

# Transparency Report

## 2024

PwC Brasil





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**Marco Castro**  
CEO

# Leadership Message

## Transparency Report 2024

In our ongoing interactions with the most diverse stakeholders, the perception that we are facing an unprecedented time is clear: the deep and accelerated impact of several forces that shape our world - technological disruption, climate change, geopolitical conflicts, social tensions and demographic changes put pressure on businesses and institutions, pushing them to reinvent themselves to ensure their longevity. This reinvention process is causing deep changes in value generation and capture, with the arrival of new winning business models, which replace others that have ceased to exist. Building trust with the most diverse stakeholders is crucial in this context.

Our ability to support them in building trust and delivering sustainable results in the long term is based on our continuous efforts to improve the quality of our services, in addition to our values, ethics and codes of conduct that guide our behavior.

PwC's approach to building trust is designed to meet the growing expectations of transparency, accountability and stakeholder engagement. Accordingly, we combine our expertise in audit, tax and compliance with our growing specialization in areas such as cybersecurity, data privacy, ESG and AI.

The engagement of our people has also been a source of pride and satisfaction for us: and the core pillar in our strategy and quality agenda. In recent years, and 2024 was no different, we continued to have one of the highest engagement rates in history at PwC Brasil, one of the highest in the entire network of PwC firms, also notable among other participants in the corporate environment, always at rates of 90%.

One of the relevant elements in this dimension is the discussion on inclusion and diversity. We know that this is a journey with no finish line. However, we need to point out that we have experienced results, registering significant progress in our I&D indicators, especially in terms of race and gender. We currently have 30% black people and 53% women (with significant advances in leadership). We therefore work on the I&D agenda not only because it is the right thing to do, but also because we believe that it brings us a strategic advantage.

We believe that diverse people, bringing different and engaged perspectives, combined with cutting-edge technology, will continue to be the right combination to produce the best solutions for our clients.

Good reading!







# Leadership Message



**Fabio Cajazeira**

Leader of Audit, Governance,  
Risks and Compliance



At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with more than 370.000 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

We are delighted to present the latest edition of our Transparency Report, in which we reaffirm our commitment to Quality as a total priority and a core element of our culture.

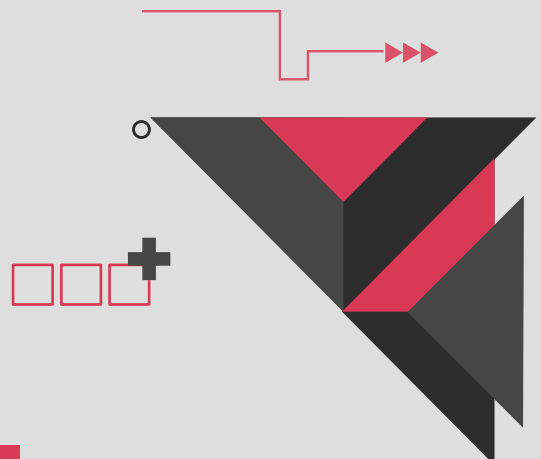
Following on from Next Generation Audit (NGA), a global multi-year program involving investments of US\$ 1 billion in a technological platform focused on the massive use of data and artificial intelligence, we are transforming the way PwC carry out our audits and reaffirming our commitment to continuously improving the quality of our practice.

Through a pioneering strategic relationship with Microsoft, we are building a revolutionary audit ecosystem, in which emerging and cognitive technologies will enable a previously impossible audit experience. With the power to massively absorb and evaluate data, apply predictive analytics and rely on automation, our audits will be even more comprehensive and integrated, helping to build trust in everything that matters most to our clients, their stakeholders and, ultimately, society.

We understand that the audit of the future will continue to be progressively driven by technology. However, we are fully convinced that people are and will continue to be fundamental in performing comprehensive, predictive audit capable of generating relevant insights for our clients.

To maximize the development possibilities of our people, we are implementing the Evolved PwC Professional (EPP), a new transformation journey for our professionals. The program works as a leadership guide that focuses and guides the development actions of our people. It covers initiatives that ensure how we fulfill our purpose, execute our strategy and live our values every day. Said practices are underpinned by two dimensions, Trusted Leadership and Distinctive Outcomes, and their six behaviors (Inspire, Strengthen, Develop, Promote, Build and Create), which together enable us to prioritize trust, leadership and how we achieve results, making us better at what we do.

Good reading.





# A team of solvers

## Our strategy:

Be the leading global talent developer

### Experience of our partners

Years of experience of PwC partners (average)



**22**

years on auditing profession

### New hires (Assurance)

Hiring in FY24



**260+**

new generation



**290+**

experienced

People with diverse experiences and backgrounds, inquiring minds and intellectual curiosity.

### FY24 Audit Training



**+ 84 thousand**  
Hours of technical training

100% of partners, managers and directors trained

### Training

Focus on relevant and emerging themes, such as ESG, Digital Upskilling and Be Well, Work Well, Including Mindset in addition to all technical training.





# The year in perspective



88%

Our climate survey, carried out globally with over 255 thousand PwC professionals, found an 88% engagement rate at PwC Brasil.

## Quality reviews: audits – external regulators

In 2024, the Brazilian Securities and Exchange Commission (CVM) started a new review process, currently underway and with no issues reported so far.

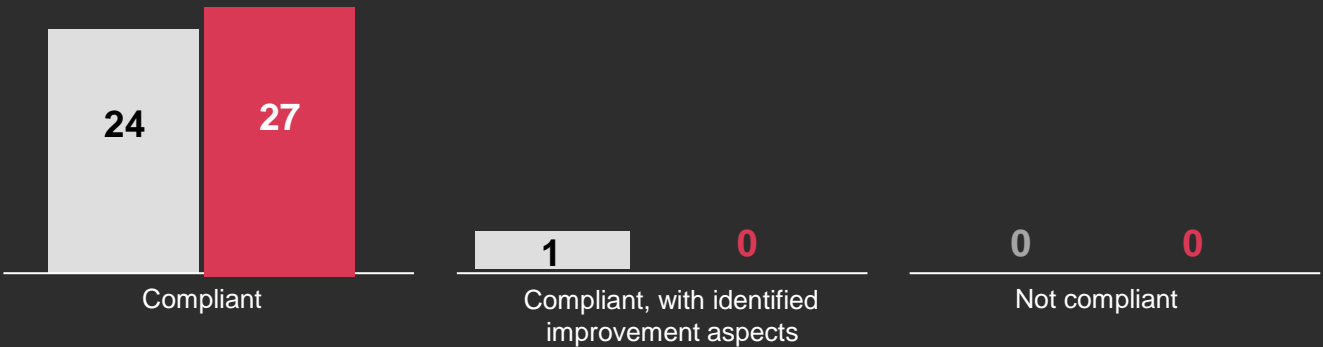
The PCAOB conducted an inspection on the 2022 base date and the report issued presented two topics:

- Interpretation on the proper completion of the regulatory form for reporting hours on audit engagements (Form AP), which we have already adjusted in our processes and made the corrections to the forms, based on the regulator's understanding, and

- Extent of testing for review controls and the information used in such controls; a comprehensive root cause study has been carried out and we have developed action plans already in place for the 2023 work. Our cycle of internal inspections (as shown below) has not identified similar situations in the selected works subject to PCAOB regulation.

## Quality reviews: audits – internal inspections

2024 2023



## Peer review

Quality reviews performed by another audit firm (peer review) and its results.

The last review took place in 2022.

0



In peer review, no flaws or deficiencies noted

15



Inspected audits

See the following sections for additional information about the data presented.





# The year in perspective

## Real-time reviews

Number of audit hours subject to the real-time review program.



**313 thousand hours in audit work reviewed**

+ than 4 thousand hours incurred by the teams dedicated to this review process.

## Technical support

**1:4**

Proportion of partners who perform technical support functions in relation to the total number of audit partners



## Our quality management system

We completed our assessment of the Firm's System of Quality Management (SoQM) in accordance with ISQM1 in 2024. On behalf of PricewaterhouseCoopers Auditores Independentes S.A., our Territory Senior Partner and Assurance Leader evaluated whether our Firm's SoQM provides us with reasonable assurance that:

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

Based on all the relevant information of the firm's SoQM, as at 31 March 2024 , we believe, except for the deficiencies related to personal independence described below that have a severe but not pervasive effect on the design, implementation and operation of the firm's SoQM, that our SoQM provides us with reasonable assurance that the quality objectives noted above have been achieved.

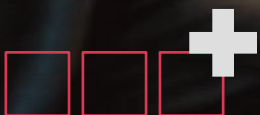
We identified deficiencies related to compliance with personal independence requirements and in the related monitoring processes, specifically regarding other financial arrangements between partner spouses and certain audit clients where the partner is restricted for purposes of meeting independence requirements. All exceptions were evaluated at the engagement level and due to several mitigating factors present, none of the exceptions impacted our independence and objectivity as external auditors in those instances. Although these exceptions were significant, they did not have a pervasive effect on the design, implementation and operation of SoQM..

PwC Brasil carried out a root cause analysis with respect to the deficiencies and identified the causal factors which included partner's insufficient level of attention or knowledge of independence requirements of spousal "other financial arrangements" and the firm's inappropriate design of our monitoring processes to focus on these types of financial arrangements . The Firm prepared an improvement plan with corrective actions designed to remediate the deficiencies in a timely manner. As of the date of this Transparency Report, the deficiencies are in the process of being remediated, with a focus on enhanced leadership messages reinforcing the importance of independence compliance (including spouses and other dependents ), additional trainings over independence requirements, and redesign of the monitoring control to expand its focus to "other financial arrangements" and revision of the accountability framework where such breaches are identified.





# Approach to quality







### Definition and culture

At PwC, we define quality service as service that consistently meets the expectations of our stakeholders and that complies with all applicable standards and policies. An important part of achieving this goal is developing a consistent culture across a network of approximately 370,000 people and that emphasizes the responsibility of each and every person for quality and ethical behavior. Continuously improving this quality culture is a priority for our leaders, in Brazil and around the world, and has a fundamental role in evaluating their performance.

### Monitoring and transparency

A rigorous system of quality management (SoQM) has been developed to be applied to all our service lines in each of the firms in the PwC Network. This system is subjected to a performance assessment every year, carried out by professionals from other territories and whose results are shared with the global leadership of our Network. Said results are also discussed with the Firm's leadership and, if the result does not reflect the expected level of quality, the Firm's leadership must draw up a remediation plan, taking personal accountability for its proper implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, we review and update the scale, scope and operations of our PwC firms' systems of quality management and invest in programs to repeatedly enhance the quality of the services that the PwC network provides.

Following the strong example of our firm's leadership (tone at the top), we continuously improve our culture of high performance and high quality. We know the importance of leading by example and maintaining a reward and accountability framework that includes a consistent system for measuring the effectiveness and quality of leadership.





# Our approach to providing quality service across our operations

## Focus on quality across the Network

The quality of our work is at the heart of our organization. We invest significant and growing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a program of continuous innovation and investment in our technology.

The PwC network's Global Assurance Quality (GAQ) organization aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

Each firm is responsible for utilizing the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

## Quality management process

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

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



### Overall quality objective

**Each firm is responsible for using the resources made available by the Network as part of our efforts to deliver quality services that meet the expectations of our stakeholders.**



# Our approach to providing quality service across our operations

## QMSE framework

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

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and each PwC firm's system of quality management (SoQM). This system must be designed and operated so that the overall quality objective, which includes meeting the objectives of the International Standard for Quality Management (ISQM 1), is achieved.

ISQM 1, whose equivalent standard in Brazil is NBC PA 01, became effective on December 15, 2022 and required all firms performing audits or review of financial statements, or other assurance or related service engagements to have designed and implemented an adequate SoQM to meet the requirements of the standard.

The PwC Network's Assurance QMSE framework was designed to enable our firms to meet the requirements of ISQM 1. This includes design and implementation of the SoQM to comply with ISQM 1 to meet the effective date and evaluation of the SoQM under the standard by December 15, 2023.

## Integrated and aligned

Quality objectives focus on applying the necessary skills and mobilizing our staff consistently, using the intellectual and technological resources necessary to carry out audits effectively and efficiently, fully meeting the expectations of our clients and other stakeholders. In short, designing our services and processes to consistently deliver high-quality audits.

These elements were integrated and aligned by our Network to create a comprehensive, holistic and interconnected quality management structure, adaptable to each member-firm to reflect the reality of each one of them.

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**It involves the integrated use of quality indicators to ensure prevention of quality problems in real time, identifying and analyzing root causes to provide learning opportunities with quality issues and a framework of recognition and accountability that reinforce behaviors, culture and quality actions.**

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# Specific focus on audit quality



## Continuous improvement

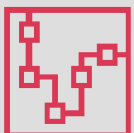
Carrying out quality audits is fundamental to our purpose. We are committed to providing high quality audit services across all our projects. However, when any engagement falls below the standards we set for ourselves or those defined by regulators, we act promptly and decisively to address the issue. Each of these occurrences is analyzed in detail, and processes and controls are implemented to guarantee the quality of the audits to be carried out in the future.



## Clear objectives and adequate resources

To help us execute this strategy, the PwC Network has set clear objectives related to audit quality and supports us in meeting them.

Our work teams can only provide quality audit services if they have access to the necessary resources – in terms of people and technology. Therefore, our quality objectives focus on having the right resources – both within each member-firm and across our Network – and use them to meet our own professional standards and requirements. These resources can only be developed under a leadership committed to a culture of quality and based on the promotion of unquestionable values and behaviors.



## Integration and alignment

The focus of quality objectives is to have qualified people, supported through effective and properly directed and supervised methodologies, processes and technologies.

For us, these are the relevant resources to achieve and maintain audit quality.

To achieve these goals, a series of dedicated structures across our Network develop tools, guidance and systems to support and monitor audit quality. These elements are integrated and aligned to create a comprehensive, holistic and interconnected quality management system and framework, which we adapt according to the circumstances of each firm.





## Consistently delivering a quality product

The central point of the model is the recognition that quality management is not something separate from other audit processes. It needs to be embedded in everything we do as individuals, teams, firms and Network. Quality objectives are supported by key activities considered necessary to achieve them. They are mainly focused on developing a quality infrastructure and organization. We complement and design these key activities as appropriate to respond to the risks we identify to achieve each quality objective.



## Values and judgment

Performing quality audits requires more than just proper processes. In essence, an auditor's role is to assess, with a reasonable degree of certainty, whether the financial statements prepared by the company's management are free from material misstatements, exercising their professional judgment. To carry out this assessment effectively, our auditors use resources that are developed in line with our quality objectives.

This includes applying ethical behavior in line with PwC values, professional skepticism, specialist skills and judgment skills – all of this supported by technology.





# Strategy, culture and values





## Strategy, culture and values



### Objective of Forecasting: Audit Quality Indicators

We have established a set of quality indicators (Audit Quality Indicators - "AQIs"), which support our leadership in the early identification of potential risks to quality, using preventive metrics to avoid problems. This quality risk analysis is an essential part of our QMSE, and AQIs are a fundamental tool for the continuous monitoring and improvement of our SOQM.

#### How we monitor people's engagement

- Survey results with professionals.
- Hours spent in training.

### Leadership by example

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

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

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

The main messages are communicated to our firm by the CEO and the leadership team, through regular meetings with our people. Among the topics discussed at these meetings, the following stand out: business strategy; initiatives and actions aligned with our purpose. The different themes shared at these meetings are reinforced by all partners, through robust governance, bringing leaders closer to our people and ensuring that everyone is aware of the strategy, vision of future, programs and initiatives that PwC offers. These communications emphasize what we do well and the actions we can take to improve.

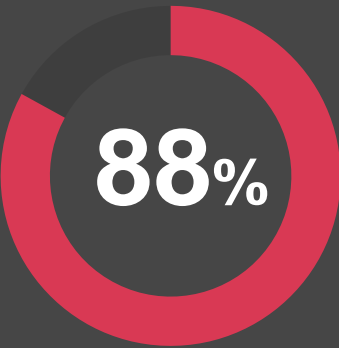
We continuously monitor how our professionals understand the messages conveyed by our leaders and perceive the importance of our culture and values for the success of our firm. Based on this monitoring, we ensure the degree of clarity of the messages transmitted by leadership, as shown below.



Results of our  
Global People  
Survey 2024

Annual climate survey carried out in each PwC member firm, covering all partners and employees. PwC Brasil is responsible for analyzing and communicating results locally and defining clear actions to address the identified points.

Global People Survey



Engagement index of our professionals with their work at PwC Brasil.



78%

understand that the work environment at PwC is inclusive.



84%

say that they are encouraged to innovate and learn from mistakes.



92%

are proud to be part of PwC.



90%

state that their personal values are aligned with those practiced at PwC.



79%

Attest that the people they work with actively seek new ways to use technologies to improve the delivery of our work.



90%

state that the people they work with challenge each other to provide quality work.







Providing the highest quality services is fundamental to our purpose and our audit strategy, which focuses on strengthening trust and transparency in our clients, in the capital markets and in society in general.

As mentioned previously, to help PwC Brasil put this strategy into practice, the PwC Network established the QMSE framework that introduces a general quality objective for the audit practice that is supported by a series of underlying quality management objectives. Our quality management system (SOQM) is designed and operated so that these objectives are achieved. The achievement of these objectives is supported by a quality management process established by the PwC Brasil leadership, our audit business line, partners and employees of the firm.

### Quality Management

The quality management process includes:

- Identification of risks to achieving quality objectives.
- Design and implementation of responses to assessed risks.
- Monitoring operational effectiveness and the design of policies and procedures through process-integrated activities, such as real-time internal project reviews, as well as appropriate audit quality indicators.
- Continuous improvement of the quality management system in the case of identifying areas for improvement, through carrying out root cause analyses and implementation of corrective actions.
- Definition of a quality-related recognition and accountability framework, used in decisions about evaluation, compensation and career progression.

### Prevent and monitor: audit quality indicators

We have established a set of quality indicators (Audit Quality Indicators - "AQIs"), which support our leadership in the early identification of potential risks to quality, using preventive metrics to avoid problems. This quality risk analysis is an essential part of our QMSE, and AQIs are a fundamental tool for the continuous monitoring and improvement of our SOQM.

As an example of the use of AQIs, we monitor the audit planning approval date to ensure that teams have sufficient time to carry out risk assessment procedures applying a robust professional judgment process.

This involves the integrated use of audit quality indicators to predict and monitor quality issues, real time internal project reviews to prevent quality issues, root cause analyses to learn from quality issues, and a recognition and accountability framework to reinforce quality-related behaviors, culture and actions.

These programs, by definition, require continuous monitoring and improvement, especially audit quality indicators, which we hope will evolve significantly over time and as we continue to use these metrics and learn from them.

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**Providing the highest quality services is fundamental to our purpose and to our audit strategy, which focuses on strengthening trust and transparency of our clients, of the capital markets and of society in general.”**

Fábio Cajazeira, partner and leader of Audit, Governance, Risks and Compliance





### Prevent: real-time internal project reviews

We have developed a program of Real Time Quality Assurance (RTA), designed to enable proactive monitoring, assisting in training and supporting project teams to properly conclude the engagement in real-time during the audit.

We have a strong RTA process, with built-in technology, to help teams identify and resolve potential issues in a timely manner. Adopting data analytics concepts, Aura, our audit documentation system used across the PwC Network, has functionality to detect anomalies or exceptions, which are communicated to partners before teams issue the audit report. Our RTA program directs experienced partners and directors to specific focus areas related to pre-issuance reviews. The benefits of these analyses include additional training for work teams and identification of best practices that can be shared.

### Learn: root cause analysis

We perform analyses to identify factors that may contribute to the quality of our firm's audit and so that we can take continuous improvement measures. Our primary objectives in conducting such reviews are to understand what our findings tell us about our quality system and to identify how our firm can provide the best possible environment for engagement teams to conduct a quality audit. We analyze quality findings from internal and external sources, including our own ongoing monitoring to help identify potential distortions and opportunities for improvement.

For audit engagements, an objective team of reviewers identifies possible factors that contribute to the overall quality of the engagement. We consider relevant factors to be technical knowledge, supervision and review, professional skepticism, resources available for the project and training, among others. Possible causes are identified through evaluation of project information, interviews, and review of selected documents to understand factors that may have contributed to audit quality.

This analysis is then discussed and reviewed by the Risk and Quality leaders, and relevant actions are designed, if necessary, and its implementation is also monitored by our technical group.





Additionally, data compiled for audits with and without deficiencies is compared to identify whether there may be factors related to the audit quality. For example, hours dedicated to audit, years of experience of key project members, other responsibilities of the project leader beyond serving clients, submitting the work to a pre-issuance review, and period of execution of the audit engagement.

Our goal is to understand how quality audits differ from those with deficiencies and use these learnings to continually improve the quality of deliverables. We evaluate the results of these analyses to identify improvements that may be useful across the practice. We believe these analyses contribute significantly to the continued effectiveness of our quality controls.

### Reinforce: Recognition and Accountability framework

Our Recognition and Accountability framework (RAF) reinforces quality in everything our people do to execute our strategy, focusing on providing services to clients, the way we work with our people and driving a culture of high-quality. It holds partners accountable for quality behaviours and quality outcomes beyond compliance. The RAF considers and addresses the following key elements:

- Quality results: take into account adequate compliance with professional standards and the standards and policies of our firm and the PwC Network.
- Behaviors: we set expectations for appropriate behaviors to support an appropriate attitude toward quality and the example set by leadership.
- Interventions/recognition: we intervene and recognize positive behaviors that drive a culture of quality.
- Consequences/rewards: there are financial and non-financial consequences and rewards, proportional to results and behaviors and sufficient to encourage the right behaviors to achieve quality objectives.



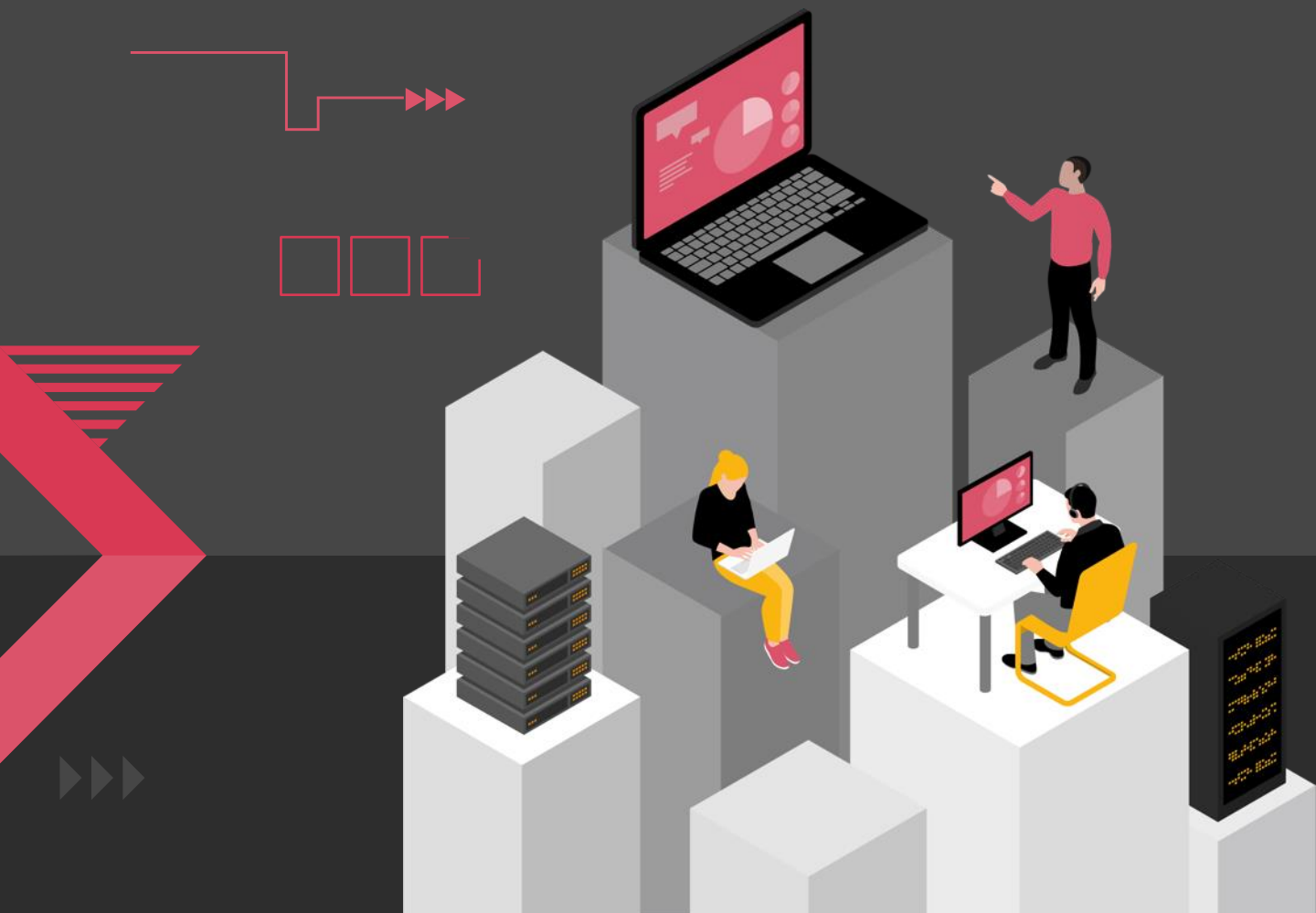


## Ethics, independence and objectivity

### Ethics

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

- i. **Integrity** – be straightforward and honest in all professional and business relationships.
- ii. **Objectivity** – not allow bias, conflict of interest or undue influence of others to replace professional or business judgments.
- iii. **Professional competence and due care** – maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on current developments in practice, legislation and techniques, and act diligently and in accordance with applicable technical and professional standards.
- iv. **Confidentiality** – respect the confidentiality of information obtained as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authorization unless there is a legal or professional requirement to disclose it, nor use the information for the personal advantage of the auditor or third parties.
- v. **Professional behavior** – comply with the relevant laws and regulations and avoid any action that discredits the profession.







In addition, our Network's standards applicable to all member firms cover a series of areas, such as business ethics and conduct, independence, anti-money laundering, antitrust/unfair competition, anti-corruption, information protection, firm and partner taxes, sanctions legislation, internal audit and insider trading. We strive to fulfill these ethical requirements, in form and in substance. All partners and professionals undergo mandatory annual training and prepare annual compliance confirmations as part of the system supporting the proper understanding of the ethical requirements under which we operate. Partners and professionals uphold and comply with the standards established by PwC Network, and the leadership of PwC Brasil monitors compliance with these obligations.

In addition to PwC's values and purpose, we adopt the PwC Network standards, which include a Code of Conduct and related policies. They clearly describe the behaviors expected of our partners and other professional behaviors that allow us to build trust. Because of the wide variety of situations our professionals may face, our standards provide guidance across a wide range of circumstances, but all with a common goal: doing the right thing.

Upon hiring or admission, all PwC Brasil professionals receive PwC's Global Code of Conduct. They are expected to live by the values expressed in the Code throughout their professional careers and feel comfortable reporting and expressing concerns, and doing so in a fair, honest and professional manner, when dealing with a difficult situation or observing behavior inconsistent with the Code.

Each PwC Network firm has its own mechanism for receiving reports of concerns. There is also a global confidential reporting option at [pwc.com/codeofconduct](https://pwc.com/codeofconduct). There is no tolerance for behaviors that are in disagreement with our Code of Conduct.

The PwC Code of Conduct is available online for all audiences, internal and external:



**[Click here to access our Code of Conduct](#)**

The Organization for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), through non-binding principles and standards of responsible business conduct for global operations. The OECD Guidelines provide a valuable framework for establishing applicable compliance requirements and standards. Although the PwC Network is composed by firms that are separate legal entities that do not form a corporation or multinational enterprise, the rules and policies of the PwC Network are based on the OECD Guidelines and meet their goals and objectives.



### Objectivity and independence

As auditors of financial statements and providers of other types of professional services, PwC firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behavior.

In relation to audit clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

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

PwC Brasil has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. This partner is supported by a team of independence experts and reports directly to the Territory Senior Partner (TSP).

### Independence policies and practices

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

- personal and firm's independence, including policies and guidelines on the maintenance of financial interests and other financial arrangements, such as bank accounts and loans taken by partners or professionals, for the firm, and pension plans for partners and professionals;
- non-audit services and corresponding fees. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on applying the policy in relation to non-audit services for audit clients and related entities;
- commercial relationships, including policies and guidance on joint commercial relationships (such as joint ventures and joint marketing); and purchase of goods and services acquired in the normal course of business; and pension plans for partners and professionals;
- acceptance of new audit and assurance clients, and subsequent acceptance of non-audit services for these clients.





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

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

PwC Brasil supplements the PwC Network Global Independence Policy as required by local regulations, including local independence requirements, as well as those of the Securities and Exchange Commission (SEC), the Public Company Accounting Oversight Board (PCAOB) of the United States, and the European Union Audit Regulation, in cases where they are more restrictive than the Network's policy.

### Systems and tools related to independence

As a member of the PwC Network, PwC Brasil has access to several systems and tools that support PwC member-firms and their professionals in executing and complying with our independence policies and procedures. Among them:

- **The Central Entity Service (CES)**, which contains information about corporate entities, including public interest audit clients and restricted clients of the SEC and their related securities. CES helps identify the independence restriction status of the member firm's clients and other PwC member-firms before beginning a new non-audit engagement or commercial relationship. This system also feeds the Independence Checkpoint and Authorization for Services systems.
- **Independence Checkpoint**, which facilitates the prior approval of securities traded on the market, held by all partners and managers, before acquisition, and records their subsequent purchases and disposals. When a PwC member firm gains a new audit client, the system automatically provides this information to those who hold securities at the client and advises them that it is necessary to sell them, when applicable.
- **Authorization for Services (AFS)**, a global system to facilitate communication between a non-audit engagement leader and the audit engagement leader about a proposed non-audit service, documenting the analysis of any potential independence threat created by the service and the proposed safeguards, when necessary. Serves as a record of the independent auditor's conclusion on the admissibility of the service.
- **Global Breaches Reporting System**, designed to record reports of potential violations of external auditor independence regulations (e.g., those defined by regulations or professional requirements), when the violation has transnational implications (e.g., when a violation occurs in a territory that affects an audit in another territory).

### PwC Brasil also has several of its own systems, which include:

- Rotation monitoring system, which monitors compliance with auditor rotation policies for project leaders, other key audit partners, and the senior team involved in an audit, when applicable.
- Database that records all commercial relationships entered into by PwC Brasil. These relationships are reviewed every six months to ensure they are continually updated.



### Training and independence confirmations

PwC Brasil provides annual or ongoing training on independence issues for all partners and professionals from the practice. Training often covers independence policy and regulations and related topics.

All partners and professionals from the practice must prepare an annual confirmation of compliance, by which they confirm compliance with relevant aspects of the member-firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and relationships and business for which they are responsible are in compliance with the policy, and that the required processes were followed in accepting such engagement and relationships. These annual confirmations are complemented by periodic confirmations and *ad hoc* for specific projects, when applicable.



### Independence monitoring and disciplinary policy

PwC Brasil is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described before, as part of this monitoring, we carry out:

- Compliance testing of controls and independence processes.
- Personal independence compliance tests of a random selection of, at least, partners and managers as a way of monitoring compliance with independence policies.
- Annual assessment of the member-firm adherence to PwC Network standards in relation to independence.

Monitoring and testing results are reported to leadership regularly.

PwC Brasil adopts policies and disciplinary mechanisms to promote compliance with independence policies and processes, which require that any violation of independence requirements be reported and resolved.

This may include a discussion with the client's audit committee about the nature of the violation, an assessment of the impact of the violation on the independence of the member-firm, and the need for safeguards to maintain objectivity. While most violations are minor, all are taken seriously and investigated appropriately.

The investigation of any violation of independence policies also serves to identify necessary improvements to PwC Brasil's systems and processes, as well as additional guidance and training.







### Audit client acceptance considerations

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to the quality of our practice, which, in our opinion, goes hand in hand with our purpose of building trust in society.

We have established policies and procedures for accepting client relationships and audit engagements that take into account our competence to perform the engagement and necessary capabilities, including time and resources, compliance with relevant ethical requirements (including independence) and appropriate assessment of the integrity of the potential client. We reevaluate these considerations to determine whether to continue working with the client and have policies and procedures regarding withdrawing from an engagement or a client relationship when necessary.



### Acceptance and continuance of engagements and clients

We have a process for identifying acceptable clients based on the PwC Network's decision support systems for acceptance and retention of audit clients (called Acceptance and Continuance (A&C)). A&C supports the engagement team, business and risk managers to identify whether risks related to an existing or potential client are acceptable and whether or not PwC should be associated with it and its management. More specifically, this system allows:



### Engagement teams:

- Perform and document assessment on matters required by professional standards related to acceptance and continuance.
- Identify and document issues or risk factors and their resolution through consultation, where applicable – for example, adjusting the resource plan or audit approach, implementing other safeguards to mitigate identified risks, or refusing to perform the engagement.
- Facilitate the assessment of risks associated to the acceptance or continuance of a client and an engagement.

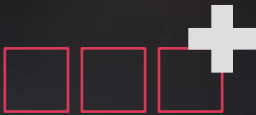


### Member-firms (including the member-firm's leadership and risk management):

- Facilitate the assessment of risks associated with the acceptance or continuance of clients and engagements.
- Provide an overview of the risks associated to the acceptance or continuance of clients and engagements across the entire client portfolio.
- Understand the methodology, base and minimum considerations that all other Network memberfirms have applied in assessing acceptance and continuance of the audit.



# Digital Transformation

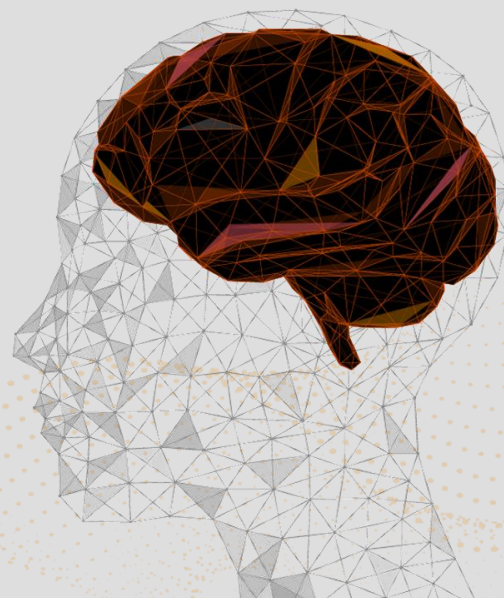




# Digital Transformation

Our digital transformation is based on bringing together the best of human skills and technology.

We invest in new technologies and training programs for our people to offer more quality and value to our clients, in addition to developing in them the skills necessary to thrive in an increasingly digital world and transforming the way of thinking, of formulating solutions and facing challenges.



At PwC Brasil, the maturing of the digital mentality is the catalyst for the need to change practices and habits, which can be a source of apprehension and difficulties in adapting to a new scenario. Building digital behaviors is a strategic priority to foster acculturation and digital protagonism.

We understand that leadership is responsible for promoting the dissemination of digital culture among our people, which is why the **Digital Leadership** initiative, a digital leadership training program with the Dom Cabral Foundation (FDC), emerged. This project aims to provide a deeper understanding of the digital world and how to lead in this new scenario.

As PwC Brasil moves forward with its digital transformation actions, it has become fundamental to boost investment in upskilling its professionals and empowering them through technology. It is not just about improving the quality and agility of your work, but also strengthening trust and autonomy, preparing our people to face the challenges of a constantly evolving market.

In this context, we work to ensure that digital culture permeates the entire firm, offering a knowledge base on mindset, digital behavior, Gen AI, essential technologies and innovative tools that help us rethinking the way we deliver our services and solutions to our clients.

The focus of the Digital Academy and AI Academy is on development in digital mindset, data analytics and AI. With this in mind, considering that each professional is at a different point in his/her journey, we have defined some phases:

- Onboarding (what a PwC professional “can’t not know” in the digital world);
- Foundation (applying skills to work);
- Intermediate (expanding the use of skills);
- Advanced (leading digital projects).

For our people with appetite for change and strategic implementation of the digital mindset in their areas, we have the Digital Accelerators (DAs) program, an exclusive MBA in partnership with Faculdade de Informática e Administração Paulista (FIAP) for the strategic training of our professionals.



## The strategy for generating value

The digital transformation at PwC Brasil is redefining value generation and positively impacting our clients and our people by introducing innovative ways of working that boost efficiency and sustainability with quality and trust. Our strategy is based on thinking and acting digitally. This digital culture guides initiatives and programs on a journey to incorporate digital technologies and create valuable differentials for our businesses, organized into two pillars, **Digital Capabilities** and **Digital Experience** enabled by the **Digital Backbone** and **technologies and alliances**.

## Digital Capabilities

Digital transformation is not limited to the adoption of new tools, but covers a change of culture and mentality in the way we work and deliver value. Thus, guided by innovation and technology, upskilling programs are continuously developed for our people with the purpose of accelerating growth in an efficient and sustainable manner. In the innovation journey, the integration of systems and platforms has become essential to facilitate collaboration and our ability to create digital products.

### Digital Leadership

Digital leadership training

### AI Journey

Development on digital mindset, Artificial Intelligence and Data & Analytics

### Digital & AI Accelerators

Training in the themes and digital resources required to boost the application of innovation in our daily lives

### My Digital Journey

To measure and monitor the evolution of the digital culture adoption at PwC Brasil and among our people

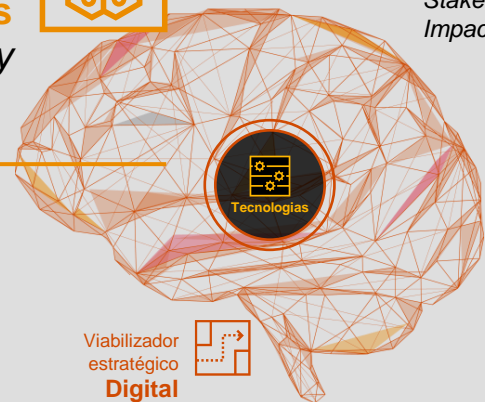
### Digital Awards

Recognition of the efforts of professionals for their results in digital initiatives

### Pilar Digital Capabilities *Our way*



### Pilar Digital Experience *Stakeholders Impact*



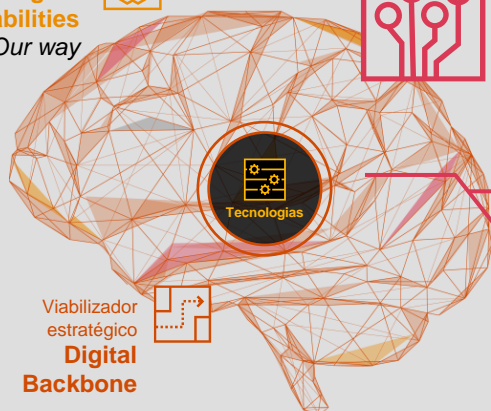
## Digital Experience

Our technology-driven innovations and services have the goal of adding value and impact for our clients and stakeholders. This statement has been repeated at various times in the construction of our digital history. This motivation culminates in the Digital Experience pillar.

### Pilar Digital Capabilities *Our way*



### Pilar Digital Experience *Stakeholders Impact*



### Industry Insights

Content production on digital transformation

### Client Insights

Use of client and third-party data for advanced analysis

### Digital Services

Technology used in our services, enhanced by the expertise of our people

### Inclusive Digital

Connection with education hubs to strengthen people's digital skills, considering the social responsibility for the digital gap

### Unique Narratives

Empowering partners to tell a single digital story with the possibility of bringing the uniqueness of their clippings/views, thus adapting them to their main stakeholders



## Digital Backbone

The digital transformation success can be achieved based on the implementation of solid governance and management mechanisms, as well as a robust digital infrastructure that allows for fast technological adaptation and the efficient implementation of digital solutions.

### Innovation Hub

Encouraging the development of new ideas for digital products and services

### Digital & AI Office

Strategy and governance to gain agility in fostering innovation and new models of solutions/services

### Responsible Digital/AI

Risk management for safe and responsible innovation

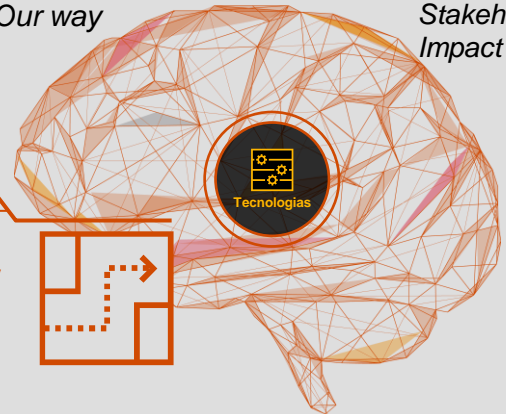
### Technology Infrastructure

Technology accelerators and/or the necessary infrastructure for sustainable, agile and adaptable growth

Pilar  
**Digital Capabilities**  
*Our way*

Pilar  
**Digital Experience**  
*Stakeholders Impact*

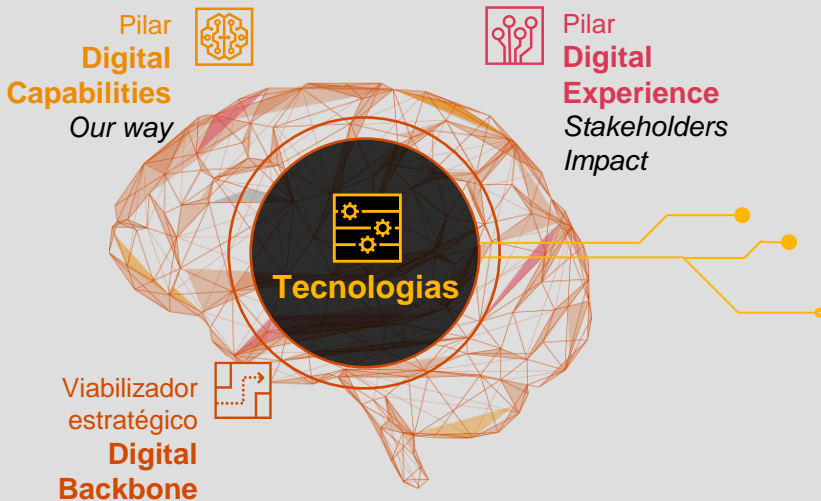
Viabilizador  
estratégico  
**Digital Backbone**



## Technologies and Innovation

The use of technological accelerators and/or infrastructure is fundamental for sustainable growth. Technologies and alliances are at the heart of the program, as a means and way of boosting actions.

The core technologies are focused both on using data for efficiency, generating insights and bringing more confidence, and impacting the experience of our people and clients.



	Analytics
	AI/GenAI
	Cloud







## Next Generation Audit



### A auditoria do futuro, hoje

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

As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience. There have been significant investments across the PwC network into **Generative AI** as we seek to reimagine how we further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage of AI while supporting ongoing interest and quickly evolving potential use cases for AI including **Generative AI**.





Next Generation Audit

PwC wins the 2023 Digital Innovation of the Year

PwC won the “Digital Innovation of the Year” award at the International Accounting Forum and Awards 🏆

Our Next Generation Audit program represents PwC's bold leadership in the future of auditing.

Human led. Tech powered. Data enabled.



Recognized tools of our NGA include:

**Predictive analytics**

Uses cloud-based machine learning and advanced statistical models to enable our teams to predict client revenue to support audit procedures.

**AI-assisted financial statement disclosure checks**

Uses Artificial Intelligence capabilities to expand the process of verifying disclosures in the financial statements, increasing agility and quality in this process.



AI-enabled search functionality

Use of generative AI by PwC, allowing to search large volumes of accounting and auditing guides, or personalize teams' experience when uploading and consulting information from their own documentation, eliminating the need for manual research.



## Our technologies



### Tech-powered

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

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

**Connect Audit Manager** streamlines, standardizes and automates group and component teams coordination for multi-location and statutory/regulatory audits. It provides a single digital platform to view all the work and digitizes the full coordination process, which allows for greater transparency, compliance and quality for multi-location complex audits.

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

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

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

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





# Artificial Intelligence and Generative AI



## Using generative Artificial Intelligence to generate business value

With our digital transformation strategy underway, PwC Brasil is taking a step forward by harnessing the power of data and artificial intelligence. Deep data analysis and the AI implementation are transforming our digital infrastructure, creating new opportunities and optimizing processes.

GenAI is redefining the way we work, accelerating innovation, increasing time to market and enabling new business models. However, maximizing its potential and using it responsibly requires new skills, the right strategy and valuable knowledge to guide decisions and actions.

PwC is accelerating investments in technology, industrial collaborations, training and the services we offer clients. Our unique approach to bringing generative AI to business is based on building trust and delivering results. They serve as the core element of our lab-based innovations, the real-world generative AI solutions we deliver to clients and our active participation in the forums that are helping to shape the future of responsible AI.

PwC Brasil has continued the priority adoption of the following GenAI solutions, incorporated into upskilling programs and into our solutions and services.



## Other alliances and partnerships

In addition to Microsoft, we have established alliances with Oracle, Salesforce, SAP, Workday, Guidewire and Amazon Web Services, among others, to better meet our clients' needs and train our people.







# Our people





## Audit quality metrics

- Average retention rate
- Hours of partners and managers in relation to total working hours
- Actual utilization of hours in relation to planned hours at the end of the period



# Our people

## People strategy

Our people strategy was developed to support PwC's business strategy - the New Equation. Driven by our purpose, PwC seeks to be seen as the most trusted and relevant professional services firm in the world. And, to achieve this, we need to attract and develop the best talent, preparing our people with greater agility and confidence in a rapidly changing world.

The people strategy includes three pillars: creating a resilient foundation for times of change, supporting the well-being of our teams and enabling effective delivery, developing inclusive leaders for a changing world and developing our workforce for today's realities and the possibilities of tomorrow. We hire diverse people with different backgrounds and skills, who have a questioning mindset and intellectual curiosity, and who demonstrate courage and integrity. Our hiring standards include a structured interview process with behavioral questions, drawn from the development reference model, the PwC Professional, and the assessment of candidates' professional and/or academic experiences.

- We reviewed the value proposition for our people (PVP), aiming for greater alignment between our strategy and the expectations of our professionals. We conducted this initiative collaboratively, in a coconstruction with the participation of our professionals who represented our broad diversity, thus ensuring listening and adherence to PwC Brasil's values and practices.
- We have invested extensively in carrying out actions that promote the flexibility and well-being of our people, who share their feedback and expectations with us regarding these topics, whether through annual surveys that we conduct, or through regular conversations held with our leaders. We have implemented a new working model that we call Wise Flex, which seeks to transform the way we work so that it is increasingly collaborative, productive, innovative, intelligent, and, of course, always having deliveries to our clients and the wellbeing of our people as main focuses.
- The culture of recognition also stands out as an important dimension in our people strategy, with several actions implemented to promote a culture of recognition and connection with our values.





### Inclusion and Diversity

At PwC, we are committed to creating a culture of belonging. We are focused on promoting a diverse and inclusive environment, in which our people feel belonging, valued, comfortable being who they really are and, in this way, being able to reach their maximum potential. We know that when we encourage cooperation between people from different backgrounds and points of view, we generate more value – for our clients, our people and for society. Our core values – caring for people and working together – guide us to recognize the contributions of each individual and develop a work environment with a broad range of people, perspectives and ideas.

PwC Brasil understands the Inclusion and Diversity agenda as an essential part of its business strategy. Care for people and an ethical stance are part of our set of values that seek to positively impact the various stakeholders with whom we interact. Currently, the promotion of an inclusive and respectful environment is institutionalized in our people's daily lives, providing an expanded sense of belonging and proposing solutions for challenging social contexts.

We have a team of experts dedicated to this agenda and we work with I&D guidelines formalized in internal and external commitments that aim to confirm PwC's position of no tolerance to any type of harassment and discrimination in the workplace, in addition to reinforcing expected behaviors of our people, inside and outside the firm, ensuring the protection of health, safety and well-being.

Internally, for example, we have a Global Declaration of Human Rights, a Code of Conduct for our professionals and third parties, as well as a specific I&D policy that reinforces the appreciation and respect for the diversity of all people from different social classes, races, ethnicities, ages and generations, cultures, gender identities, sexual orientations among all the most varied characteristics of each individual.

In addition to these practices, we have at the center of PwC's strategy the development of all people, including those belonging to minority and underrepresented groups. To address this challenge, we launched a series of programs, among other affirmative actions, which have as their central focus the development of people, their careers and equitable access to opportunities within the firm:

#### Women in Leadership (WiL)

Sponsorship program to support the career development of female senior managers and directors.

#### Women in Focus (WiF)

Program to expand positive impacts for gender equity, bringing directors as mentors for women in Management positions.

#### Black as Manager (BaM)

Program dedicated to black people with a focus on black senior associates, the initiative aims to support the development of behavioral and technical skills.

#### People with Disabilities Inclusion and Mentoring (PIM)

Program that aims to increase the positive perception of the disability inclusion agenda, educate leaders, identify barriers and increase the engagement of people with disabilities.

#### Out and Shine

Program that aims to stimulate authenticity and enhance the careers of LGBTI+ professionals with mentoring, connections with the market, and improvement of skills.

Externally, we have public commitments made with the main local and global I&D players, for example, Global Compact, UN Women, Woman 360 Movement, Business Coalition for Race and Gender Equality, Business Initiative for Racial Inclusion, Business and LGBTI+ Rights Forum, Business Network for Social Inclusion and Generations, Future of Work Forum and Valuable 500.



### Recruitment

PwC Brasil seeks to recruit, train, develop and retain the best and brightest professionals, who share the firm's strong sense of responsibility for providing high quality services. Our hiring standards include a structured interview process, focusing on behavioral questions based on the PwC Professional model and the assessment of candidates' professional and/or academic experiences. As we incorporate new technologies and digitize our services, we are increasingly looking for professionals trained in science, technology, engineering and mathematics.



### Team selection, experience and supervision

In projects, the engagement partner must form a team with qualified, competent and experienced partners and professionals. He must also determine the extent of direction, supervision and monitoring of the team.



### Real-time feedback

We obtain and provide real-time feedback on professional performance, values, and progression through our Snapshot tool, a simple, mobile-enabled technology. Snapshot captures data across five dimensions of audit quality: technical and accounting knowledge, audit skills, professional skepticism, issues management, and review and oversight.



### Career progression

PwC Brasil uses PwC Professional, a global career progression model, which helps our people develop as well-prepared professionals and leaders, with the skills and confidence necessary to produce high-quality work, provide a differentiated and effective experience for our clients, execute our strategy and strengthen our brand. As part of the model, professionals meet regularly with their team leader to discuss their development, progression and performance.



### Global People Survey

Each PwC member-firm participates in an annual global climate and engagement survey, administered across the Network and covering all our partners and professionals, called the Global People Survey (GPS). PwC Brasil is responsible for analyzing and communicating results locally and defining clear actions to address the identified points.







Retention

Turnover in the auditing profession is generally high because as accounting regulatory standards change, the demand for high-quality professionals increases and the training and development experience we offer at PwC makes our professionals highly sought after by the market, which seeks our highly qualified talent. Our voluntary turnover fluctuates according to different factors, including the general market demand for talent.

Additionally, aiming to stimulate and contribute to the retention of our talents, we continue to continually review our strategies and approaches linked to our people and also implement initiatives that allow us to position ourselves in a different way compared to other companies and competitors in the market. We always look for short and long-term solutions that allow us to promote positive changes and developments and generate sustainable results for our people and our business.

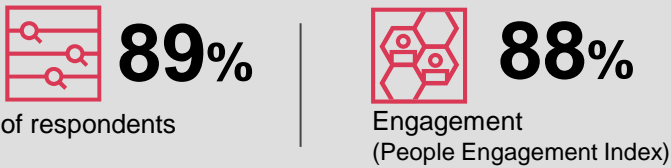
The various actions we have implemented, such as new flexibility models for our people, expansion and encouragement of our recognition culture, the promotion of well-being, the review and implementation of improvements in various components of our total compensation, among others, have shown positive impacts on several indicators that we use to support the management of our people.

We observed in the results of our global climate and engagement survey, the Global People Survey, that the Assurance practice achieved:

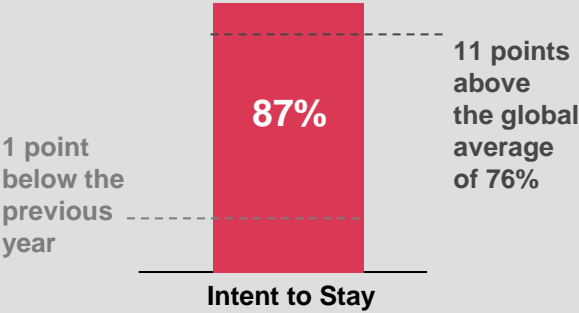
We observed in the results of our global climate and engagement survey, the Global People Survey, that the Assurance practice achieved:

Global People Survey

Engagement index of our professionals with their work at PwC Brasil.



Engagement 9 percentage points above PwC Global and 4 points above the global Best In Class standard (benchmarking average of the companies with the best indexes)



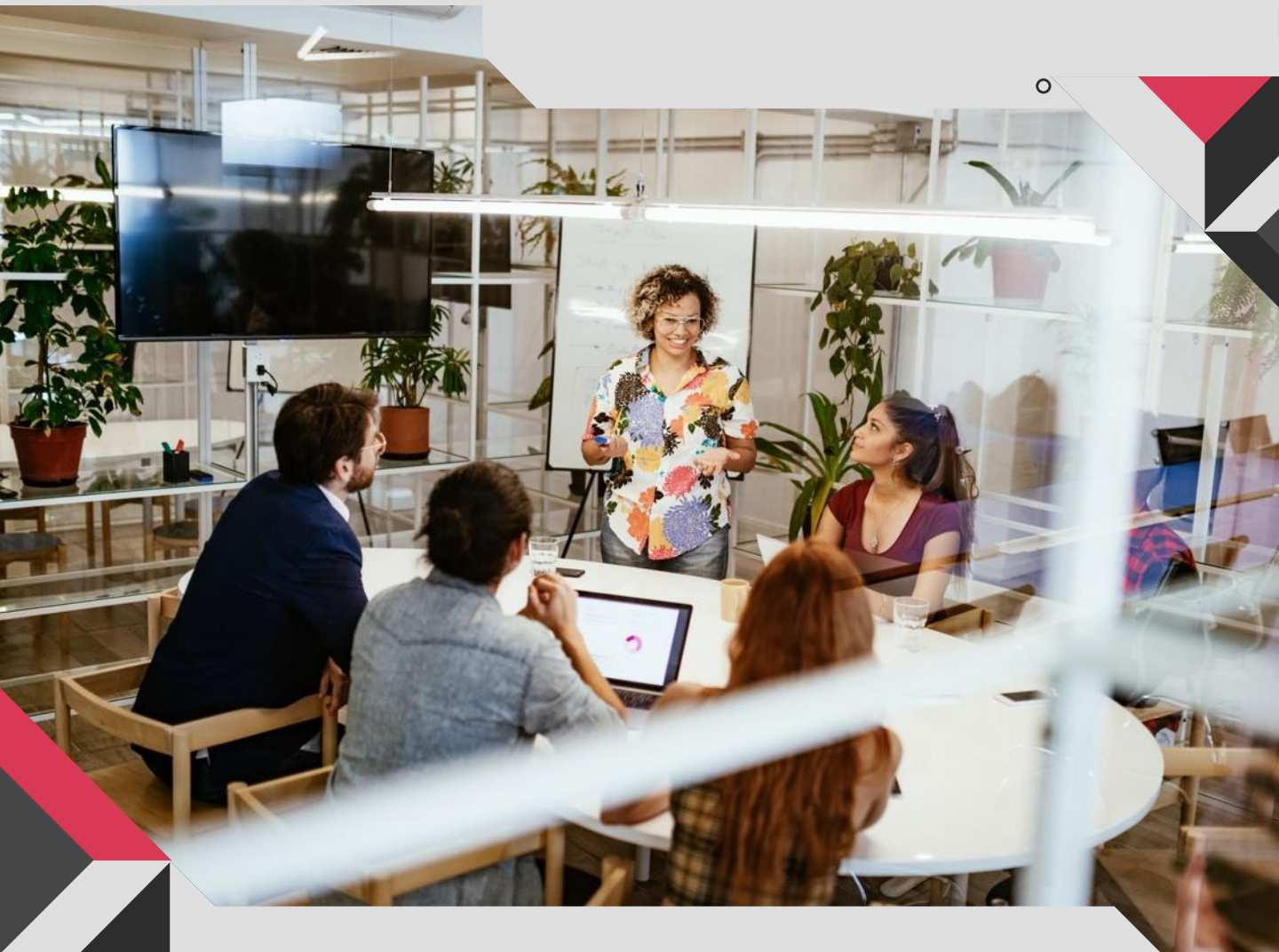


### Professional development

We are committed to placing the right people, in the right places, at the right time.

Throughout our careers, our professionals have a range of development opportunities, online on-demand learning, virtual classroom, real-time coaching and development at work. Our training portfolio facilitates personalized learning with access to continuing professional education topics, which includes webcasts, podcasts, articles, videos and courses.

Obtaining professional credentials is part of our firm's commitment to quality through consistent standards of examinations and certifications. Our goal is to provide our professionals with a more individualized route to promotion and help them prioritize and manage their time more effectively. Equipping our professionals with the ability to fulfill their professional and personal commitments is an essential component of our strategy related to our people.





Continuing education

We, and other Network firms, are committed to providing quality audit services around the world.

To ensure consistency across the Network, we have a training program developed by the Network on PwC's audit approach and tools. This includes updates on auditing standards and their implications, as well as audit risk areas and focus areas for quality improvement.

This formal learning is delivered using a combination of approaches such as remote access, virtual learning, and on-the-job support. The curriculum supports our primary objective of training with a focus on audit quality, while also offering professionals the opportunity to strengthen their technical and professional skills, such as judgment and professional skepticism.

The annual training planning allows us to select the best time to facilitate training based on local needs. Our Learning & Education leadership assesses what additional training is appropriate to meet specific local needs. Thus, additional training related to auditing standards in other territories (e.g., PCAOB), industry-specific training (e.g., financial services), new standards and interpretations from regulators, internal and external inspection findings, and other local needs, are addressed in sessions held by experienced partners, directors and managers for audiences selected according to the needs.

Our modular content, associated with innovative learning approaches, has been formally the subject of public recognition.



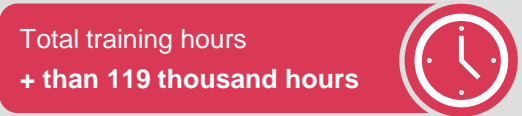
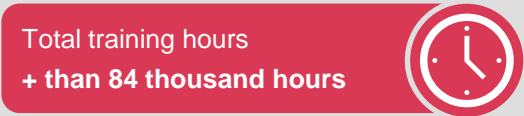
Audit training 2023  
(calendar year)

Average hours per partners and employees (online and classroom)



Audit training 2022  
(calendar year)

Average hours per partners and employees (online and classroom)





# Evolved PwC Professional

The Evolved PwC Professional (EPP) is the new transformation journey for our people, which translates into our behaviors. It acts as a leadership guide, underpinning our existence, directing our focus and guiding our actions.

This journey was developed considering where we are now, the experiences we have accumulated collectively as a global Network and where we want to take the Firm in the future, uniting us in a single purpose that justifies our existence



EPP covers initiatives that guarantee how we fulfill our purpose, execute our strategy and live our values every day. These practices are underpinned by two dimensions, **Trusted Leadership** and **Distinctive Outcomes** and their six behaviors (**Inspire, Strengthen, Develop, Promote, Build and Create**) which, together, bring this new way of being and doing to life, allowing us to prioritize trust, leadership and the way we achieve results, making us better at what we do.

It is about how I lead and add value as a PwC Professional, based on self-reflection. Each one of us has an important role to play, learning, developing, sharing knowledge and making change happen in practice, to bring EPP to life.

EPP was created to be a simple, yet sophisticated, inspiring and inclusive guide, with the aim of:

- **Making a difference:** An attitude that allows us to deliver our strategy in a differentiated manner.
- **Promoting self-reflection:** We need to look at ourselves first, since every interaction for change must begin with self-reflection.
- **Prioritizing the impact:** The behaviors prioritize impact rather than intention, so that we can see the change in our actions and not just in our words over time.
- **Guiding every interaction, with everyone and every day:** We want to bring about a change that affects all our interactions, becoming a standard of what we expect from a PwC professional.
- **Showing that we are all leaders at PwC:** Each one of us exercises leadership, whether we are leading ourselves, a project team or an entire LoS. This is the reason why the guidelines are the same for all categories.
- **Boosting confidence:** Trust is the basis of our business. Building trust in our relationships, both within PwC and with our clients, will enable us to deliver differentiated results.



# Audit approach







## Audit approach

PwC Brasil uses several cutting-edge methods, processes, technologies and approaches to ensure continuous improvement of the performance and quality of our audit work.

### The PwC audit

Audit quality and effectiveness are essential to all of our stakeholders. We invest heavily in the skills of our professionals, in our audit methodology, in the technology we use and in providing the right amount of time and resources. We pay close attention to what our diverse stakeholders expect from us, in what they say we need to improve and in the findings of regulatory inspections about the quality of our work. As important as these aspects are the internal processes and indicators that permanently monitor the effectiveness of our risk and quality processes and provide timely information about the quality of our audit work and possible areas of improvement.



#### People

Data and technology help us uncover insights and add value, but to understand what those insights mean, we need curious people with deep business knowledge. We recruit and develop professionals with these skills. People who can generate the highest quality results in terms of audit client service.



#### Technology

As technology accelerates change, our clients want to trust their information to organizations that not only follow, but also lead the transformation journey. We make a global commitment to offering cutting-edge audit technology and invest heavily in tools that match our approach. The result is higher quality and more insights for our clients.



#### Approach

We build our audit around our people and our technology. The focus is to free up more time for relationships with our clients, identifying their concerns and what is important for their business. This means focusing our work on audit risks, understanding how they evolve over time and how they compare with those of similar companies.



**= The PwC audit**



### Audit tools and technologies

As a member of the PwC Network, PwC Brasil has access to and uses PwC Audit, a methodology and audit process common to the entire Network. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policies and guidance provided where applicable.

PwC audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements relevant to each engagement. Our audit methodology provides a model for PwC member-firms to consistently and in all respects comply with applicable professional standards, regulations and legal requirements.

### Audit technology

Aura Platinum relies on a series of technology-based tools and audit support models. They can be accessed by various electronic devices, from PCs to smartphones. These tools increasingly integrate with Aura, filling audit evidence directly into this system. The main tools is:

**Aura Platinum:** PwC Audit is supported by Aura Platinum, our global audit documentation system, which is used across the PwC Network. It is around Aura Platinum that we develop and execute our audit plans, supporting teams in the effective application of our methodology, creating a transparent link between risks, necessary procedures, controls and the work carried out to address these risks, as well as providing comprehensive guidance and project management resources. Audit plans specify risk levels, the reliability of controls and substantive tests to be carried out. Smart dashboards show the audit progress and the impact of scoping decisions more quickly.





**The Connect Suite:** our collaborative platform, where we share data, document requests and audit status. It allows us to share information with our clients and audit teams quickly, efficiently and securely, from multiple locations and at all phases of the audit:

- **Connect** monitors the status of requests and information between our clients and the engagement team in real time. Audit and client teams can track project status at all times through a consolidated dashboard showing all locations, the digitization of project issues and automated key performance indicators.
- **Connect Audit Manager** simplifies, standardizes and automates the coordination of component and group audit teams for statutory/regulatory and multi-site audits. It provides a single digital platform to view all incoming and outgoing engagement and digitizes the entire coordination process for greater transparency, compliance and quality in complex audits involving multiple locations.



**Confirmation System:** makes it easier for clients to return requested information securely.. Flexible, automated technology works for virtually every confirmation types, such as accounts receivable, derivatives, loans, and inventories.



**Count:** facilitates the end-to-end inventory counting process by allowing work teams to create and manage counting procedures, accountants to record results on their mobile devices or tablets, and teams to export results to Aura.



**Halo:** is our market-leading audit technology that allows us to identify and assess risks and know where to focus audit efforts. Halo interrogates, tests and analyzes large volumes of business-critical data. Based on analysis of entire populations, we identify patterns, anomalies and trends in financial information. It allows us to detect unusual and high-risk transactions and provides valuable insights to our teams and clients.

## Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to support the reliability of these audit technologies. This includes clarifying the roles and responsibilities of owners and users of audit technologies. Additionally, we have guidance focused on the sufficiency of audit documentation included in working papers related to the use of these audit technologies, including consideration of solution reliability, and documentation necessary to help the reviewer fulfill his oversight and review responsibilities as part of the normal course of the audit.





### Information confidentiality and security

The confidentiality and information security are essential elements of our professional responsibilities. The misuse or loss of confidential client information or personal data may adversely affect our clients and our people and expose the firm to legal proceedings. It may also negatively affect our reputation. Therefore, we take the protection of personal and confidential data very seriously.

Our focus on clients requires a holistic and collaborative approach to reduce security, privacy and confidentiality risks, with significant investment in appropriate controls and monitoring to incorporate an effective defense model, which passes through three instances. This model allowed us to strengthen our information security organization, adopt best practices in our segment and improve our internal control structures.

### Data privacy

The firm maintains a robust and consistent approach to managing personal data. Everyone in the organization has a role to play in protecting this data. Our comprehensive monitoring program of aspects related to LGPD (General Data Protection Law) incorporates good data management practices into our business.

### Information security

Information security is a high priority for us and the entire PwC Network. Member-firms are responsible – before their professionals, clients, suppliers and other stakeholders – for the protection of the information entrusted to them.

PwC's Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards and others conceptual frameworks (COBIT, NIST, etc.) as security effectiveness benchmarks across the Network of member-firms. PwC's ISP directly supports the firm's strategic direction for cyber readiness to proactively protect its assets and client information. PwC's ISP is reviewed at least annually.

PwC Brasil is required to comply with ISP requirements and complete an annual evidence-based assessment to demonstrate compliance. The member-firm is assessed regarding necessary controls through analysis of available data. In coordination with the stakeholders of the member-firm, data is analyzed for quality to ensure an accurate assessment of the member-firm's security posture. Deviations that result from the ISP Compliance Program assessment process are prioritized for correction using a risk-based approach and within deadlines agreed upon with leadership.





## Support for engagement performance



### Evolving service model

We continue to evolve in the provision of our services to offer clients an even better experience, improve the quality of what we do and create economic capacity to invest in the future. We use internal resources in the Service Delivery Center and in the Centers of Excellence to streamline, standardize, automate and centralize parts of the audit.



### Consultation on culture

Consultation is essential to guarantee the quality of the audit. We have formal mandatory consultation protocols in the pursuit of quality, but we regularly go beyond the minimum requirement. For example, our engagement teams routinely speak with experts in taxation, risk, valuation, actuarial and other specialties, as well as professionals from our Risk and Quality area and PwC offices in other countries.



### Direction, coaching and supervision

Project team leaders and senior members are responsible for providing quality coaching during the audit and oversee the engagement completed by junior team members, train staff, and maintain audit quality. Teams use Aura Platinum, which has features to effectively monitor the progress of the engagement, ensuring everything has been completed and reviewed by the relevant people, including the engagement leader.



### Risk and Quality Area

Our Risk and Quality area has specialists in accounting, audit, financial reporting, risk and quality management. They play a vital role in keeping our policies and guidance in relation to these topics up to date, monitoring developments in accounting and audit and providing these updates to professionals.





## Audit Methodology Team

Our Audit Methodology Team (AMT) is made up of experienced partners and professionals who help audit teams design effective approaches and efficient work processes and reinforce key learning points from training and audit guidance, as well as quality reviews. Our AMT contributes to technical and industry discussions focusing on audit quality topics and provides suggestions on audit issues by reviewing certain aspects of selected audit engagements before they are completed.



## Quality Review Partners (QRP)

Specific audit engagements have QRPs assigned as part of the firm's quality management system required by professional standards. With the necessary experience and technical knowledge, these partners are involved in the most critical aspects of the audit. For example, they are consulted on issues of firm's independence, risks of material misstatement in the financial statements and the team's responses to those risks, and specific accounting, audit, and financial reporting and disclosure issues.



## Differences of opinion

There are protocols to resolve situations where a difference of opinion arises between the engagement leader and the QRP, another audit partner, or key areas such as Risk and Quality. These protocols include the use of technical panels made up of independent partners from the project.



# Monitoring





# Monitoring

## Monitoring audit quality

We are aware that the quality of the audit services we provide to clients is key to maintaining the trust of investors and others stakeholders in the integrity of our work. It is the essential element of our audit strategy.

The responsibility for adequate quality management lies with the leadership of PwC Brasil – the first instance of our monitoring. This includes the design and operation of an effective SoQM Quality Management System, which responds to our specific risks of providing quality audit services, using the Network's QMSE (Quality Management for Service Excellence) model.

Our firm's monitoring procedures include an ongoing assessment to verify that the policies and procedures that constitute our SoQM are adequately designed and operate effectively to provide reasonable assurance that our engagement is performed in compliance with laws, regulations and professional standards – the second instance of our monitoring. This includes Internal Real Time Quality Assurance (RTA), which is discussed in more detail on the page 19 in the “Strategy, culture and values” section. In addition, we have incorporated mechanisms for self-assessment of specific issues (“Self-Assessments”) at selected clients, which are also monitored and reviewed by the Risk & Quality area.

Our monitoring also includes a review of completed engagements (Engagement Compliance Reviews - ECRs), as well as periodic monitoring of our SoQM by an objective team. The results of these procedures, in addition to our ongoing monitoring, form the basis for the continuous improvement of our SoQM.

Our Firm’s monitoring is supported by a consistent program of inspections throughout the Network, based on professional standards related to quality control, including ISQC 1, as well as the Network policies, procedures, tools and guidelines.

## Audit quality metrics

- Total number of Engagement Compliance Reviews (ECRs).
- Number of ECRs classified as compliant; compliant, with improvement aspects; and non-compliant.





Quality reviews: audits – internal inspections

2024 2023



No engagement inspected was classified as “not compliant” with professional auditing standards in 2024 and 2023.

Audit quality metrics



Total number of projects reviewed by external regulators



Number of projects reviewed by peers



Number of projects reviewed by other external regulators that resulted in non-compliance (or equivalent)

ECRs are risk-focused reviews of completed engagements. Conducted on a periodic basis, they cover partners who are authorized to sign reports by our firm. The review assesses whether an engagement was performed in accordance with the PwC audit guidance, applicable professional standards and other policies and procedures applicable to the engagement. Each partner is reviewed at least once every five years, unless a more frequent review is necessary based on the profile of that partner’s client work.

Reviews are conducted by experienced audit partners, supported by independent teams of partners, directors and senior managers, and other experts. The PwC Network inspections team supports review teams by monitoring the consistent application of guidance on grading results and evaluating engagement across the Network.

Review teams receive support training to fulfill their responsibilities and utilize a series of checklists and tools developed in the Network when conducting their review procedures.

In addition to the tools developed by the Network, PwC Brasil holds complementary information sessions for reviewers based on the results of inspections and conclusions obtained in previous years.

Finally, the PwC Network coordinates an inspection program to review the design and operational effectiveness of our SOQM – the third instance of our monitoring. Using a central team to monitor these inspections across the Network allows for a consistent view and sharing of relevant experiences across the PwC Network.



Examples of audit quality Metrics

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



Inspection results are reported to our firm's leadership, who are responsible for analyzing the findings and implementing corrective actions accordingly. In situations in which quality issues are identified in the engagements, depending on the nature and circumstances of the issues, the firm's engagement partner or audit leadership may be subject to additional guidance, training, or other sanctions in accordance with the firm's Recognition and Accountability framework.

The firm's partners and professionals are informed about the results of the review and the actions taken so that they can draw the necessary conclusions to carry out their work. In addition, the GAQ-I leader (PwC's global group responsible for quality inspections) informs the firm's project partners responsible for audits of multinational groups about the findings of relevant quality reviews at other PwC member-firms. This allows our partners to consider these findings when planning and executing their audit work.



**Audit quality reviews – external CVM reviews**

The CVM (Brazilian Securities Commission) is the entity that regulates and supervises the capital market, therefore encompassing Brazilian publicly traded companies. For a firm to carry out independent audit work at these companies, it must be registered with the CVM and its professionals must have the required proficiency certifications that are updated annually.

As part of the regular monitoring process of audit firms, the CVM completed its last inspection in 2021 and did not identify any deficiencies in the engagements reviewed or in our quality management system. This conclusion is consistent with the result of the inspection carried out previously, in 2018.

In 2023, the CVM began a new review process, currently underway, with no topic reported to date.

**Peer reviews**

In Brazil, audit firms are periodically subjected to a "Peer Review" process, in which another audit firm carries out independent review procedures, both of the quality management system and of certain audit work selected from the reviewed firm.

The scope and extent of this review are determined by the CFC (Federal Accounting Council), supported by the CRE (Administrative Committee of the External Quality Review Program).

In 2022, PwC Brasil underwent this external quality peer review, which did not identify deficiencies.

15

Number of audit quality reviews carried out by peers in 2022 – no deficiencies noted







## PCAOB reviews

The PCAOB (Public Company Accounting Oversight Board) is the federal agency that regulates independent auditing activities in the North America capital market.

For a firm to carry out independent audit work on companies listed in this market, it must be registered with the PCAOB.

PwC Brasil is registered with the PCAOB and is subject to periodical inspections. The last completed inspection took place in November 2023, covered three audit engagements carried out in 2022, and had its report issued in September 2024.

The report presented two themes: one related to the interpretation on the proper completion of the regulatory form for reporting hours on audit engagements (Form AP) and a second regarding the extent of testing for review controls and the information used in such controls.

With regard to Form AP, we have adjusted our processes and made corrections to the forms, based on the regulator's understanding.

Considering the testing of controls and the corresponding information used, we carried out a comprehensive root cause study and developed action plans that have already been implemented for the 2023 work. Our cycle of internal inspections did not identify similar situations in the selected engagements subject to PCAOB regulation.

## Other regulators

Independent audit activity in Brazil is also subject to regulators of specific industries, such as the Brazilian Central Bank (BACEN) for financial institutions, the Superintendency of Private Insurance (SUSEP) for insurance companies, the National Supplementary Health Agency (ANS) for companies operating in the health industry, the National Electric Energy Agency (ANEEL) for companies operating in the energy industry, among others. This past year, we have had no engagement inspected by such regulators that has been classified as deficient, except for a specific case within the scope of the SUSEP regulator, related to engagements carried out in 2019 and 2020, which is still under discussion and is being duly addressed by the Firm's quality frameworks.

## Chief Regulatory Officer

The Firm has a lead partner, with appropriate reporting to the TSP and the Risk and Quality partner, who is responsible for engaging with several regulatory bodies to which we are subject in the exercise of our activity as independent auditors.



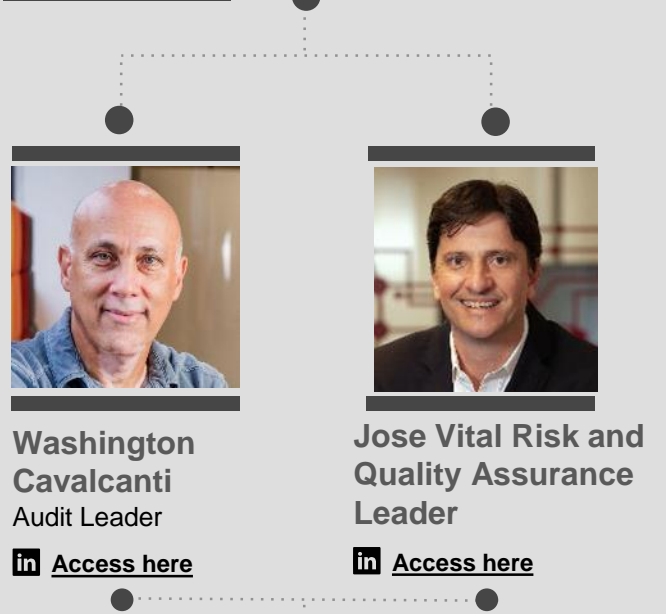


Audit, Risk and Quality Leadership (R&Q)



**Fábio Cajazeira**  
Member of the Executive Committee  
and leader of Audit, Governance,  
Risks and Compliance

 [Access here](#)





**Denilza Portela**  
Human Capital Leader

 [Access here](#)



**Catarin a Costa**  
Education and Learning Leader

 [Access here](#)



**Patrícia Agostineto**  
Risk and Quality Director

 [Access here](#)



**Emerson Macedo**  
Quality Inspection Leader

 [Access here](#)



**Marcos Paulo**  
Methodology and QMSE Leader

 [Access here](#)



**Leandro Ardito**  
Corporate Reporting Service Leader

 [Access here](#)



# Risk and Quality Area (R&Q)

Data relating to fiscal year 2024:

## Partner experience

Average years of experience of R&Q partners

25.8 years



## Professionals dedicated to R&Q

Number of professionals

15

partners

46

Officers,  
Managers  
and staff



## Technical notices

Number of notices

17

Ethics/  
Independence



29

R&Q/  
Methodology



20

Accounting/Audit



## Number of consultations made



679

consultations on accounting  
and audit topics



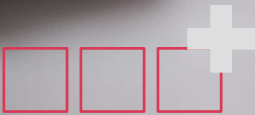
272

Consultations made  
on independence





# Legal and governance structure







# Legal and governance structure

## TSP

The Territory Senior Partner (TSP), or CEO, of PwC Brasil leads the partners and professionals and defines the short and long-term strategic direction. The TSP is elected by the firm's partners for a period of five years. If re-elected, he may serve in this role for another term of up to five years. Since July 1, 2020, PwC Brasil's TSP is Marco Castro.

The TSP is also responsible for appointments to the firm's Executive Committee and other leadership positions. Under the leadership of the TSP, the Executive Committee is responsible for managing the firm.

## Territory Oversight Board

The Territory Oversight Board (TOB) is responsible for governance and supervision. Its role includes supporting, monitoring and providing information on the firm's strategy, approving partner admissions and retirements and approving important transactions or submitting them for a partner vote. The TOB is made up of the firm's TSP and six other partners elected by the partners.

## Partners

The main issues are submitted to the partners for approval by vote. These issues include the election of the TSP and the members of the TOB, changes to the firm rules and the termination of the company, among others.

## Legal structure and ownership of PwC Brasil

PwC Brasil integrates the global firm Network of PricewaterhouseCoopers International Limited (PwCIL) and is formed by three general partnerships wholly owned by the firm's local partners. Partners have equal voting rights on all matters relating to the company. PwC Brasil operates and controls various corporate entities necessary for legal and operational purposes.

## PwC Brasil is directed and led by:



### Territory Senior Partner (TSP)

(CEO of PwC Brasil)



### Brazil Leadership Team

(PwC Brasil Executive Committee)



### Territory Oversight Board

(PwC Brasil Oversight Board)



### Partners of the Firm





# PwC Network





# PwC Network

## Global Network

PwC is the brand under which the member-firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC Network. “PwC” often refers to individual PwC Network firms, to several of them or to all of them collectively.

In many parts of the world, accounting firms are required by law to be independent and locally owned. PwC Network is not a global partnership, a single firm or a multinational corporation. The PwC Network is made up of firms that represent different legal entities.



## PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to PwCIL, an English private company limited by guarantee. PwCIL does not carry out audits nor provide any services to clients. Rather its purpose is to act as a coordinating entity for PwC firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. PwC firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, PwC firms may draw upon the resources of other PwC firms and/or secure the provision of professional services by other PwC firms and/or other entities.

In return, PwC firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership. A PwC firm cannot act as agent of PwCIL or any other PwC firm, cannot obligate PwCIL or any other PwC firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any PwC firm, cannot obligate any PwC firm, and is liable only for its own acts or omissions.

PwCIL has no right or ability to control any PwC firm's exercise of professional judgement.

### PwCIL's governance bodies are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 18 members. One is appointed as external, independent director, and the other 17 Board members are elected by partners from PwC network every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.

PwC Brasil integrates the Strategy Council, being represented by its Territory Senior Partner.

PwC Brasil integrates  
the Strategy Council,  
which is represented  
by its TSP, Marco Castro.





PwC Brasil



PwC Brasil



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PwC Brasil

In this document, "PwC" refers to PricewaterhouseCoopers Brasil Ltda., which is a member firm of the PricewaterhouseCoopers network, or, as the context suggests, the network itself. Each member firm of the PwC network is a separate and independent legal entity. For more details about the PwC network, access: [www.pwc.com/structure](http://www.pwc.com/structure).

