

People

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Culture

Our purpose, culture and values are inextricably linked, and together they define who we are as a firm. Our culture, which is supported by our values, guides 'how' we deliver our purpose and our strategy. It sets the tone for how we behave and how we work together to deliver high quality outcomes that have a positive impact on the organisations we work with and our communities.

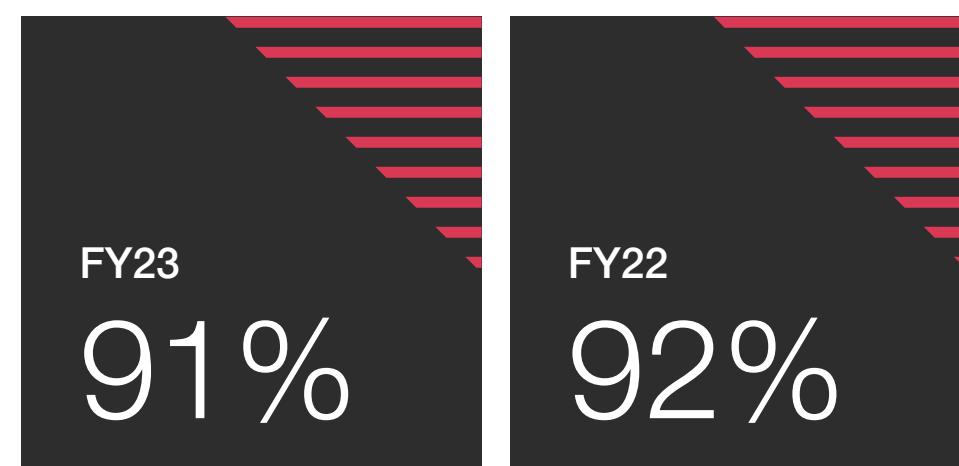
Our culture means our people are empowered to be the best they can be, embracing change and opportunities in a technology driven world. This is underpinned by a strong team ethos creating an inclusive environment where everyone feels valued, and that they can bring their whole self to work.

Having the right people with the right skills is fundamental to audit quality and we aim to attract, develop, reward and retain top talent by creating an inclusive culture where the best people want to stay and build their careers.

Importantly, our audit culture is also supported and reinforced by our firmwide consideration of ethics, explained in more detail within the 'Ethics and independence' chapter on [page 117](#).

Through our Audit Culture and Behaviours survey, we measure whether our people feel that our leaders encourage high quality work.

I am encouraged to perform a high quality audit:



Our values



Act with integrity

We expect and deliver the highest quality outcomes, speak up for what's right, even in difficult situations, and make decisions as if our personal reputation is at stake.



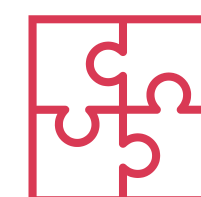
Make a difference

We stay informed and respond with agility to the ever-changing business environment in which we operate—always looking to create a positive impact on our colleagues, clients and society.



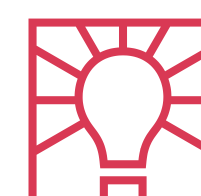
Care

We aim to understand every individual and what matters to them, recognising each person's value and contribution, while enabling them to grow in a way that brings out their best.



Work together

We collaborate, share ideas and integrate a diverse range of perspectives to improve ourselves and others.






Reimagine the possible

We empower innovation and challenge the status quo by keeping an open mind to the possibilities in every idea.

Audit Culture and Behaviours

Our people in the audit practice are focused above all on the delivery of high quality audits in the public interest. To support this focus we have three Audit Behaviours that set clear expectations for our auditors and have been embedded into everything we do, from audit training to delivery and the evaluation of our people's performance. Our behaviours are:

	Team first
	Challenge and be open to challenge
	Take pride

How does our audit culture support high quality?



Team first

Our teams are inclusive and work together, encouraging a 'problem shared' ethos. We invest in our teams' personal and professional development, coaching with purpose, communicating expectations openly and being present.

Challenge and be open to challenge

Being comfortable to challenge the organisations we audit – and each other – is fundamental to audit quality. It's vital our teams make a safe space for challenge, role model constructive challenge and empower challenge.

Take pride

Audit is fundamental to capital markets and the trust it creates delivers great value to society. Our people are deep specialists and we encourage them to take pride in the work they do. Taking pride in their day-to-day work is also critical to achieving high quality.

Audit Culture and Behaviours survey

We undertake an annual Audit Culture and Behaviours survey to measure how well the behaviours are embedded and identify any barriers to demonstrating them. In addition, our Audit Culture team has observed audit teams delivering engagements, held focus

groups and collected feedback to assess how our Audit Behaviours are embedded in the day-to-day interactions of our audit teams. We use these findings to inform our activities to ensure our culture continues to drive high quality.

By understanding our people's experiences and perceptions of the actions of those around them we are able to track our progress in embedding the behaviours. This insight enables the continued refinement and tailoring of our cultural programme to meet the current needs of the practice.

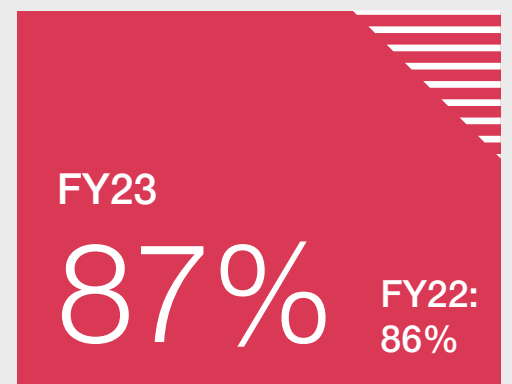
Culture is a fundamental element of our Single Quality Plan (SQP). Over the last year, key areas of focus have included:

- enhancing a culture of psychological safety where our teams can safely learn from mistakes to support continuous improvement;
- understanding how behaviours change when under pressure;
- increasing the effectiveness of on-the-job coaching; and
- client contracting, with a renewed focus on reinforcing the critical importance of timely and quality information and supporting evidence.

We believe that these focus areas will help further empower our auditors and support quality in everything that we do.

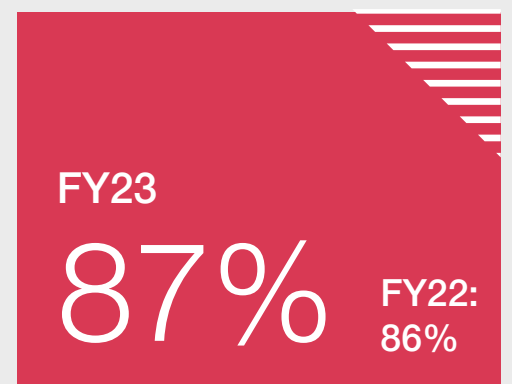
Our 2023 Audit Culture and Behaviours survey showed:

I feel confident to challenge others who demonstrate behaviours that put audit quality at risk.



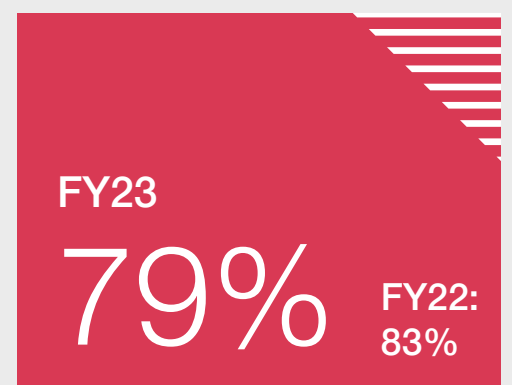
Team first:

My team regularly shares problems with each other to find effective solutions.



Challenge and be open to challenge:

My team regularly challenges each other around whether the course of action we are taking is realistic and/or will deliver a quality audit outcome.



Take pride: I am encouraged to perform a high quality audit.



Inclusion and diversity

We have made both internal and external commitments to building an inclusive culture where everyone at PwC can thrive and fulfil their potential.

We continue to design interventions and actions to drive inclusion and diversity ensuring that we are able to recruit and retain different types of people with diverse skills, experiences and perspectives to deliver distinctive outcomes for our clients and to the communities in which we operate. Interventions fall under three priorities:

- leadership sets the tone from the top;
- visibility of diverse role models in leadership positions to inspire our diverse talent; and
- equal opportunities for career progression which is fundamental to our culture of equity, inclusion and belonging.

These priorities are enabled by action plans focused on five different areas:

- **Creating an inclusive culture:** developing strong inclusive leadership skills and leadership role modelling underpinned by a sustained engagement and communications strategy;
- **Senior level accountability:** delivering on our publicly disclosed diversity targets for both gender and ethnicity, aligning our accountability framework to both performance management and reward;
- **Fair work access:** ensuring people from diverse backgrounds are in key roles throughout the firm and have access to roles that support their development and progression;
- **Targeted recruitment activity** to attract diverse talent for our student and experienced hire opportunities; and
- Access to **career sponsorship** and development.

Case study: Developing a more inclusive working environment through our Mutual Mentoring programme

Alongside our firmwide focus on equality, our teams are working to create an inclusive culture where everyone feels that they belong and have equal access to opportunities.

The Audit Leadership Mutual Mentoring programme pairs people from across the PwC audit practice with members of the leadership team so they can learn from each other. Now in its third year, members of the Audit Executive and Wider Leadership Team are paired with a mentor who is from a minority ethnic background. The programme has been further expanded this year to include anyone who identifies as being either neurodivergent, or a working parent.

Mutual mentoring is a two-way partnership in which both parties learn from each other – the junior person shares insights and perspectives with the more senior person who, in return, offers guidance and support.

These relationships help increase our understanding of others' experiences and perspectives, they generate greater empathy and understanding, and help develop a more inclusive working environment.

At the conclusion of the formal programme each year, all of the pairings come together as a group to share reflections. Participants have the opportunity to share the ways in which the programme has made a real difference and share ideas to enhance it going forward.

Audit Leadership Mutual Mentoring programme



We monitor the impact of these interventions and measure progress against grade pool targets for gender and ethnicity for all grades, including an Executive Board review on a quarterly basis as part of our balanced scorecard report. We first set targets in 2015 to be achieved by 2020, and have now set further stretching targets out to 2025. These targets and our progress against them, are published in our [Integrated Reporting Hub](#)¹ and [Annual Report](#)² in accordance with our obligations under both HM Treasury's Women in Finance Charter and also Business in the Community's Race at Work Charter.

Performance against these targets, and actions taken to support the firm's work to increase inclusion and diversity, are recognised financially as part of partner performance and remuneration and their contribution is specifically captured and moderated with a final review by an independent party within the firm.

We first published our gender pay gap voluntarily in 2014, prior to the regulations being introduced in 2015. Since then we have held ourselves accountable to disclose more than we are required to, including our partners in our data. We have published our ethnicity pay gap since 2018 and now publish a breakdown showing our Black, Asian, Mixed Ethnicity and Chinese pay and bonus gaps.

¹ Source: <https://www.pwc.co.uk/who-we-are/reporting-hub.html>

² Source: <https://www.pwc.co.uk/who-we-are/annual-report.html>

Our gaps continue to be driven by the fact there are fewer ethnic minorities and females in senior roles within our business. However, this is different from equal pay. We are confident that our people are paid equally for doing equivalent jobs across our business and our reward team carries out an annual exercise to ensure this is the case. We continue to take action to address any gaps and to make sure our policies and practices are fair.

In 2021, we took our pay gap reporting a step further by reporting our Socio-Economic Background (SEB) and disability pay and bonus gaps. In 2022, we started to disclose our sexual orientation pay and bonus gaps (Lesbian, Gay and Bisexual). We continue to retain our focus on ensuring that all of our people have equal opportunity to work and that all of our talent processes are fair and inclusive.

Alongside our Partner Diversity Council, in 2020 we established a Staff Diversity Council made up of representatives of different communities across the firm. The Staff Diversity Council has 25 members from different backgrounds who provide challenge and invaluable insights to leadership on how they experience the culture of the firm; these in turn serve to shape our people strategy and priorities.

In support of our commitment to an inclusive culture, in addition to our inclusive leadership training for partners, we have invested significantly in firmwide training for all of our people using Virtual Reality to build racial awareness and, specifically empathy, with 65% of our people completing the training since its introduction in 2021.

All of our new joiners are required to complete our race and bias awareness training within their first six months from joining. We want to continue to create an inclusive culture where all of our people are able to feel they belong and we believe this creates the conditions for everyone to thrive within the firm.



Wellbeing

We continue to invest in both the mental and physical wellbeing of our people. Our people's wellbeing is a top priority and this is reinforced in communications from all levels of leadership.

We understand the importance of getting our people the right support at the right time, and continuing with our goal to expand pathways of access to mental health support continuously, we made the AXA health app available through each person's company issued mobile phone. The app provides 24/7 access to a wide range of support programmes available through our private medical provider, like our Virtual GP service, the phone Employee Assistance Programme (EAP) that offers counselling and support service and Peppy, an app focused on early parenthood, menopause, fertility and pregnancy support, along with mental and physical health self assessments, wellbeing programmes and line manager support. This is in addition to our onsite mental health pre-assessment service that we have now launched in offices, with clinicians from our private medical scheme onsite weekly, which we plan to expand into an on-site mental health counselling programme.

It is important that all of our people feel confident in supporting each other, as well as looking out for their own wellbeing. We have continued our rolling Mental Health (MH) literacy programme which spans basic mental health awareness through to Mental Health First Aider accreditation. Our goal is that all of our people will have at least a foundational level of mental health literacy, achieving this through completion of the Samaritans' wellbeing conversations and listening training. We have also now started to train our People Consultant population to be able to deliver MH literacy training within their functions.

This year, we expanded our private medical benefit to include neurodiversity support in response to our people's feedback. Now our people, their partner/spouse and child dependents over the age of seven, can receive a diagnosis following a GP referral. They can also receive short term support for ADHD and Autism, along with guidance on accessing support for educational needs.

We are now in our third year of offering 'Headspace' to our people as part of our wider benefits package. This is a mobile app where users can explore meditation and mindfulness. Due to the popularity of the programme with our people, we now offer free Headspace licences to those who are joining the firm as part of our graduate intake, at the point of offer, to support them in forming healthy routines before transitioning to a professional services workplace.

Care is an important part of our culture within the firm, and is one of our core values. We have signed the 'Working with Cancer' pledge, demonstrating our commitment to continuing to build a supportive workplace for those who are living with cancer. As part of our pledge commitment we will continue to encourage open conversations about cancer to reduce stigma and raise awareness of the signs, symptoms, and support available to our people, along with formalising peer to peer support for our people who have been affected by cancer, whether directly or indirectly.

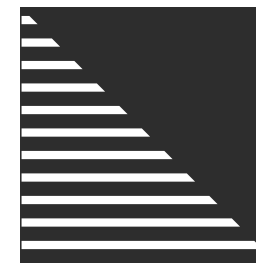


Reflecting on the cost of living crisis, and following on last year's introduction of the Money Talks hub, which offers employees guidance on financial related subjects, and the practical steps they can take to improve financial wellbeing, we have hosted various 'financial expert led' activities throughout the year, and launched a Reward Gateway portal to give our people easier access to a wider range of discounts.

We also continue to tackle topics that can feel difficult to discuss in the workplace, as we have done for mental health and menopause. As more than half of all employees have experienced bereavement in the last five years, we collaborated with our PwC Foundation charity partner, Hospice UK, to design, create and launch a new interactive, online learning 'Compassionate Bereavement Conversations'. The training provides a safe space to become more comfortable and confident when having conversations with people who are grieving. As well as providing all our people with these valuable conversation skills, this training is now a key element of Hospice UK's publicly available Compassionate Employers programme, another example of the firm's Purpose in action.

This year, PwC collected two awards and recognitions from the City Mental Health Alliance part of Mind Forward Alliance:

- the **Social Impact award** – recognising the work we have done around mental health awareness in schools; and
- the **Health Creating accreditation** – awarded for the second year in a row and the highest acknowledgement in their annual 'Thriving at Work Assessment'. PwC is one of only four firms to achieve this status.



Training

The year* in numbers

471,917

Individual pieces of mandatory training, across the firm, were issued and tracked to completion in the year

4.5/5

Feedback scores on all Audit mandatory training programmes exceeded local stretch targets with a weighted average of **4.5/5** across all programmes

3,500

External Auditor Training programme was delivered to around **3,500** qualified staff and partners

54,000

Individual assessments taken to support learners' ongoing development through reinforcement of key technical topics (both across Year 1 to 4 assessments and EAT topic based assessments)

2,546

Of our auditors completed 'In my shoes' training, which is designed to create emotional engagement and connect you to how it feels to be treated differently or excluded as a result of your race

5,900+

Of our auditors have been trained through a Digital Academy since its inception

* Our training cycles follow the calendar and not the financial year, hence we have presented training metrics for the calendar year to 31 December 2022 in this report.



The learning landscape

Throughout our people's careers, they are presented with a variety of development opportunities, classroom, virtual classroom and on-demand learning (both formal and informal), as well as on-the-job real time coaching. Our extensive training portfolio allows individuals to personalise their development journey with access to a variety of education materials, including webcasts, podcasts, articles, videos and in person and virtual courses, to supplement their formal training and, where applicable, professional qualifications.

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

For new joiners, a firmwide induction is provided to all staff followed by a Line of Service event. In addition, the Audit Line of Service has specific mandatory training for new hires before they can work on engagements, as well as certain other specific training requirements necessary to perform work on a specific engagement (for example, PCAOB training for SEC registered clients).

Our PwC Professional career progression framework underpins a training curriculum which provides a wealth of opportunities for our people to learn and develop. Training is generally a combination of remote access training and virtual or face to face classroom training.

We adopt a hybrid approach to training our people, taking relevant learnings from virtual delivery and focusing the physical classroom elements on the areas that most benefit from coming together in person.



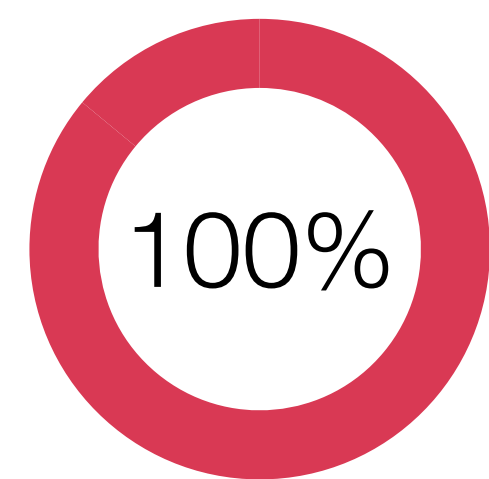
18

ICAEW Institute prizes awarded to PwC staff

Audit mandatory training

The firm's core mandatory audit training is categorised into pre-qualified pathways and a post-qualified curriculum, covering both technical and broader skills content. Experienced hires follow a defined series of onboarding activities prior to joining the post-qualified curriculum. Core audit training is supplemented by US, Financial Services and other industry curricula for those individuals deployed on such engagements. Certain roles, such as Quality Review Partners, also require specific additional training.

Completion of mandatory training is tracked and compliance of all staff and partners is closely monitored. Our training complies with the continuing education of statutory auditors referred to in paragraph 11 of Schedule 10 to the Companies Act 2006. Sanctions apply for non-completion of mandatory training up to and including dismissal.



Of partners and staff have completed all mandatory training in 2022*
2021: 100%

Within the Audit Line of Service, annual training needs are analysed to identify new areas of technical and non-technical training or areas needing reinforcement and focus. Our training needs analysis is prepared in consultation with the audit practice and Audit Risk & Quality** and considers the current regulatory findings and root cause analysis.

Emerging training needs are considered on an ongoing basis and we release new guidance and training materials as appropriate throughout the year. This allows us to respond promptly when areas for improvement are identified.

We continue to invest in our training curriculum so that our people are informed, prepared and empowered to deliver high quality work whilst navigating an increasingly complex political, economic, technological and regulatory landscape.

We are proud of what we have achieved in the year, receiving consistently positive feedback whilst continuing to drive improvements in quality.

Metric	2022 (calendar year)	2021 (calendar year)	Explanation
The average time charged to training time codes by qualified (and equivalent grade) partners and staff in Audit during the calendar year, including mandatory and elective training	102 hours per person	95 hours per person	The increase in average training hours is attributable to the addition of the US annual update workshop in 2022 and the launch of the Be Your Best programme which was a development day focused on leadership skills delivered to Managers and Senior Managers. To find out more about the Be Your Best programme please see the case study on page 92 .
The range of possible structured mandatory training hours required by qualified audit partners and staff based on their grade, experience and role (defined by their learner profile responses)	28 - 270 hours per person	30 - 270 hours per person	The introduction of IFRS 17 training within the Financial Services curriculum resulted in an increase to the existing catalogue. Further, all qualified US practitioners attended a virtual US update training event which did not take place in 2021. However, this increase in possible training hours was offset by a reduction in training for experienced joiners due to a comprehensive review of legacy training assets that were no longer relevant or incorporated into new bespoke assets.
The minimum structured training hours provided to qualified audit partners and staff within the annual mandatory audit, accounting and compliance update programme	28 hours per person	30 hours per person	The reduction in minimum structured hours is largely attributable to one less monthly webcast in 2022, as well as reduced compliance training requirements.
The total number of hours charged to training time codes by all partners and staff in Audit during the year, including exam training for staff under training contracts	1.6 million hours	1.4 million hours	The increase in training hours is due to several factors, including the introduction of the Study First programme (bringing forward some professional qualification exams for some of our year 1 population); an increase in training hours within the years 2 and 3 programmes and for post-qualified staff working on US engagements; and the introduction of the Be Your Best programme. These changes are combined with an overall increase in headcount over the year.

* Our training cycles follow the calendar and not the financial year, hence we have presented training metrics for the calendar year to 31 December 2022 in this report.

**Team consisting of central technical audit and accounting subject matter experts.

Be Your Best

This year we introduced a new programme, 'Be Your Best' (BYB) for our Audit Managers and Senior Managers. This population leads our audit teams on a day-to-day basis and the programme aims to develop their leadership capability and create empowered, inspirational leaders. The BYB programme is divided into three pillars:

Develop

The develop pillar consists of an annual Development Day, along with scenario based workshops throughout the year. The pillar focuses on a broad range of leadership skills relevant to our Manager and Senior Manager roles to unlock their leadership capabilities.

A case study for the 2022 Development Day event has been included adjacent.

Empower

Empowerment is about giving our Managers and Senior Managers the right tools and support to make decisions and drive change as leaders of our business all underpinned by the empowerment principles.

Over the past 12 months, peer group meetings have been held in business units to encourage debate and discussion on key topics. The ideas generated from these meetings have been taken to business unit leadership and worked on collaboratively to lead to positive local changes.

Pride

We want the Managers and Senior Managers, as leaders in our business, to feel valued and proud of the roles that they play at PwC and that they can then inspire others to be their best.

The Be Your Best programme is underpinned by a culture of storytelling. We have encouraged people to share their stories on a range of topics. For example, promotion, wellbeing and project success. The GEMs recognition system helps us highlight stories of the impact our people have on each other and encourages everyone to take pride in their work and in their achievements.

Case study: Development Days

During November 2022, six in-person Development Days were delivered to a total of 722 Managers and Senior Managers in Audit. The focus of the Development Day was 'Leadership' with sessions held on:

- audit strategy;
- resilience through high performance routines;
- human inclusive leadership; and
- fundamentals of leading teams.

Participants were also able to choose an elective session that was most suitable for them:

- Managers: your impact on others or performance coaching; and
- Senior Managers: change agility or motivate.

The days were opened by members of the Audit Executive and then the majority of the sessions on the day were delivered by external presenters, Cognacity and MindGym. The Human Inclusive Leadership session was delivered by members of the Learning Design team and BYB project team.

Overall, the Development Day programme achieved its objective, which was "to improve participants' understanding of how leadership practices can be applied in an audit setting, and to equip them with the skills and authority to inspire, lead and manage their teams."

Feedback was collected from participants on both their overall assessment of the training course, as well as individual sessions. Feedback scores were 4.3/5 overall and an average of 4.6/5 for the individual sessions.



Recruitment and resourcing

PwC UK aims to recruit, train, develop and retain the best people who share the firm's commitment to delivering high quality services. We encourage students and graduates to join us at any stage of their academic careers including later in life, offering a range of programmes from work experience to permanent roles, across the whole of the UK.

Across the firm in FY23, this included:

5,705

Total recruits

▼ FY22: 5,856

1,984

Graduates*

▲ FY22: 1,418

124

One year placements

▲ FY22: 110

1,034

Shorter placements

▲ FY22: 269

121

School leavers

▲ FY22: 105

614

Summer interns

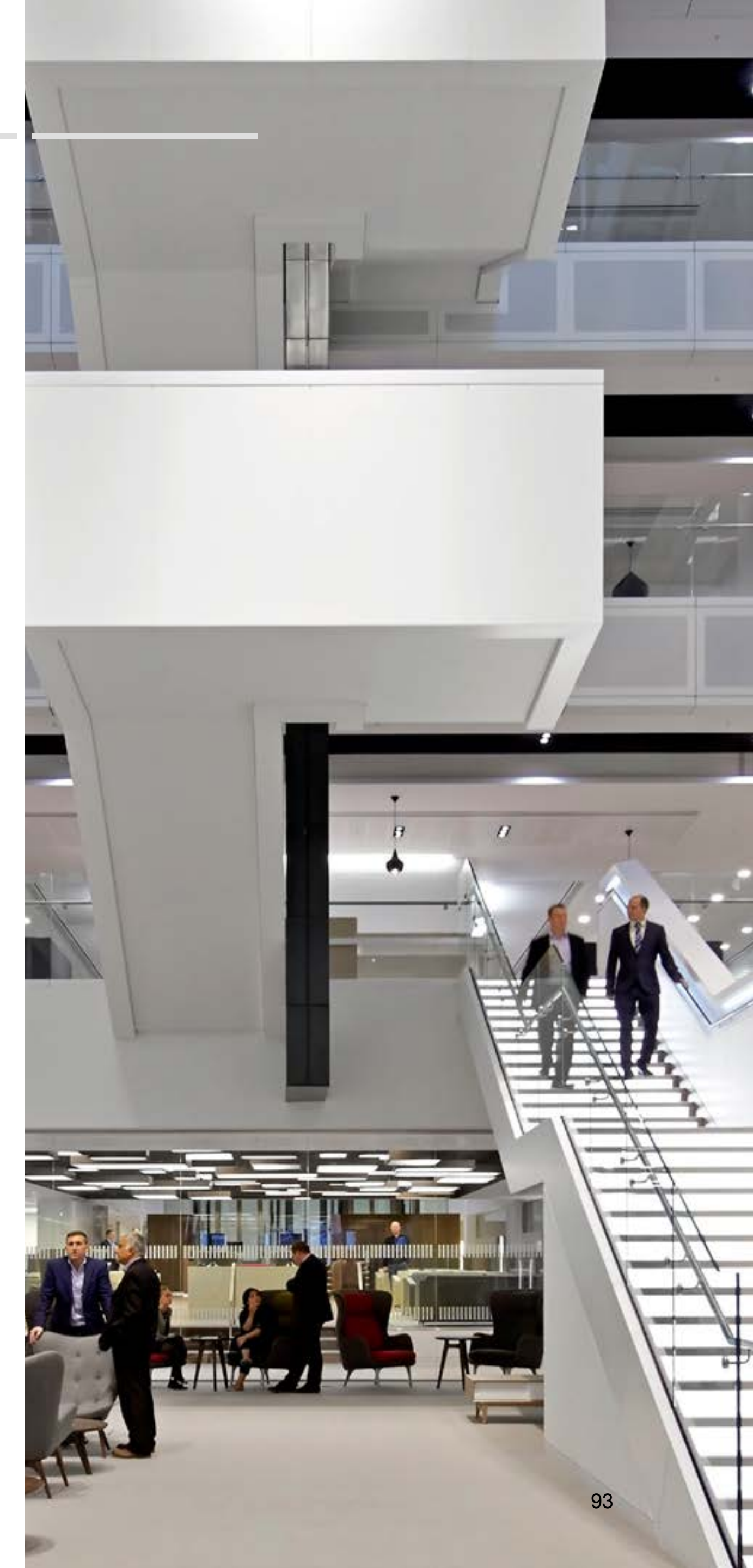
▲ FY22: 528

* Including flying starts and school leavers

Selection process

Our robust recruitment process is closely aligned to the PwC Professional framework, enabling us to select the best talent, based not only on their technical skills but also on their behaviours and ways of working. Candidates are required to submit an application form and are assessed via a range of methods from online assessments, a video interview and an assessment centre. We focus on our candidates having the opportunity to demonstrate their potential throughout our process rather than focusing on their past experience. Once an offer has been made, we offer various touch points including in-person events, online drop in sessions, newsletters and recruiter connect calls.

From September 2023, all graduates who are applying for the Audit Graduate scheme will have their final interview conducted in person, in the office that they are applying to. Interviews will be led by a partner or director from the Audit Line of Service.



Inclusion and diversity programmes

We believe that investing in diverse skills, experiences and backgrounds puts us in a stronger position to understand and meet the needs of our clients. In FY23 we've expanded our suite of programmes with an inclusion and diversity focus.

275

Women in Business

▲ FY22: 203

236

New World New Skills

▲ FY22: 222

146

Black talent in Business

▲ FY22: 66

2,945

Virtual Insight Week (unpaid)

▲ FY22: 1,596

We welcomed 421 students onto our Diversity Programmes in April 2023, which is our biggest intake yet. This was partly due to our newly introduced Social Mobility Pathway in partnership with upReach, which saw us welcome 46 students from lower socio-economic backgrounds.

The programme has provided us with a great pipeline of talent for future programmes, and currently 90% of the students who completed the diversity programme have been offered either a summer internship or graduate role for 2024.

We have continued to partner with the 10,000 Black Interns programme and have offered over 45 black students work experience this year through this partnership, alongside our Black Talent in Business programme which makes in total 146. This is on top of the 275 students who joined us on the Women in Business work experience programme. New for 2023, we also partnered with the 10,000 Able Interns programme and have been able to offer two students a 2023 summer internship, pledging support for its aims to provide work experience to disabled students.

Apprenticeships and partnership degrees

Alongside our graduate programmes and internships, we recruit and support a high volume of students into our apprenticeships, Degree Apprenticeships and Flying Start Degree programmes.

We've also expanded our Technology Degree Apprenticeship programmes this year to enable us to continue building a pipeline of diverse technology candidates. Our first cohort of apprentices joined us on this programme at Queen Mary University of London, and with Ada, the National College for Digital Skills in Manchester. Our Technology apprentices benefit from fully funded tuition fees.

476

Current Technology Degree apprentices

▲ FY22: 432



Case study: The Flying Start Programme

The Accounting Flying Start Degree Programme is a four year university degree programme, which currently can be studied at five universities. Flying Start students obtain a degree, complete three paid work placements at PwC and complete 80% of their ICAEW exams as part of their degree.

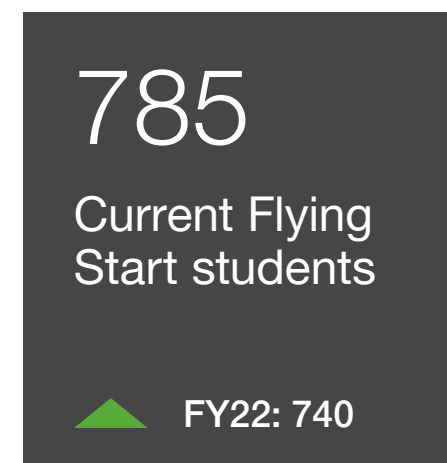
The vast majority of finalists on the programme receive a job offer after graduation, joining in year three of the graduate programme, meaning potentially becoming a fully qualified ICAEW chartered accountant, just over a year after graduation.

For the first time in September 2022, students who joined the Flying Start Accounting Programme, that fulfilled certain criteria related to their socio-economic background, were offered a £10,000 bursary to help them with the cost of university life. The bursary was granted to a total of 60 students.

In September 2022, the first cohort of students joined the new Flying Start Accounting Degree at Queen Mary's University London, the fifth Flying Start Accounting PwC partnership programme. 47% of our joiners on this programme were from lower socio-economic backgrounds.

This year, the Accounting Flying Start Degree Programme has celebrated its 20 year anniversary, which launched at Newcastle University in September 2002.

In the video below, Chris Shepherd, who was the first Flying Start alumni to be admitted into the partnership, talks to Manraj Nagra, a Senior Manager in our audit practice, and Anna Cromwell, who is one of the 750+ students currently on the programme, about their experiences.



Celebrating 20 years of our Flying Start Programme



Schools work experience

Our brand new Career Launch Work Experience programme has been established in 2023 due to the recognition that across the industry there is demand for a return to in-person work experience. Taking place in our Manchester and Belfast offices, as pilot locations based on where we have high school and college leaver hiring targets, the programme aims to provide participants with a deep understanding of the business areas they can join as a school leaver through interactive sessions run by business ambassadors. Participants will have the opportunity to receive a fast tracked application for a 2024 school and college leaver role, or on one of our Flying Start Degree Programmes.

ESG internships

As we look ahead, non-financial reporting is becoming increasingly important as organisations are being judged on more than just financial performance, with stakeholders calling for reporting they can trust on areas such as ESG. Therefore, we have introduced a number of targeted recruitment campaigns as well as undergraduate internships focused on ESG. In FY23, we have hired over 50 summer interns nationally, with the premise that they will be offered a graduate role should they be successful during their internship.

Experienced talent

We remain competitive in the market in sourcing talent and acquiring the skills that we need to deliver client requirements. In FY23, we welcomed a total of 3,657 experienced hires, i.e. new hires with previous work experience.



Assignment of engagement teams

Partners and staff are assigned to engagement teams, based on their experience, competencies and grade. Our internal resourcing function (split by teams that support each Business Unit (BU) within each Line of Service) oversees the placement of staff into client assignments to maximise the best match of skills and experience required for the role, and to allocate work fairly whilst balancing the capacity and demand requirements within the Line of Service at that time. The assignment of staff is managed by the Resourcing team within each of the BUs, allowing the management of skills to be considered more accurately.

The nature of competence and skill required will differ between industry, size and/or nature of the clients, and for certain types of work, specified levels of experience and specific additional training may be required to ensure that the individuals are competent to undertake the work (for example only certain individuals can lead or undertake certain types of work, such as capital market transactions and due diligence work). Factors, such as independence or security clearance requirements, will be considered.

In addition, some teams, such as Financial Services BUs in the Audit Line of Service (that service a specialised industry) will require a Financial Services specialism and accordingly, this will be considered when staffing teams.

Each Line of Service has an established process for an engagement team to escalate and report resource shortfalls. If demand is greater than the capacity available in a Line of Service we consider whether there is sufficient capacity with the appropriate capability elsewhere in the firm that can support the engagement. If such capacity and capability is not available then we will review if we will accept the engagement or not.

The firm uses Smart Budget which is a transformational tool that provides an effective, clear and consistent way for us to build resource plans. These plans are recorded in TalentLink which is the system of recording individuals' job allocations and capacity. The Audit Line of Service uses Juggler, an automated optimisation tool to schedule resources to engagements in accordance with predefined business rules and priorities for deployment. The Juggler logic has been designed to produce quality resource allocations that meet capacity, continuity, employee preference and audit quality requirements for the junior grades of staff (with the senior grades of staff being directly assigned by the resourcing team, in conjunction with the business).

Our Distributed Delivery Model (DDM)

We continue to evolve the way we deliver our audits to enhance audit quality, the experience for both our people, and the organisations we audit, and create the economic capacity to invest in the future. We recognise that the way we operate needs to continually evolve, as the technological world around us changes.

Our Distributed Delivery Model (DDM) supports our front line delivery teams and is formed of five key elements, namely:

1. **Service Delivery Centres:** Delivering tasks that do not require audit judgement, from offshore locations;
2. **Competency Centre:** Delivering lower complexity areas, where some judgement is required, from Bradford;
3. **Operate – Controls:** Working alongside our front line delivery teams to support with testing primarily on Business and IT controls, from Belfast;
4. **The Remote Team Model (RTM):** Working alongside our front line delivery teams, exercising limited professional judgement to deliver work on defined areas of the audit, from Kolkata. The RTM team receive equivalent training to their UK audit counterparts; and
5. **Centres of Excellence:** Delivering highly complex technical and judgemental areas, from primary locations in Manchester, Glasgow, Newcastle and Birmingham.

The DDM enables us to deliver on our ambitions by:

- enhancing the quality of the work we do, by creating centres to deliver our work in specialist areas and in turn drive increasing levels of standardisation;
- automating as much of what we currently do manually, through standardisation;
- adding further value to our clients; and
- improving the working experience of our partners and staff.

Talent, performance and reward

Performance evaluation

Performance is defined for our people as ‘what you do (your contribution and the impact this has) and how you do it (the behaviours you demonstrate)’. Managing contribution, impact and behaviours is a year round activity, and all of our people have regular meetings with their Career Coach* to discuss their ongoing performance.

All our people set goals annually which are linked to wider goals and values. This includes: firmwide and LoS goals, which are cascaded to all partners and staff to set the strategic context; BU/function goals include measurable targets and expectations; and individual goals which define how an individual’s contribution and impact for the performance year ahead will support achievement of the firmwide vision and strategy.

Our people are encouraged to review their individual goals on a regular basis and ensure they are updated as they see fit, in order to ensure their relevance.

For the Audit LoS, our people continue to set goals focusing on quality, change and simplification in the way that we deliver our audits, through demonstration of the Audit Behaviours.

Alongside regular informal feedback conversations with colleagues we expect written feedback to be provided regularly throughout the year by all staff and partners using our core people management tool, Workday.

Last year we introduced quarterly Career Coach check-ins. These are regular opportunities for our people to discuss progress with their Career Coach, review feedback and goals and discuss any concerns. We formally evaluate the performance of our people on an annual basis to recognise the contribution and impact in delivering upon their goals and contributing to the firm’s strategy. The performance year runs from 1 April to 31 March.

Individuals self-evaluate their performance against their agreed goals and with reference to the PwC values, the Audit Behaviours, and

the grade-related skills and capabilities of the PwC Professional. Individuals’ self-assessments are then passed to Career Coaches for review and comment.

The contribution and impact of each of our people is initially assessed by their Career Coach. A robust moderation takes place, led by Relationship Leaders, to ensure fair outcomes for our people.

A ratings scale is used for performance outcomes, ‘exceptional performance’ (impact tier 1) being the highest and ‘below high performing’ (impact tier 4) being the lowest, with a simplified scale for more junior grades of staff. Individuals with lower performance will progress more slowly, and where performance is unsatisfactory, corrective action is taken. Our bonus plan is aligned to an individual’s impact and contribution with higher performers receiving more. Individuals with sustained higher performance also have the opportunity to progress more quickly.

During the year the FRC reviewed our compliance with the FRC Revised Ethical Standard 2019, see [page 69](#) for further details.



Everyone in Audit is required to complete an audit quality assessment form within their annual self-evaluation. The purpose of this supplementary form is to give additional focus on how our people in Audit had delivered their Audit quality goals with examples of where they had shown the Audit Behaviours of Team first, Challenge and be open to challenge, and Take pride.

*Each member of staff has a Career Coach assigned to them, who supports them with career planning and development.

Remuneration

In determining remuneration for our staff, we carefully balance several elements including: the quality of the work our people deliver, the economic climate, the external market; engagement and recognition of people's hard work; the performance of the firm; and investment for the future. We have common firmwide reward principles, but in rewarding our people we reflect different markets and skills. We have a firmwide bonus plan, but individual bonuses are determined by each Line of Service.

We review proposed pay and bonus by gender, ethnicity and different working patterns (full time to part time).

We are delighted to report that we have seen a reduction in nearly all our pay gaps compared to FY22. Once again this reflects our commitment to delivering against our [five-point action plan](#)¹. These actions serve to strengthen our talent pipeline. Of our internal admissions to partnership, 42% were female and 16% from an ethnic minority background. In FY23 our median gender pay gap was 4.3% (FY22: 6.8%) and our single figure ethnicity pay gap was below zero at -2.8% (FY22: -6.4%). Our single figure gender and ethnicity pay gaps do not take into account objective reasons for pay difference such as grade, location or performance level.

We publish our earnings gap voluntarily including partners. This data, unlike the regulatory pay gap data, is based on actual pay and bonus for employees and financial year distributable income for partners. Our median gender pay gap was 7.1% (FY22: 10.3%) and the median ethnicity pay gap was 0.0% (FY22: -3%)². Pay gaps continue to be primarily driven under-representation in senior roles within our business which is why we set new targets last year to accelerate our progress over the next five years. Very simply, delivering our targets is essential to closing our pay gaps. But in this first year of working towards our 2025 targets, we have laid a strong foundation for our future and we will continue to focus on all drivers of our pay gaps.

¹ Source: <https://www.pwc.co.uk/who-we-are/our-purpose/empowered-people-communities/inclusion.html>

² Source: <https://www.pwc.co.uk/who-we-are/annual-report/people/inclusion-and-diversity.html>

Median pay gap

Gender

4.3%

April 22: 6.8%*

Ethnicity

-2.8%

April 22: -6.4%*

Our median pay gaps are calculated following regulatory methodology, excluding partners, as at 5 April.

*Numbers have been restated for April 2022 pay gap due to a change in methodology relating to the eligible population for inclusion and inaccuracies relating to additional payments which should have been included in the 2022 data.

Median earnings gap

Gender

7.1%

FY22: 10.3%

Ethnicity

0.0%

FY22: -3.0%

Our median earnings gaps are calculated including partners, for the financial year ended 30 June.



Promotion

Any promotion in the firm is based on an individual's performance, their skills and the business case. In the case of promotion to director or admission to partnership, the process is particularly thorough and involves the Line of Service leadership teams and the firm's Executive Board. Pathway 2 Partner (P2P) is our development pathway for potential partner candidates and is designed to enhance professional skills and readiness for partnership. Each Line of Service nominates partner candidates for the Internal Partner Admissions (IPA) process. The Partner Affairs Committee, a subcommittee of the Supervisory Board, conducts and manages the overall assessment validation process for all partner candidates. All potential admissions to partnership are considered by the Executive Board and the Partner Affairs Committee and are put to the full partnership for consideration.

Within Audit, the process for promotion to director and admission to partnership involves a formal assessment of the quality of the individual's work and their adherence to ethical requirements and professional standards.

The process includes a written assessment against the PwC Professional framework and the proposed business case for promotion, and an interview with a panel of partners who seek to corroborate that assessment and business case.

Internal admissions to the firms' partnership

Female

42%

FY22: 41%

Ethnic minority

16%

FY22: 13%

