Training</p> <p>34 people</p>
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Fair Evaluation and Compensation

PwC Korea selects job applicants based on their job competency and potential, without discrimination based on gender, race, nationality, age, background, physical conditions, etc. We implement an evaluation and reward system that fairly reflects effort and performance, and complies with maternity policies for female employees. Regular promotions by job grade are conducted once a year, and individuals are selected based on their work results and job performance abilities.

Career Round Table (CRT)

PwC Korea implements the Career Round Table (CRT) system to help develop the practical capabilities of individual employees and improve the fairness and transparency of the promotion system. CRT consists of compensation assessment, competency assessment, and multi-dimensional assessment, and is executed through a fair and transparent process based on performance-centered, competency-centered, and feedback-centered objectives.

<p>Compensation Assessment</p>	<ul style="list-style-type: none"> • Evaluation based on result and performance for the current year. • Identification of individual employee's strengths and discussion of opportunities for future capacity enhancement.
<p>Competency Assessment</p>	<ul style="list-style-type: none"> • Competency-based evaluation of candidates for promotion for all positions and job grades, including general positions, secretary positions, and Partner positions. • Gathering and reflecting the views of Project Managers and Project Leaders who have worked with the appraisee for a certain period of time. • Securing objectivity through the presentation of competency indicators by division and job grades.
<p>Multidimensional Assessment</p>	<ul style="list-style-type: none"> • Feedback-centered evaluation conducted for the purpose of developing the appraisee. • Providing upward feedback to employees who are at the Senior Manager level or above. • Supplement the limitations of one-sided performance evaluation.

Long-term Employment Incentive

PwC Korea provides a reward system for long-term employees who demonstrate a diligent work attitude and serve as a role model for others. Every year on the anniversary of its founding, April 1, an award ceremony is held. In FY22, PwC Korea provided rewards and incentives to 148 employees who have worked for 10 years, 46 employees who have worked for 20 years, and 7 employees who have worked for 30 years, in order to motivate them and promote organizational development.

Employee Training and Professional Competency Enhancement

PwC Korea manages the optimal training programs for all employees to develop professional capabilities and enable growth.

Employee Capability Development Strategy

Samil PwC provides various training programs with the aim of fostering professionals with true leadership based not only on professional knowledge but also on business acumen, global capabilities, and interpersonal skills under the purpose of 'Build trust in society and solve important problems'. In particular, we encourage a customized self-directed learning by identifying the competencies required for job performance by job grade and providing education curriculums tailored to individual competencies. In FY22, we provided diversified training courses with the goal of enhancing ESG capabilities, improving industry understanding, communication skills, and leadership in addition to professional knowledge. PwC Consulting introduces its various services and provide guidance to the technical capabilities required as a consultant by managing training programs including Breakfast & Learn Competency for new joiners and On-Boarding training for employees who have been promoted and experienced hires recruited on an ad-hoc basis.

PwC Korea Competency Development Roadmap by Job Grade



Employee Training Initiative System

Samil PwC manages employee training programs through a dedicated team called L&E (Learning & Education) that performs a role in employee training across the firm. PwC

Consulting implements a minimum training requirement and mandatory professional training policy suitable for employees' job characteristics through a dedicated team called CKC(Consulting Knowledge Center). Samil PwC and PwC Consulting appoint a Partner in charge of training for each entity, and fulfill roles and responsibilities including the development of annual training plan, compliance with internal and external training regulations, implementation and monitoring of training, analysis and improvement of training program quality, and management of employees in charge of training. We share the results of annual training plan and monitor them with each entity's Management Committee.

Policy for Employee Capability Development and Performance Management

Samil PwC and PwC Consulting have established employees' obligations to complete training through each entity's regulations, and have set up minimum training requirements and mandatory course completion systems depending on the nature of their work and duties. Through the training system, individual training histories are managed and compliance with internal and external training-related regulations of employees is thoroughly monitored, and monitoring results are reported to representative Partners of each team. Samil PwC designates basic competency training for employees engaged in audits, conducts mandatory training including professional ethics training, other training programs required by the Certified Public Accountants Act, and ESG training, and manages its performance with the goal of achieving a 100% completion rate. In particular, Samil PwC continues to manage the audit performance measurement indicators by setting goals of 100% compliance rate for complying with instructions of employee training of PwC Network, a 0% incompleteness rate for mandatory training, and a 0% incompleteness rate for training required by the registered certified public accountants.

FY22 Employee Training Performance Data

Employee Training Hours - Samil PwC¹⁾ (Unit: Hours)

Category	FY22	
Gender	Male	157,986
	Women	88,855
Rank-based	Partner	12,941
	Director	11,938
	Manager ~ Senior Manager	34,907
	Assistant Associate ~ Senior Associate	187,054

Employee Training Hours - PwC Consulting²⁾ (Unit: Hours)

Category	FY22	
Gender	Male	19,225
	Women	9,386
Rank-based	Partner	1,516
	Director	2,356
	Manager ~ Senior Manager	10,035
	Assistant Associate ~ Senior Associate	14,702

1) Aggregated data based on training hours of all employees employed as of June 30 of the current fiscal year.

2) Aggregated data based on training hours of all employees employed during the current fiscal year.

Customized Competency Development Program

Samil PwC provides annual audit training by each grade for employees participating in audit engagements, and runs supplementary training, if required. We provide training on service-specific work methodology and best practices to employees who perform non-assurance services. For executives, we help strengthen leadership capabilities by providing external training opportunities, global competency development opportunities, leadership training for organizational management, and coaching upskilling training. After the training is completed, its effectiveness is reviewed by conducting satisfaction surveys on the training content and quality of instructors, and comments are collected through other surveys for the development of future training programs. PwC Consulting provides training to acquire competencies required for promotion, and conducts an On-Boarding training program to help new joiners adapt to the organization.

Industry-specific Expertise Training

PwC Korea provides monthly industry-specific seminars and lectures to all employees to enhance their job skills in line with rapidly changing industry trends. Through training on market outlook and industry trends by major industry experts, we provide opportunities to quickly respond to changes and help those who wish to participate in industry-specific workshops to further develop their industry expertise.

ESG Competency Enhancement Training

PwC Korea supports the cultivation of ESG expertise and improvement of ESG awareness among its employees. In FY22, the ESG training program <ESG & Me> was offered to all PwC Network employees, and Samil PwC made it a mandatory training program for all employees, achieving a completion rate of 100%. Through the ESG Academy Site, basic concepts of ESG and its practical applications are disclosed.

Strengthening Self-development and Leadership Skills for Management Position Employees

PwC Korea provides on-the-job training for employees to enhance their capabilities and self-development training programs to improve professional insights. In FY22, 100 Senior Managers and Directors, and 102 Managers at Samil PwC were provided with self-development training opportunities. It also facilitated a New Partner seminar for newly appointed Partners to examine and check individual leadership capabilities and support them to understand and develop leadership qualities through leadership lectures.

Employee Health and Safety

PwC Korea establishes policies and guidelines for creating a healthy work environment and promotes the mental and physical health of employees through the implementation of a health and safety program.

Health and Safety Policy

PwC Korea has established a preemptive strategies to support the healthy and safe lives of employees and prepared them for unexpected disaster situations. We have established policies for risk prevention and preparation, including the 2022 Safety and Health Management Policy and Safety and Health Management Regulations, to identify potential risks faced by employees in advance and to strictly comply with the Occupational Safety and Health Act and Serious Accidents Punishment Act. The Safety and Health Policy specifies management responsibilities for complying with safety and health-related laws and regulations and the establishment of a safe environment for all stakeholders, including the firm and employees. We establish an annual safety and health management plan for each entity, which is approved by the Management Committee, so that we can continuously improve the safety and health system through regular risk assessments and monitoring.

Samil PwC Health and Safety Policy

Health and Safety Management Regulations	FY22 Health and Safety Management Plan
<ul style="list-style-type: none"> • Organization and responsibilities of health and safety management • Health and safety training • Workplace health and safety management • Prevention of industrial accidents for subcontractors • Accident investigation and development of countermeasure • Risk assessment 	<ul style="list-style-type: none"> • Prevention of workplace harassment (Sexual harassment) • Prevention of overwork and work-related stress • Prevention of office fire • Prevention of safety accidents due to typhoons and heavy snowfall. • Prevention of food poisoning accidents

Establishment of Health and Safety Guide

PwC Korea has established a firm-wide response system to create a safe working environment for employees and protect them from disasters such as typhoons, fires, and infectious diseases. In the event of a disaster, quick text messages, Office Memos, and emails are sent to prevent harm to employees, and a health and safety guide website is functional with instructions and emergency contact information for each type of disaster to strengthen the prevention system and continuously raise awareness of safety and health among all employees.

Health and Safety Guide

COVID-19 Response	<ul style="list-style-type: none"> Measures according to government's quarantine guidelines. <ul style="list-style-type: none"> - Sanitary guidelines (Behavioral guidelines in the office, commuting and business trip instructions, etc.) - Scenario-based action guidelines of employees for COVID-19 - Emergency contact information for confirmed cases, contact or symptom manifestation.
Disaster Response System	<ul style="list-style-type: none"> Response policy for natural disaster, social disaster, and infectious disease <ul style="list-style-type: none"> - Possible scenarios and employees' action plans by disaster type, and emergency contact information in case of an accident.
Health and Safety Management	<ul style="list-style-type: none"> Health and safety management plan by each entity Safe driving rules

Preparation of COVID-19 Response Guidelines

PwC Korea implements infection prevention rules to comply with the government's COVID-19 response policies and to ensure health and safety of its employees. Individual action plans and response guidelines have been distributed for confirmed cases, close contacts within the firm, confirmed cases of family members, and recovered individuals. We are identifying and monitoring infection status and potential risks on a real-time basis throughout the firm. In the event of a confirmed case within the firm, prompt physical disinfection is carried out, and if the risk of close contact within the firm is identified, key information such as the confirmed member's movements is shared with employees, and appropriate measures are taken to prevent further infection in advance.

Employee Counseling Support

PwC Korea provides psychological counseling services through the Mind Care Center, an in-house counseling center, to help manage stress and support psychological stability and recovery of its employees. Happy Mint counseling is provided to support comprehensive counseling on psychological, insomnia, and financial issues. We also provide an in-house psychological counseling service and supports online LIVE yoga and meditation classes, and a mobile meditation application service that can be easily accessed.



	Monthly average counseling cases for in-house psychological counseling service (based on PwC Korea)	Satisfaction of Online LIVE Yoga Classes (based on PwC Korea)	Online LIVE Meditation Class Satisfaction (based on PwC Korea)
56 people		4.5 / 5	4.4 / 5

Employee Medical Expense Support

PwC Korea conducts regular health check-ups for the health improvement and disease prevention of its employees, and implements a corporate welfare insurance system that reimburses expenses through group insurance in case of illness or injury accidents, and a recovery assistance program that supports hospital costs up to a certain portion. We are doing our best to protect and prevent the health of employees by implementing a vaccine cost support system for mandatory vaccination items, such as seasonal influenza and hepatitis A/B, recommended by the Korea Disease Control and Prevention Agency.

	Total amount of recovery assistance provided (based on Samil PwC)	Total amount of vaccine expenses reimbursed (based on Samil PwC)
24 million KRW		211 million KRW

Employee Well-being and Welfare Benefits

PwC Korea strives to improve the quality of life for its employees by implementing systems for work flexibility and welfare enhancement.

Flexible Working Environment

PwC Korea offers discretionary, optional and basic work programs in accordance with the Labor Standards Act to help employees work more efficiently and be more engaged in their work. We ensure work-life balance for employees and improve organizational satisfaction through the implementation of 'work from home'. We also implement flexible work systems, including reduced working hours and days programs, to ensure that employees' careers are not interrupted and they can maintain a balance between work and personal life.

Encouragement of Free Use of Annual Leave

Samil PwC implements a Samil holiday system, encouraging employees to take any days before or after public holidays as annual leave to promote a culture of flexible vacation and help employees have sufficient refreshing time. The labor representatives and management representatives within the Samil Happy Council discuss and decide on the appropriate level of Samil holidays for each business unit each year, and in FY22, eight days of Samil holidays have been made available for use. PwC Consulting encourages 'bridge holidays' through a holiday notice system to allow employees to have time for refreshment.

In-house Cafe (S-Bridge)

S-Bridge, the subsidiary-type exemplary workplace for disabled people and in-house café, are operated within the office to provide Samil PwC employees with a space for rest and communication along with free drinks and snacks. In FY22, plastic cups and lids used in the in-house cafe were completely replaced with paper to increase eco-friendliness, and winter season menus were offered to provide more special opportunities to enjoy the in-house cafe. In addition, a snack vending machine is operated to support employees to purchase lunch boxes, salads, etc. at a low price.

Operation of In-house Clubs

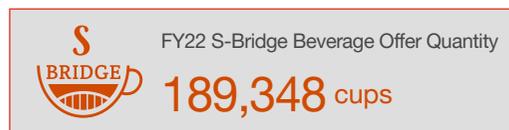
PwC Korea actively supports in-house leisure activities to encourage self-development and organizational unity. During FY22, 11 in-house social clubs, including soccer, choir, and volunteer work clubs, were active, and over 500 employees were creating a vibrant organizational culture through activities that suit their individual preferences and aptitudes.

Supplementary Welfare System (Vitamin System)

Samil PwC makes available a supplementary welfare system to meet the needs of employees and contribute to improving their quality of life. We provide all employees with welfare points called Vitamin Points, which can be selectively used according to personal preferences for self-development, health management, family-friendly, cultural and leisure activities.

Housing Loan Program

PwC Korea has signed an agreement with a bank to make available a 'Housing Loan Support Service' for its employees and provide related consultation services. In addition to providing preferential interest rates for employees using the housing loan support service, it offers personalized consultations with experts through dedicated consultation phone lines, SNS channels, and on-site services.



Social Impact and Contribution



Highlight 01

1,566 Beneficiaries of social contribution

Highlight 02

Provide consulting services for transparency improvement for four public service corporations

Highlight 03

Conduct 'Youth Job Talk' mentoring program for 160 young people

Contribution Activity System For Local Communities

PwC Korea and its employees are striving to fulfill their roles and responsibilities as members of society and become trusted and respected citizens.

Contribution Strategy for Local Communities

PwC Korea's contribution activities for local communities focus on maximizing the potential of individuals, NGOs, and social enterprises to help them play a greater role in our society. PwC Korea is extending its support to maintain the sustainability of domestic nonprofit organizations by donating its professional knowledge and experience through the Samil Future Foundation, foster a healthy and trusting relationship with the local community, and continues to invest in children and young adults who will lead our society's future.

Contribution Initiative System For Local Communities

PwC Korea's social contribution activities are managed by the M&C (Marketing & Communication) team, and decision-making and monitoring activities for major projects are carried out by the leadership, including the Management Committee. For projects run by the Samil Future Foundation as part of local community contribution activities, its Board of Directors consisting of nine members manages, oversees, reviews, and makes decisions on the project plan and implementation process.

Contribution Performance Management For Local Communities

PwC Korea set a joint goal with PwC Network in 2018 to reach a total of 15 million beneficiaries by 2022 and established a mid-to long-term performance management system to achieve this goal. This goal was achieved within a year, and by FY22, the total number of global beneficiaries was reached over 21.6 million. PwC Network collects CS (Corporate Sustainability) performance data, including social contribution performance (Community Data) of member firms around the world, including PwC Korea,



and reports it annually through the Global Annual Review. Social contribution performance indicators include total beneficiaries, donation activities, general volunteering, skilled volunteering, Pro bono work, number of projects related to Discounted Engagement Service, number of participants, and input hours. PwC Korea also discloses its progress through a Sustainability Report each year.

Supporting Nonprofit Organizations

The introduction of accounting standards for public service corporations has stimulated the willingness of many public service corporations to improve transparency, but they are facing challenges due to a lack of professional knowledge. PwC Korea observes the positive impact that public service corporations have on the local communities and conducts various activities such as providing consulting services, facilitating seminars, and rendering discounted professional services, etc. based on its expertise and experience to help public service corporations improve transparency and ensure sustainability.

Implementation of NPO Services Team

In July 2016, in response to the changing management environment with the introduction of accounting standards for public service corporations and the enforcement of tax

incentives for such corporations, we, as the first accounting firm in Korea, launched the nonprofit professional services team to enable nonprofit organizations to comply with their legal requirements while operating more transparently and efficiently. The team, which started with one member, has grown to include seven accounting and tax professionals as of September 2022, and is building its identity as a revenue business unit based on the continuous growth. The number of nonprofit organizations that continue to use our services have steadily increased over the past six years, reaching over 50 organizations, maintaining a relationship of trust with us. The NPO Services Team provides specialized accounting and tax services tailored to nonprofit organizations based on professional knowledge and experience, and strives to overcome practical challenges through continuous knowledge and experience sharing activities, publishing related books, facilitating seminars and training.

Professional Knowledge Sharing Activities for Nonprofit Organizations

<p>Publication of Books and Academic Papers for Nonprofit Organizations</p>	<ul style="list-style-type: none"> • <A Study on Improvement Measures for Management and Oversight on the Activation of Public Service Corporations> (April 2022)" • <Accounting and Tax Practice for Nonprofit Organizations> (February 2022)" • <How to ensure transparency of Public Service Corporations> (October 2021) • <Public Service Corporation's Accounting and Taxation> (August 2021) • <Practical Explanation of Public Interest Corporation Accounting Standards> (February 2020)
<p>Hosting Training Sessions and Seminars on Nonprofit Organizations</p>	<ul style="list-style-type: none"> • Conduct training courses mandatory for external auditors of public service corporations, "Tax Practice for Educational Institutions" and "Tax Practice for Public Service Corporations" • <Recent Amendments to Public Service Corporation Tax Laws and Method of Preparing Disclosure Document > Webinar held, attended by over 400 people (January 2022)

Samil PwC's Public Service Corporation Transparency Improvement Support Consulting

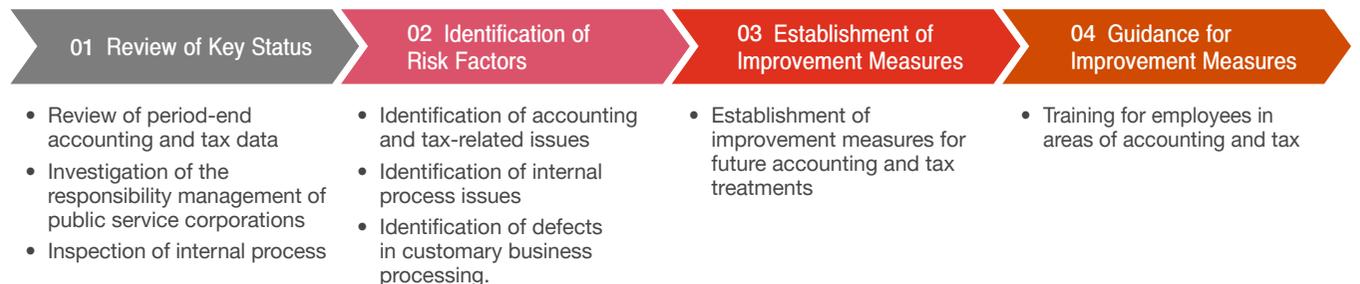
Since 2021, the NPO Services Team andnd Samil Future Foundation of PwC Korea select public service corporations which have been focusing on transparency improvement but have difficulty improving on their own, and support them by providing high-level consulting services by experts. In FY22, four public service corporations were selected for transparency improvement projects, and PwC Korea plans to continue implementing effective projects to improve transparency throughout the industry by listening to the voices of public service corporations.



Professional Services for Nonprofit Organizations

PwC Korea provides management consulting services including accounting and tax advisory for nonprofit organizations at no cost or discounted prices through Discounted Engagement Service to increase accessibility to professional services so that these organizations can smoothly carry out their management activities. In FY22, 60 employees of Samil PwC participated in a total of 40 projects to provide professional services.

Transparency Improvement Support Consulting Process



Support for Children and Adolescents¹⁾

Based on the belief that the growth of children and young adults, who are the leaders of the future society, is the foundation of social development, we continue to support programs for children and young adults through the Samil Future Foundation. In particular, we provide support in fields of education, career paths, and educational environments so that those who are in blind spots of social welfare, such as young refugees from North Korea and young adults from Group Home, can grow into healthy members of society.

Education and Living Environment Support

Education Support	<ul style="list-style-type: none"> Scholarship support: Talented young adults, young refugees from North Korea, young people in Group Home Implementation of children's economics education Donation of books
Facility Support	<ul style="list-style-type: none"> Support for Yongsan-gu local children's center and multicultural kindergarten Support for foster care institutions for young refugees from North Korea Support for alternative education institutions for young immigrants from multicultural families
Support for Housing and Environmental Improvement	<ul style="list-style-type: none"> Support for the renovation of youth social welfare facilities in Yongsan-gu Support for education expenses for children and young people from low-income households. Support for medical expenses for sick children and young adults

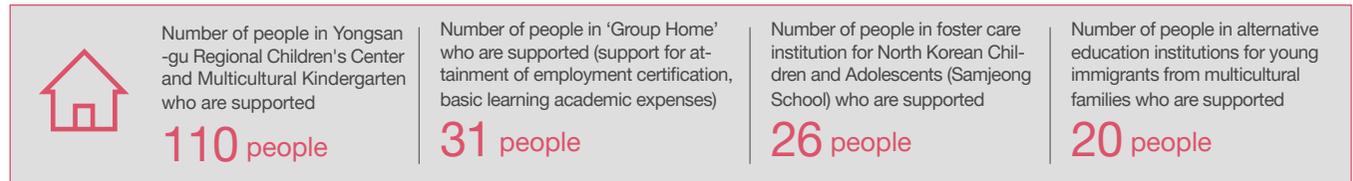
Education Support

We support talented youths with outstanding potential in the fields of art, sports, and pure science to grow as leaders representing Korea. In addition, we select and support North Korean youth defectors who have a passion for academics but face difficulties due to long-term learning gaps that occurred during the process of settling in South Korea. We have also been conducting children's economic education for 10 years to improve youths' understanding of the market economy, and we sponsor learning books and children's wish books for nationwide facilities related to children and youths.



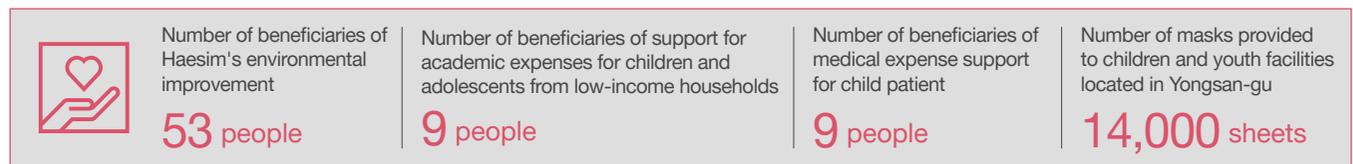
Facility Support

We support the proper growth of children and adolescents living in facilities that are easily placed in blind spots of welfare. In particular, we support local children's centers and multicultural kindergartens providing cultural and artistic education, so that children can find emotional stability, build confidence, and grow. We also provide support for children and young adults in Group Homes²⁾, foster care institutions for young adults from North Korea, and alternative education institutions for young immigrants from multicultural families to have sufficient educational opportunities in a stable environment, and to continue to independently live a healthy life in the future.



Support for Housing and Environmental Improvement

We support the improvement of the quality of life of children and adolescents living in poor educational and living environments. We contributed to creating a stable educational environment by sponsoring the renovation of the Yongsan-gu children and youth social welfare facility called 'Haesim', and provided small subsidies to and paid for education expenses for low-income children and adolescents so that they do not give up on their studies due to hardships. We also continue to pay for their medical expenses so that critically ill children can receive timely treatment and recuperate.



¹⁾ Performance data were prepared based on the 2021 annual report of Samil Future Foundation, and it was aggregated from January 1, 2021, to December 31, 2021.

²⁾ Small group home care services providing a safe and nurturing environment equivalent to a family for children up to 18 years old who require protection due to reasons of family dissolution, negligence, abuse, poverty, and abandonment.

Volunteering and Donation Activities

The employees of PwC Korea consistently participate in various volunteer activities for neighbors in the local community. PwC Korea support recovery by donating funds in the event of domestic and foreign disasters and accidents.

Corporate Volunteer Activities (Yongsan Dragons)

PwC Korea has been carrying out activities for local community growth as a member of the Yongsan Dragons, a private enterprise-local government-school alliance volunteer group, which performs social contribution activities centered around the Yongsan area since 2018.

Youth Job Talk	<ul style="list-style-type: none"> Conducted job mentoring for 160 young people along with Yongsan Dragons and Seoul Volunteer Center. Mentoring support for young people interested in CPA and ESG consulting jobs.
Dosshouse Sharing Volunteer	<ul style="list-style-type: none"> Delivery of daily necessities and implementation of disinfection and cleaning activities for residents of dosshouse. Support of KRW 2 million for 500 residents of dosshouse.
Child Abuse Prevention Campaign	<ul style="list-style-type: none"> Created and provided 'Hoyatoto Dolls' and 'Storytelling Rag Book Kits' for children to commemorate the World Day for the Prevention of Child Abuse. Delivered dolls and kits to 79 institutions including shelters for child abuse victims, households with experience of abuse, and treatment rooms.
'Pre-Christmas Santa Expedition' for Yongsan-gu Children's Facility	<ul style="list-style-type: none"> Conducted Christmas gift delivery volunteer activities for children in Yongsan for the fourth consecutive year, together with Yongsan Dragons and Yongsan Volunteer Center.
Donation of COVID-19 Response Supplies	<ul style="list-style-type: none"> Donated 14,000 masks for Yongsan-gu-based screening clinic, facilities for children and youths, and foster care institution for North Korean youth defectors



Samil Voluntary Community Service Club

PwC Korea employees are participating in various volunteer activities through the Samil Voluntary Community Service Club, which was founded in 2005 to help local communities. In FY22, they carried out 'Sharing Love Through Kimchi and Briquettes' activities for low-income and disabled households.

- Kimchi sharing volunteer activity - Providing 1,800kg of Kimchi to 180 households of disabled people.
- Briquettes sharing volunteer activity - Providing 8,000 pieces of briquettes to 40 low-income households.

Support for Disaster Relief Activities

PwC Korea delivered a total of KRW 150 million through the Social Welfare Community Fund to the areas affected by the forest fires in Gangneung, Gangwon Province and Uljin, Gyeongsangbuk-do. The local government declared these areas as special disaster areas in March 2022. In April 2022, through the Samil Future Foundation, PwC Korea donated USD 50,000 in emergency relief funds to Ukraine, which is experiencing war damage such as a large-scale refugee crisis due to the Russian invasion. The donated relief funds will be used to provide shelters for local PwC employees in Ukraine through the PwC Foundation in Poland, as well as financial and legal support for neighboring countries' immigration and war damage recovery.



2022 PwC Korea Sustainability Report

Appendix



Performance Data

Environmental Performance

Greenhouse Gas Emissions - PwC Korea¹⁾

Category		Unit	FY20	FY21	FY22
Total greenhouse gas emissions		tCO ₂ e	11,517	7,593	9,498
Scope 1 emissions		tCO ₂ e	3,061	3,224	3,263
Scope 2 emissions		tCO ₂ e	2,402	2,583	2,585
Scope 3 emissions	Business Travel (Category 6)	tCO ₂ e	6,054	1,786	3,649
Carbon offset		tCO ₂ e	3,615	193	7,088
Emissions intensity	Emissions Intensity (Scope 1, 2, 3)	tCO ₂ e / KRW 100 million	1.3	0.7	0.8
	Revenue ²⁾	KRW 100 million	9,010	10,128	12,324

Energy Consumption - PwC Korea¹⁾

Category		Unit	FY20	FY21	FY22
Direct energy consumed	Gasoline	ℓ	1,366,100	1,480,496	1,480,347
	Diesel	ℓ	16,751	5,502	6,021
Indirect energy consumed	Electricity	kWh	4,293,362	4,571,824	4,657,957
	City Gas	GJ	3,712	4,546	3,710
Percentage of Renewable energy consumed	Green premium purchased	%	N/A	N/A	100

1) Aggregated based on PwC Korea (Samil PwC, PwC Consulting, Samil Future Foundation, PwC Customs Services Corporation, Samil Tax Corporation)

2) Aggregate the total revenue of Samil PwC and PwC Consulting.

Social Performance

Employee Data - Samil PwC¹⁾

Category		Unit	FY20	FY21	FY22
Total		Number of people	3,345	3,241	3,637
By gender	Male	Number of people	2,244	2,157	2,315
	Female	Number of people	1,101	1,084	1,322
By contract type	Full-time employee	Number of people	3,293	3,183	3,582
	Fixed-term employee	Number of people	52	58	55
By age	Under 30	Number of people	1,127	1,047	1,302
	30 ~ 50	Number of people	2,087	2,039	2,162
	Over 50	Number of people	131	155	173
By professional qualification	CPA (Certified Public Accountant)	Number of people	2,450	2,395	2,655
	Others (Non CPA)	Number of people	895	846	982

Employee Data - PwC Consulting

Category		Unit	FY20	FY21	FY22
Total		Number of people	619	753	967
By gender	Male	Number of people	464	553	684
	Female	Number of people	155	200	283
By contract type	Full-time employee	Number of people	596	736	942
	Fixed-term employee	Number of people	23	17	25
By age	Under 30	Number of people	100	127	181
	30 ~ 50	Number of people	495	596	735
	Over 50	Number of people	24	30	51

1) Aggregated based on employment status as of June 30 of the current fiscal year.

Diversity Data - Samil PwC

Category		Unit	FY20	FY21	FY22	
Gender diversity by job grade	Partner	Male	Number of people	268	271	285
		Female	Number of people	31	36	37
		Percentage of Male	%	89.6	88.3	88.5
		Percentage of Female	%	10.4	11.7	11.5
		Percentage of female among new partners	%	13.0	25.8	3.8
	Director	Male	Number of people	222	235	241
		Female	Number of people	53	53	78
		Percentage of Male	%	80.7	81.6	75.5
		Percentage of Female	%	19.3	18.4	24.5
	Manager ~ Senior Manager	Male	Number of people	623	600	561
		Female	Number of people	302	313	343
		Percentage of Male	%	67.4	65.7	62.1
		Percentage of Female	%	32.6	34.3	37.9
	Assistant-Associate ~ Senior Associate	Male	Number of people	1,101	1,017	1,203
		Female	Number of people	714	680	863
		Percentage of Male	%	60.7	59.9	58.2
		Percentage of Female	%	39.3	40.1	41.8
	Advisor ¹⁾	Male	Number of people	30	34	25
		Female	Number of people	1	2	1
		Percentage of Male	%	96.8	94.4	96.2
Percentage of Female		%	3.2	5.6	3.8	
Foreign employees	Number of foreign employees		Number of people	51	52	57
	Ratio of foreign employees		%	1.5	1.6	1.6
Employees with disabilities	Number of employees with disabilities		Number of people	7	7	8
	Ratio of employees with disabilities		%	0.2	0.2	0.2

1) Including RP (Retired Partner), Honorary Chairman, Expert Committee Member, and Former Chairman

2) Including RP (Retired Partner)

Diversity Data - PricewaterhouseCoopers Consulting

Category		Unit	FY20	FY21	FY22	
Gender diversity by job grade	Partner	Male	Number of people	45	55	60
		Female	Number of people	2	3	4
		Percentage of Male	%	95.7	94.8	93.8
		Percentage of Female	%	4.3	5.2	6.3
		Percentage of female among new partners	%	16.7	11.1	11.1
	Director	Male	Number of people	96	106	120
		Female	Number of people	10	10	15
		Percentage of Male	%	90.6	91.4	88.9
		Percentage of Female	%	9.4	8.6	11.1
	Manager ~ Senior Manager	Male	Number of people	182	220	282
		Female	Number of people	55	63	84
		Percentage of Male	%	76.8	77.7	77.0
		Percentage of Female	%	23.2	22.3	23.0
	Assistant-Associate ~ Senior Associate	Male	Number of people	136	170	220
		Female	Number of people	88	124	180
		Percentage of Male	%	60.7	57.8	55.0
		Percentage of Female	%	39.3	42.2	45.0
	Advisor ¹⁾	Male	Number of people	5	2	2
		Female	Number of people	0	0	0
		Percentage of Male	%	100	100	100
Percentage of Female		%	0	0	0	
Foreign employees	Number of foreign employees		Number of people	11	15	15
	Ratio of foreign employees		%	1.8	2.0	1.6
Employees with disabilities	Number of employees with disabilities		Number of people	3	6	5
	Ratio of employees with disabilities		%	0.5	0.8	0.5

Recruitment Data - Samil PwC

Category		Unit	FY20	FY21	FY22
Total		Number of people	427	334	907
By gender	Male	Number of people	292	217	520
	Female	Number of people	135	117	387
	Percentage of Male	%	68.4	65.0	57.3
	Percentage of Female	%	31.6	35.0	42.7

Recruitment Data - PwC Consulting

Category		Unit	FY20	FY21	FY22
Total		Number of people	148	202	349
By gender	Male	Number of people	116	137	218
	Female	Number of people	32	65	131
	Percentage of Male	%	78.4	67.8	62.5
	Percentage of Female	%	21.6	32.2	37.5

Turnover Data - Samil PwC

Category		Unit	FY20	FY21	FY22
Total number of turnover		Number of people	353	404	503

Turnover Data - PwC Consulting

Category		Unit	FY20	FY21	FY22
Total number of turnover		Number of people	45	67	140

Employee Satisfaction Data - Samil PwC

Category		Unit	FY20	FY21	FY22
Employee satisfaction survey (Global People Survey) ¹⁾	People Engagement Index(PEI) metric ²⁾	%	N/A	63	74

Employee Satisfaction Data - PwC Consulting

Category		Unit	FY20	FY21	FY22
Employee satisfaction survey (Global People Survey) ¹⁾	People Engagement Index(PEI) metric ²⁾	%	N/A	78	78

1) In FY20, Global People Survey(GPS) was not conducted due to COVID-19, and from FY21, the GPS metrics and questions were revised and conducted.

2) People Engagement Index is the satisfaction level of employees in GPS, which measures their pride, participation, dedication to the Company, and overall job satisfaction.

Employee Training Data - Samil PwC

Category		Unit	FY20	FY21	FY22
Training hours	Average training hours per person	Hours/person	76.3	79.9	73.6
	Total training hours ¹⁾	Hours	255,070	259,033	267,597
Training expenses	Average training expenses per person ²⁾	KRW million/person	3.5	3.6	3.8
	Training and exercise expenses	KRW million	11,758	11,683	13,961
	Self-development training program expenses	KRW million	299	422	728

Employee Training Data - PwC Consulting

Category		Unit	FY20	FY21	FY22
Training hours	Average training hours per person	Hours/person	24.1	22.6	29.6
	Total training hours ¹⁾	Hours	14,940	17,021	28,610
Training expenses	Average training expenses per person ²⁾	KRW million/person	0.4	0.3	0.3
	Training and exercise expenses	KRW million	233	196	261
	Self-development training program expenses	KRW million	133	152	293

1) Aggregated the training hours of all employees who worked during the current fiscal year.

2) Calculated based on the education and training expenses excluding self-development training programs for employees of managers and above.

Social Impact and Contribution - PwC Korea¹⁾

Category		Unit	FY20	FY21	FY22
Donations	In cash	KRW million	816	915	841
	In kind	KRW million	25	12	12
General Volunteering ²⁾	Participants	Number of people	149	N/A	4
	Participation time	Hours	997	N/A	10
Skilled Volunteering	Participants	Number of people	56	59	57
	Participation time	Hours	1,908	1,374	988
Pro bono	Number of activities	Number of activities	2	2	3
	Participants	Number of people	4	9	6
	Participation time	Hours	26	1,190	664
Discounted Engagement Service	Number of activities	Number of activities	38	51	40
	Participants	Number of people	72	57	60
	Participation time	Hours	944	964	1,156
Beneficiaries reached	Number of beneficiaries reached	Number of people	1,003	581	1,566
	Number of beneficiary institutions reached	Number of institution	177	388	47

1) Aggregated based on PwC Korea (Samil PwC, Samil Future Foundation, PwC Consulting, PwC Customs Services Corporation, Samil Tax Corporation)

2) General volunteering was not carried out due to COVID-19 in FY21

Governance Performance

Information Security - Samil PwC

Category		Unit	FY20	FY21	FY22
Regular information security training	Employees subject to training	Number of people	3,226	3,245	3,625
	Employees who completed training	Number of people	3,226	3,245	3,625
	Completion rate	%	100	100	100
Data breaches	Number of data breaches	Number of cases	0	0	0
	Violation rate related to CBI(Confidential Business information) ¹⁾ and PII(Personal Identification Information) ²⁾	%	0	0	0
	Number of users affected by personal data breaches	Number of people	0	0	0
	Number of complaints submitted in relation to personal data breaches	Number of cases	0	0	0

Information Security - PwC Consulting

Category		Unit	FY20	FY21	FY22
Regular information security training	Employees subject to training	Number of people	614	734	925
	Employees who completed training	Number of people	614	734	925
	Completion rate	%	100	100	100
Data breaches	Number of data breaches	Number of cases	0	0	0
	Violation rate related to CBI(Confidential Business information) ¹⁾ and PII(Personal Identification Information) ²⁾	%	0	0	0
	Number of users affected by personal data breaches	Number of people	0	0	0
	Number of complaints submitted in relation to personal data breaches	Number of cases	0	0	0

1) CBI, Confidential Business Information

2) PII, Personally Identifiable Information

Ethical Management- Samil PwC

Category		Unit	FY20	FY21	FY22
Regular anti-corruption training	Employees subject to training	Number of people	3,152	3,339	3,596
	Employees who completed training	Number of people	3,152	3,339	3,596
	Completion rate	%	100	100	100
Total amount of monetary losses as a result of legal proceedings associated with professional integrity		KRW million	0	0	0

Ethical Management- PwC Consulting

Category		Unit	FY20	FY21	FY22
Regular anti-corruption training	Employees subject to training	Number of people	607	725	936
	Employees who completed training	Number of people	607	725	936
	Completion rate	%	100	100	100
Total amount of monetary losses as a result of legal proceedings associated with professional integrity		KRW million	0	0	0

ESG Index

Statement of use	PwC Korea has prepared the '2022 PwC Korea Sustainability Report' with reference to GRI Standards, which includes ESG performance from July 1, 2021 to June 30, 2022. In addition, we disclose SASB, WEF-IBC indicators along with GRI indicators in our ESG Index to enhance stakeholders' understanding of the reporting content.
GRI 1 Used	GRI 1: Foundation 2021

Framework	Code	Disclosure	Reporting Page	Note
General Disclosures (GRI 2: 2021)				
GRI	2-1	Organizational details	17-23	
	2-2	Entities included in the organization's sustainability reporting	1	
	2-3	Reporting period, frequency and contact point	1	
	2-4	Restatements of information	-	N/A
	2-5	External assurance	-	The ESG Platform Team has internally verified that this report has been prepared in accordance with the reporting principles of the GRI Guidelines.
	2-6	Activities, value chain and other business relationships	17-23	
	2-7	Employees	61	
	2-9	Governance structure and composition	25-26	
	2-10	Nomination and selection of the highest governance body	25-26	
	2-11	Chair of the highest governance body	25-26	
	2-12	Role of the highest governance body in overseeing the management of impacts	25-26	
	2-14	Role of the highest governance body in sustainability reporting	28	
	2-16	Communication of critical concerns	33	
2-22	Statement on sustainable development strategy	2-3		

Framework	Code	Disclosure	Reporting Page	Note	
GRI	2-23	Policy commitments	31-32, 38-39		
	2-24	Embedding policy commitments	31-32, 38-39		
	2-25	Processes to remediate negative impacts	39		
	2-26	Mechanisms for seeking advice and raising concerns	39		
	2-27	Compliance with laws and regulations	-	No incidents of non-compliance occurred during the reporting period.	
	2-28	Membership associations	-	The Korea Auditor Federation, The Korean Institute of Certified Public Accountants, Management Accounting Association of Korea, Korea Research Society for Customs, International Fiscal Association Korea, Tax Law Association, The Korean Association for Government Accounting, Korean Society Of Tax Law, Korea Tax Research Forum, Korean Tax policy Association, Korea Accounting Information Association, Korean Association for Accounting and Policy, Korean Accounting Association, etc.	
	2-29	Approach to stakeholder engagement	27		
	2-30	Collective agreements	46		
	Material Topics (GRI 3: 2021)				
	GRI	3-1	Process to determine material topics	28	
3-2		List of material topics	29		

Framework	Code	Disclosure	Reporting Page	Note
Responsible Business				
Information Security				
GRI	3-3	Management of material topics	40	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64	
SASB	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	41	
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	40	
	SV-PS-230a.3	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	64	
Compliance with ethics and independence				
GRI	3-3	Management of material topics	36, 38	
	205-2	Communication and training about anti-corruption policies and procedures	38	
SASB	SV-PS-510a.1	Description of approach to ensuring professional integrity	38	
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	65	
WEF-IBC	Anti-corruption	(1) Number of employees who have received an education of anti-corruption policies and procedures, (2) Number and nature of incidents of corruption confirmed during the current year, (3) Activities to prevent corruption and improve the corporation culture	38, 65	
	Ethics advice and reporting mechanisms	(1) Internal and external advisory systems for ensuring ethics, compliance, and integrity, (2) Internal and external reporting systems for unethical or unlawful activities	39	

Framework	Code	Disclosure	Reporting Page	Note
Service quality management, Risk management				
GRI	3-3	Management of material topics	33-35	
WEF-IBC	Integrating risk and opportunity into business process	(1) Major risk and opportunity factors, (2) Company's tendency in respect of risks (3) Changes in risk and opportunity factors over time and corresponding responses	33	
Sound governance structure				
GRI	3-3	Management of material topics	25	
	201-1	Direct economic value generated and distributed	64	Refer to pages 3-8, 75 of the 52nd annual report
WEF-IBC	Setting purpose	The specified purpose of the company as a means of expression for presenting solutions for economic, environmental and social issues	31-32	
	Governance body composition	Disclosure of composition status and responsibilities of the chief decision-making body and its subcommittees	64	Refer to pages 45-46, 68 of the 52nd annual report
Social Impact and Contribution				
Community contribution, Creation of social Value through services				
GRI	3-3	Management of material topics	56	
	203-1	Infrastructure investments and services supported	56-59	
	203-2	Significant indirect economic impacts	56-59, 64	

Framework	Code	Disclosure	Reporting Page	Note
Environmental Stewardship				
Response to climate change				
GRI	3-3	Management of material topics	11, 42	
	302-1	Energy consumption within the organization	61	
	305-1	Direct (Scope 1) GHG emissions	61	
	305-2	Energy indirect (Scope 2) GHG emissions	61	
	305-3	Other indirect (Scope 3) GHG emissions	61	
	305-4	GHG emissions intensity	61	
	305-5	Reduction of GHG emissions	12-13, 43, 61	
WEF-IBC	Greenhouse gas (GHG) emissions	For all relevant greenhouse gases report in GHG Protocol Scope 1 and Scope 2 emissions, Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate	61	
	TCFD implementation	Fully implement the recommendations of the TCFD, If necessary, disclose a timeline of at most three years for full implementation	70	
Our People				
Employee education and professional competency enhancement				
GRI	3-3	Management of material topics	52	
	404-1	Training hours per person	63	
	404-2	Programs for upgrading employee skills and transition assistance programs	52-53	
	404-3	Percentage of employees receiving regular performance and career development reviews	51	
WEF-IBC	Training provided	(1) Training hours per person by gender and type of employees during the reporting period, (2) Average training and development expenses per one full time position employee	63	

Framework	Code	Disclosure	Reporting Page	Note
Talent acquisition and retention				
GRI	3-3	Management of material topics	50	
	401-1	New employee hires and employee turnover	63	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	55	
SASB	SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	63	
	SV-PS-330a.3	Employee engagement	47, 63	
	SV-PS-000.A	Number of employee by: (1) full-time and part-time, (2) temporary, and (3) contract	61	
WEF-IBC	Number and rate of employment	(1) Total number and rate of new employee hires during the reporting period, (2) Total number and rate of employee turnover during the reporting period	63	
Respect for diversity				
GRI	3-3	Management of material topics	10, 48	
	405-1	Diversity of governance bodies and employees	25, 62	
	406-1	Incidents of discrimination and corrective actions taken	N/A	No incidents of discrimination occurred during the reporting period.
SASB	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	61-62	
WEF-IBC	Diversity and inclusion	Percentage of employees per employee category, by age group, gender and other indicators of diversity	61-62	

ESG Framework

PwC Korea discloses its sustainable management performance in its sustainability report and manages its performance by governance, strategy, risk management, metrics and targets based on "IFRS S1 General Requirements" and "IFRS S2 Climate-related Disclosures" announced by the International Sustainability Standards Board (ISSB) in March 2022.

General Requirements (IFRS S1)

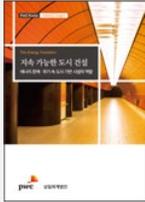
Category	Governance	Strategy	Risk Management	Metrics and Targets
Social Review				
Responsible Business Risk and Quality Management Independence Ethics Information Security	<ul style="list-style-type: none"> Management and monitoring of community contribution activities at leadership-level such as Management Committee, Independence Leader, and Business Conduct Leader Regulation of management's responsibility for quality management Operation of Audit Quality Advisory Committee Appointment of Information Protection Leader and conduct Information Security Committee 	<ul style="list-style-type: none"> Compliance with PwC Network Risk Management Policies and Procedure (NRMP) Establishment of Recognition and Accountability Framework for quality management by business division Selection of independence compliance strategy and priority areas for implementation Compliance with ethical standards and arrangement of third-party ethical standards Implementation of PwC Network Information Security Strategy 	<ul style="list-style-type: none"> Establishment of PwC Network Integrated Risk Management System (ERM) and development of risk-specific response plans Establishing pre-control procedures for independence risk Operation of reporting channel for internal and external stakeholders Acquisition and maintenance of Information Security Certification (ISO/IEC 27001) Establishment of information security breach response process Conduct phishing simulation and disaster recovery simulation training 	<ul style="list-style-type: none"> Facilitate training for employees and new joiners and achieve a completion rate of 100% Independence education Ethics training Information Security Training Zero cases of violation of independence obligation and disciplinary action. Zero occurrence of client information leakage and information security breach
Social Impact and Contribution Support for nonprofit Corporations Support for Children and Youth Volunteering and Donation Activities	<ul style="list-style-type: none"> Operation of NPO Services Team Operation of Samil Future Foundation 	<ul style="list-style-type: none"> Establishment of direction for community contribution focus. <ul style="list-style-type: none"> Support for non-profit corporations Support for children and youth 	<ul style="list-style-type: none"> Samil Future Foundation holds regular board meetings and non-regular board meetings at least twice a year to review and approve business plans, budgets, settlement, and management-related matters 	<ul style="list-style-type: none"> Contribution to achieving a cumulative beneficiary of over 21.6 million people in the PwC Network Conduct projects to support transparency improvement for four public service corporations Perform 40 cases of Discounted Engagement Service project for nonprofit organizations Conduct mentoring program 'Youth Job Talk' for 160 young people
Our People Organizational Culture and Communication Inclusiveness and Diversity Talent Recruitment and Growth Support Employee Education and Competency Enhancement Employee Health and Safety Employee Well-being and Welfare Benefits	<ul style="list-style-type: none"> Appointment of I&D Leader for inclusivity and diversity Establishment of CCC (Culture Change & Communication) organization 	<ul style="list-style-type: none"> Implementation of PwC People Strategy Concretization of Samil People Strategy <ul style="list-style-type: none"> Selection of three key areas of focus: Culture, Development, Empowerment Selection of focus areas for I&D promotion <ul style="list-style-type: none"> Improving organizational inclusivity Improvement training of employees' perception on inclusion and diversity Operation of employees' digital competency enhancement curriculum Establishment of health and safety management policy and regulations 	<ul style="list-style-type: none"> Establishment of health and safety management plan by each entity Development of health and safety guide <ul style="list-style-type: none"> COVID-19 Response Disaster response system Health and safety management Implementation of organizational culture improvement and communication enhancement activities <ul style="list-style-type: none"> Concretization of internal communication platform 	<ul style="list-style-type: none"> Management of social contribution performance indicators for reporting to PwC Network CS (Corporate Sustainability) <ul style="list-style-type: none"> Total number of beneficiaries, number of projects by social contribution activity, number of participants, and input hours Organization satisfaction from Global People Survey (People Engagement Index Score) increased by 9% compared to the previous year (75%)

Climate-related Disclosures (IFRS S2)

Category	Governance	Strategy	Risk Management	Metrics and Targets
Environmental Review				
Environmental Stewardship	<ul style="list-style-type: none"> Appointment of Net-Zero Leader Designation of department in charge of environmental management implementation (M&C) and operation of ESG platform 	<ul style="list-style-type: none"> Declaration of participation in achieving 2030 Net-Zero Establishment of mid- and long-term Action Plans by focus area for Net-Zero Achieving RE100 through purchasing green premium Offsetting a total of 7,088tCO₂e of Scope 1, 2, and 3 emissions through the support of community contribution projects Campaign to raise awareness among employees about climate change 	<ul style="list-style-type: none"> Identification of climate change risk among major risks and establishment of management plan for FY22. <ul style="list-style-type: none"> - Gradual replacement of corporate vehicles with low-carbon vehicles from 2025 - Convert 100% of purchased electricity of offices to renewable energy by 2030 - Reduce business travel emissions by 50% by 2030. - Expand the proportion of purchased goods and services suppliers with SBTi targets to 50% by 2025 	<ul style="list-style-type: none"> Management of environmental performance indicators (Environment Data) such as energy usage and greenhouse gas emissions for reporting to PwC Network CS (Corporate Sustainability) Setting greenhouse gas emission reduction targets and obtaining SBTi certification <ul style="list-style-type: none"> - Reduce Scope 1 and 2 emissions by 50% compared to 2019 emissions by 2030, and reduce Scope 3 (business travel) emissions by 50%

Thought Leadership

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