



2025 PwC Taiwan Transparency Report

31 October 2025



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Leadership messages

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Message from our Chairman

Welcome to our 2025 PwC Taiwan Transparency Report

PricewaterhouseCoopers, Taiwan (PwC Taiwan) publishes an annual transparency report in accordance with the "Principles for Preparation of Transparency Reports by Audit Firms" issued by Taiwan's Financial Supervisory Commission. The report provides a range of information about our professional services organization and our approach to quality, including our legal, governance and management structures, risk and quality management systems, audit quality indicators, and financial and internal control information. It also highlights the risk and internal control management measures and resources from our PwC global network.

At PwC, our purpose is to build trust in society and solve important problems. We are a network of firms in 136 countries with 364,782 professionals committed to delivering quality in assurance, advisory and tax services. We are dedicated to driving a strong culture of quality and excellence that supports our purpose. PwC Taiwan was established in 1970 and we have since grown steadily in size to more than 4,000 partners and professional staff in six cities across Taiwan who provide total solutions to entities of all sizes and backgrounds.

Business leaders around the world face major challenges to adapt to the current trends of climate change, technological disruption, demographic shifts, geopolitical tensions, and supply chain restructuring. The interplay of these trends will drive transformative change, reshaping global industries. As economic structures evolve, organizations that can transcend traditional industry boundaries and connect key nodes will be best positioned to create value.

To help businesses respond to evolving market changes, PwC published a **Value in Motion** report in April 2025, which indicates that, over the next decade, industries will have to reconfigure to meet human needs in new ways, leading to the formation of new 'domains' that cross traditional sector lines. The report also analyzes the impact of AI and climate change on economic value, helping companies to find direction amid uncertainty, embrace change, and drive transformation. Accordingly, PwC Taiwan is focusing on three key areas—AI innovation, sustainable development, and building trust—to create value for clients and society.



AI Innovation

Generative AI is reshaping business and operating models, presenting significant economic potential. PwC's scenario analysis posits that the adoption of responsible AI could increase global GDP by 14.7 percentage points by 2035. However, realizing AI's full potential hinges on how individuals, organizations, and society choose to use it.

PwC Taiwan promotes responsible AI, advocating for the ethical, transparent, and secure development, deployment, and governance of AI. By integrating our expertise in law, risk management, data governance, and digital technology, we help businesses build trustworthy AI systems, leverage new technologies for transformation, develop differentiated competitive advantages, and create new value.

Internally, within PwC Taiwan, we continuously use digital tools to enhance our audit team's capabilities and improve our audit processes and efficiency. This includes actively implementing PwC's digital tools and developing several proprietary audit tools tailored to the financial reporting requirements of Taiwanese businesses. We also integrate technology into our audit services through our proprietary generative AI tool, ChatPwC. At the same time, we continue to develop and implement our digital upskilling program to enhance our people's digital proficiency, improve audit efficiency and quality, and provide deeper insights, ultimately creating value for our clients.

Sustainable Development

Taiwan's Ministry of Environment announced in March 2025 the third batch of businesses that will be required to report emissions data starting in 2026. This includes service industries, transportation, hospitals, universities, and small and medium-sized manufacturers with high electricity, fuel oil, or other fossil fuel consumption. Concurrently, in accordance with the Financial Supervisory Commission's sustainable development roadmap, listed companies must disclose greenhouse gas emissions consistent with their financial reporting boundaries. Consequently, businesses may face multiple and potentially differing verification standards.

PwC Taiwan was recognized as a Qualified Verification Body by the Ministry of Environment in May 2025, which enables our firm to provide professional verification services to regulated emission sources under the ministry's jurisdiction. This demonstrates PwC's deep commitment to supporting sustainable development for Taiwanese businesses and symbolizes the close integration of our accounting and auditing expertise with sustainability services. We offer integrated financial and environmental disclosure services, enhancing corporate competitiveness and boosting external investor confidence in corporate sustainability performance.

PwC Taiwan provides comprehensive sustainability services to assist businesses with carbon footprint verification, develop decarbonization strategies, assess climate risks, and provide related assurance services. We assist our clients to improve the quality of their non-financial reporting. Our goal is to help businesses adapt to evolving regulatory requirements while at the same time capitalizing on the opportunities presented by the growing green economy.



Building Trust

Over 55 years, PwC Taiwan has earned the trust of our clients and the public through our expertise in audit, tax, and regulatory compliance. With quality and integrity as our core values, we strive to consistently deliver high-quality audit services. We are also committed to enhancing the transparency of our internal mechanisms and comprehensively disclosing information on topics important to our stakeholders, such as climate matters, corporate governance, risk management, and information security. We will continue to refine our quality management mechanisms and diligently adhere to the regulations and requirements of the regulatory authorities and the PwC network.

Looking ahead, we maintain our vision of "building trust in society and solving important problems" to embrace change, address critical issues and create value for our stakeholders. To this end, we will continue to cultivate a culture of integrity, professionalism and client focus, providing high-quality solutions to support businesses' sustainable operations. We are committed to implementing and complying with PwC Network Standards, strengthening our approach to handling risk incidents, and mitigating risks to an acceptable level. We also pledge to continue investing in talent development, technological innovation, and service quality enhancement to address future challenges and opportunities. Through these efforts, we will build a solid foundation for PwC Taiwan's sustainable development and create long-term value for all stakeholders.



Patrick Hsu

Chairman & CEO



Message from our Assurance Leader

Given a dynamic and complex international business environment, PwC recognizes that trust is essential to maintaining healthy capital markets and fostering economic stability and growth. We remain dedicated to our guiding purpose of building trust in society and solving important problems in the capital markets and the economy. Quality is the cornerstone of this trust, and over the past year, we have continuously enhanced our firm's capabilities in terms of quality, technology, and talent development to strengthen our foundation.

For quality enhancement, we continuously focus on risks arising from new business models and emerging challenges facing businesses, while closely monitoring the extent and scope of the impact of industry and policy changes on businesses, establishing task forces to address major risk issues as needed.

In applying technology to our work, we continuously adopt diverse digital tools and encourage our people to leverage their practical experience to generate innovative ideas for developing digital solutions to improve our audit quality.

On talent development, we promote diverse growth opportunities through secondments and project assignments of varying durations. We also provide multiple pathways to broaden skills beyond auditing to enhance the required professionalism and acumen to meet increasingly complex economic demands.

Looking ahead, we will continue to maintain our integrity and professionalism, comply with quality and independence standards, and fulfill our role as a trusted steward to the capital markets.



Frank YC Lin

Assurance Leader



The year in review

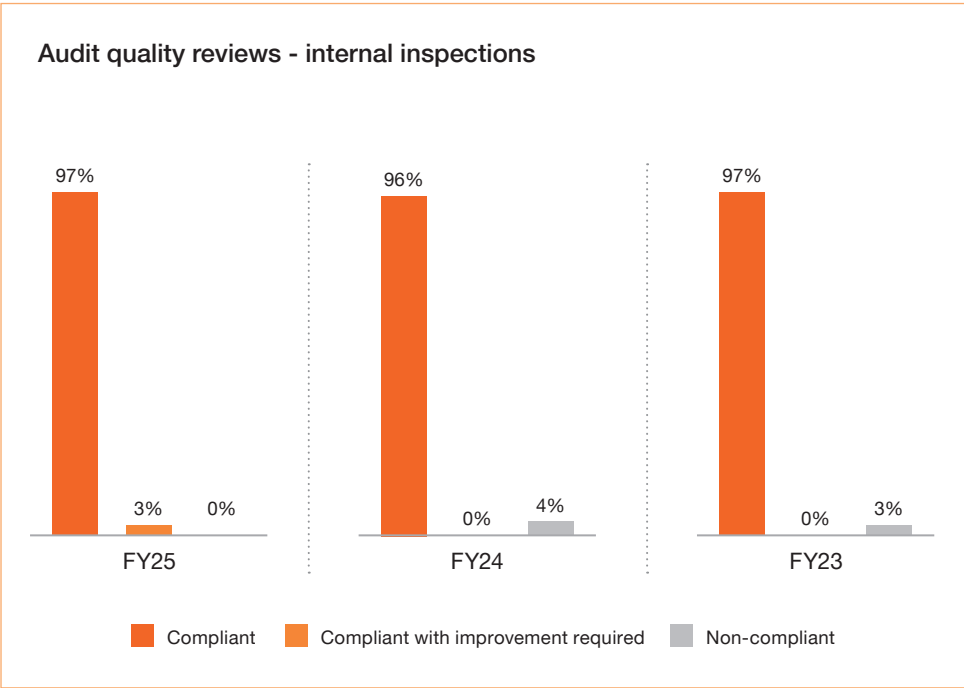
Partner and staff survey

87%

of our staff and partners participated in our Global People Survey

78%

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



Our system of quality management

14,700

hours

Number of hours spent on monitoring

8

findings

Number of quality findings identified and remediated

External inspections

2024 FSC inspection result

1

Number of engagement deficiencies

9

Number of engagements selected for inspection

2022 PCAOB inspection result

0

Number of engagement deficiencies

3

Number of engagements selected for inspection

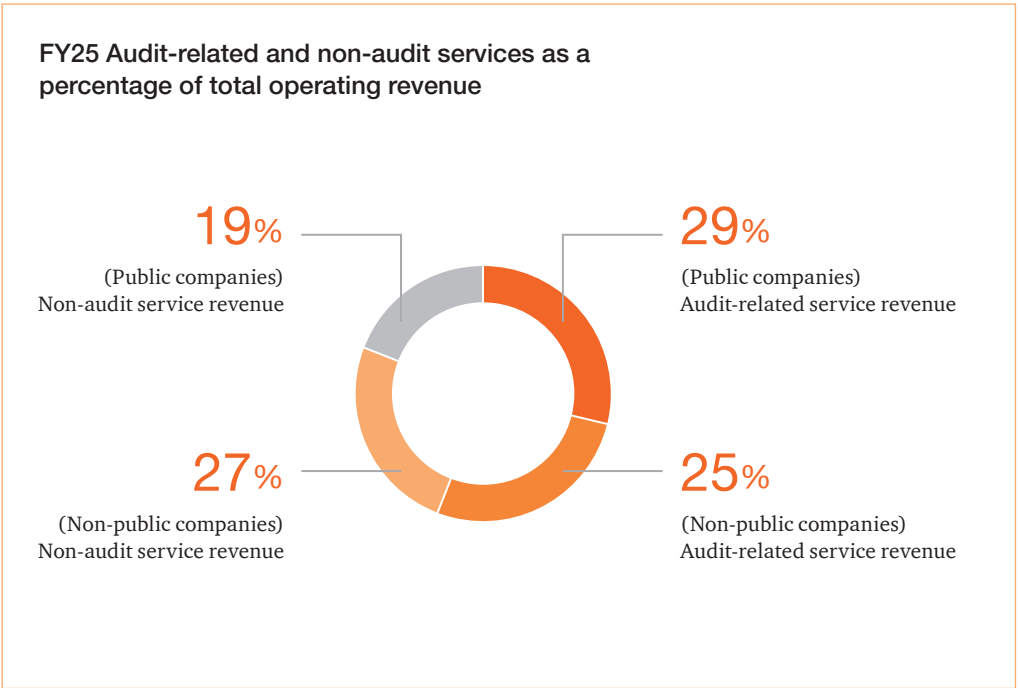
Restatements

2

Number of financial statement restatements involving public company audits due to material errors

0.3%

Percentage of restatements of financial statement for public audit clients

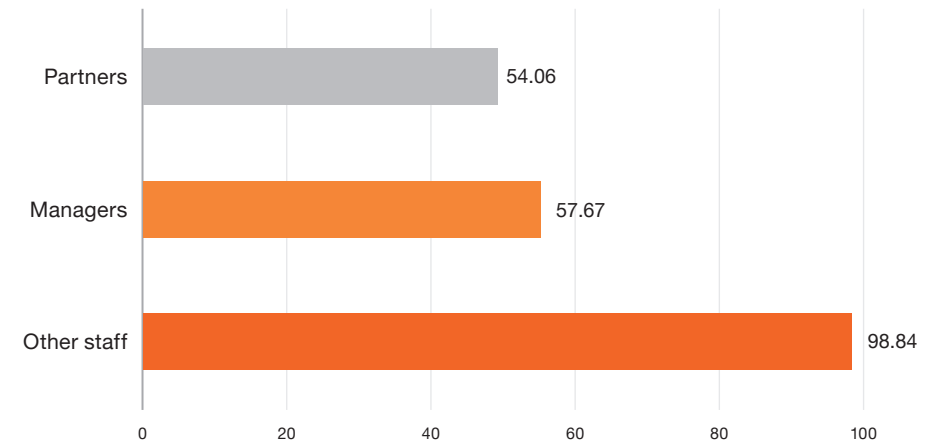


Assurance training

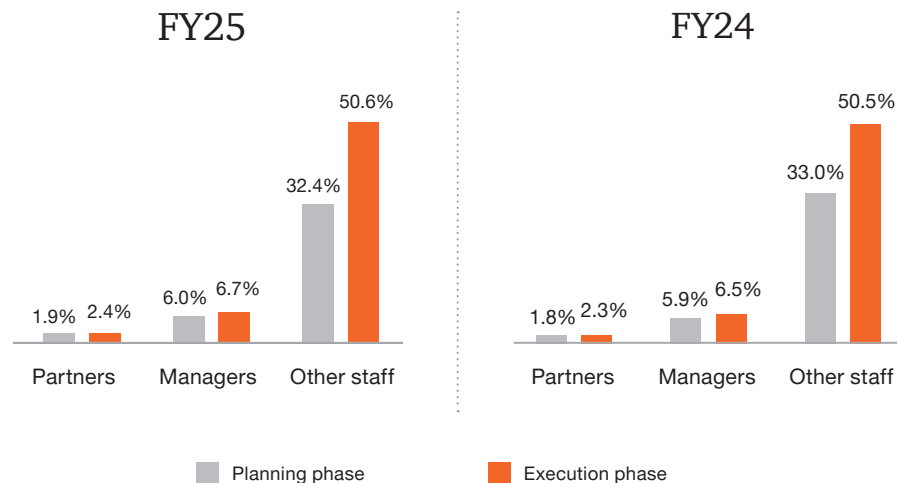


Note: Education and training hours refer to the number of hours spent on the firm's internal training courses and professional training hours recognised by the National Federation of CPA Associations of the R.O.C. (Taiwan), as well as other hours of internal and external teaching and study. The related information for FY24 has been adjusted from last year's report and disclosed on this basis.

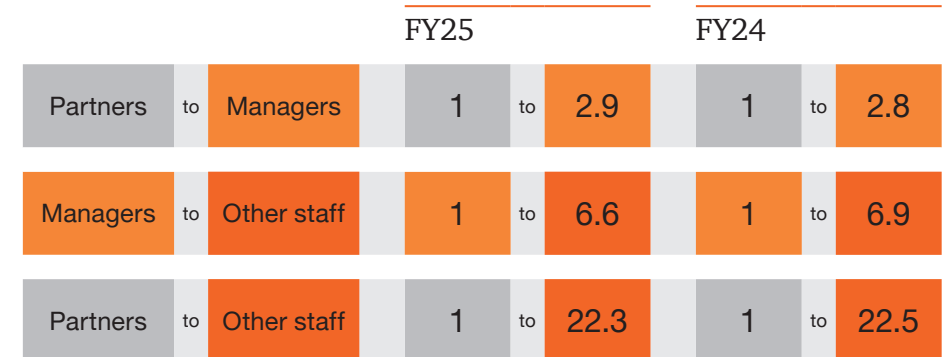
FY25 Average hours of mandatory assurance training



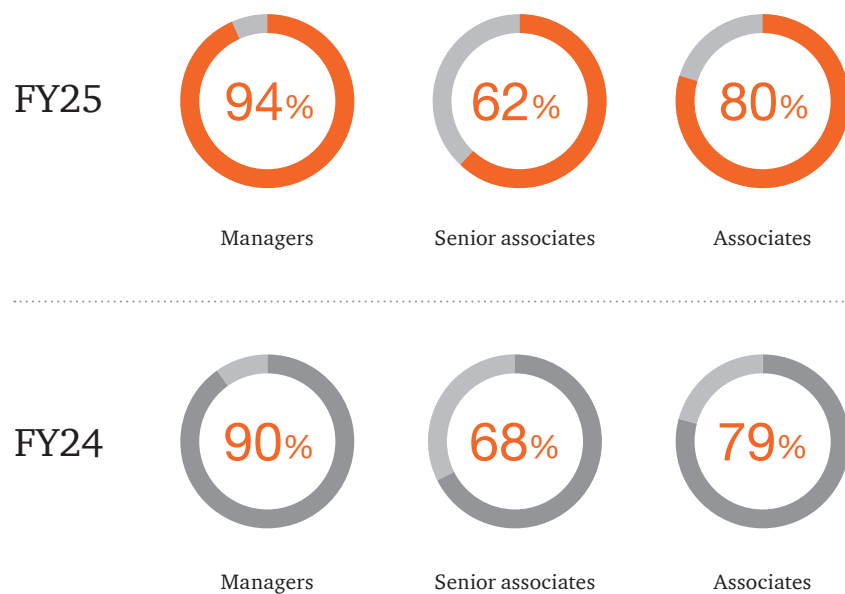
Project management - Phasing the audit



Leveraged ratio of audit-related hours for audit team members



FY25 Average retention rate by staff level



Quality support capacity

1 : 31.7

Ratio of the number of full-time equivalent (FTE) quality controllers to the total number of people in our Assurance practice

Use of Service Delivery Center

5.5%

Percentage of audit hours performed by our Service Delivery Center

Experience of our partners



Partners' average years of experience at PwC

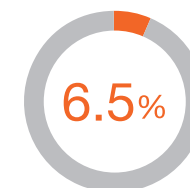
22 years



Audit experience

Average years' audit experience of partners	average 10.3 yrs
Average years audit experience of EQC reviewers	average 12.9 yrs
Average years audit experience of other staff (excluding partners)	average 11.5 yrs

Attrition rate



Managers and above
(excluding partners)

Professional support

3.9%	9.3%
Percentage of experts supporting Assurance practice	Percentage of hours spent by experts on audits of listed companies (%)

Note: Experts include risk assurance specialists, financial appraisers and tax specialists, but not partners and auditors.

Workload

8.2	54%
Number of public companies audited by partners as EP	Percentage of time devoted per partner

EQC Review

1%
Percentage of EQCR hours

Number of Official Improvement Letters (OILs)

Ratio of engagements receiving official improvement letters to the total number of listed engagements

0%



01

**Our approach
to quality**

Our approach to quality

International Standard on Quality Management 1 (ISQM 1) and Taiwan Standard on Quality Management 1 (TWSQM1)

In December 2020, the International Auditing and Assurance Standards Board approved and released three new and revised standards that strengthen and modernize the approach to quality management, including ISQM 1 which became effective on December 15, 2022. This requires audit firms to have designed, implemented and evaluated their SoQM in line with the requirements of the new standard by December 15, 2023. Moreover, the Auditing Standards Committee of Taiwan's Accounting Research and Development Foundation released on October 4, 2022 a local equivalent standard, TWSQM1, which became effective on December 31, 2023. We have complied with both of these standards and designed, implemented and evaluated our firm's system of quality management.

ISQM 1 and TWSQM1 use an objectives-based approach that expects audit firms to have in place a system of quality management (SoQM), which should operate in a continuous and iterative manner and take into consideration the conditions, events, circumstances, actions and inactions that impact an audit firm. The aim is to enhance an audit firm's responsibilities around monitoring and remediation, with an emphasis on the need for more proactive, real-time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and more timely and effective remediation of audit deficiencies.

ISQM 1 and TWSQM1 state audit firms must design, implement and operate an SoQM that provides reasonable assurance that 1) the firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and 2) engagement reports issued by the firm or engagement partners are appropriate in the circumstances. The standards also say the public interest is served by the consistent performance of quality engagements and this is enabled by an effective system of quality management.



Specific network focus on audit quality

PwC Network's Assurance QMSE framework

Delivering high-quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us. 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. The QMSE framework is designed to align with the objectives and requirements of ISQM 1 and provides a model for quality management in PwC firms that integrates quality management into business processes and the firm-wide risk management process. Under QMSE, our overall quality objective is supported by a series of underlying quality management objectives and each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM 1, is achieved with reasonable assurance.



Overall quality objective

To have the necessary capabilities in our organization and to deploy our people to consistently use our methodologies, processes and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders.

Integrated and aligned in the right way

Our SoQM includes quality objectives are identified from the following components of ISQM 1 as well as any additional objectives the PwC Network has identified in the QMSE framework :

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication

To help us achieve these objectives, the PwC Network invests significant 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 programme 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.

These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that each firm tailors to reflect our individual circumstances. 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.

Our 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; and
- establishing a quality-related recognition and accountability framework to both set clear expectations of expected quality behaviors and outcomes and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions.

This involves the integrated use of Audit Quality Indicators (AQIs) to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to reinforce quality behaviors, culture and actions



Our firm's system of quality management

Our system of quality management (SoQM) must be designed, implemented and operated on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our Quality Management Process (QMP).

Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objective taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

Our risk assessment process

The past several years have seen unprecedented challenges and our firm's SoQM has helped us navigate and respond to the impact that identified factors have on our ability to achieve the overall assurance quality objective — to deliver quality audit engagements. Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework.

We consider how and the degree to which a condition, event, circumstance, action or inaction may adversely affect the achievement of the quality objectives which may result in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses

A quality risk is one that has a reasonable possibility of occurring and individually, or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.



2024/2025 Key factors impacting our SoQM

Various factors impacted our SoQM during the year, with the following changes been made as a result:

Sustainability issues

Given increasing international attention to environmental, social and governance (ESG) matters, and based on Taiwan's "Corporate Governance 3.0: Sustainable Development Roadmap", we have prioritized the quality management of our sustainability reporting services. In addition to establishing an ESG Task Force in 2022 to strengthen our quality management, we have also set quality control goals, developed engagement-level risk and quality control policies and procedures for greenhouse gas emission assurance services, and continued to monitor all relevant measures. For instance, we comply with local regulatory requirements for registration of greenhouse gas emission assurance institutions and related personnel. We also provide technical training and practical sharing sessions to equip our people with the requisite professional knowledge and skills to deliver our sustainability-related services. Moreover, we have established manual controls to manage acceptance of engagements and the professional qualifications and work experience of our people who deliver these services.

In 2024 and 2025, we digitalized these internal procedures to ensure the quality of our people for sustainability service engagements. Also, we established a mechanism to involve other experts from certain fields in these engagements depending on the complexity and risk level of greenhouse gas emission assurance cases. To further ensure the quality of our engagement performance, we plan to implement quality reviews for sustainability assurance cases, and to continuously strengthen the relevant quality management system accordingly.

Implementation of new audit standards

On November 26, 2024, Taiwan's Accounting Research and Development Foundation issued Auditing Standard 600 "Special Considerations for Auditing Group Financial Statements" (TWSA 600R), which sets out the special considerations for auditing group financial statements with reference to ISA 600(R) and AU-C Section 600 issued by the American Institute of Certified Public Accountants (AICPA), including component auditors and refer-to auditors (auditors who separate audit responsibilities from them) relevant requirements.

We have been working since 2023 to implement the new standard, including the development of various guidelines, templates, and training materials to assist our audit teams in responding to the standard's requirements. In 2024, we conducted trainings, developed FAQs and held internal sharing seminars on how to apply the new standard. Also, to quickly understand the implementation status of applying the standard, we also performed real-time assurance (RTA) to guide and review the execution quality of related audit cases in real time.



Human capital strategy adjustment

Taiwan's labor market has experienced worker shortages in recent years, as seen elsewhere around the world. Key influencing factors include demographic changes, the workplace preferences of new generation employees in the post-Covid era, and skills gaps due to AI advancements. PwC Taiwan has responded to these developments by adopting flexible talent attraction strategies, monitoring and adjusting compensation packages to stay competitive in the market, promoting audit transformation through more use of digital tools and providing digital skills training to optimize internal operating processes.

In 2024, to equip our people to make use of intelligent tools, we established internal business rules and relevant usage guidance, as well as quality controls based on global policies. In addition, we continued the separation of audit work and expanded the service scope of our audit shared service center to increase the productivity and output of individual staff members, continued to deliver training and implementation of digital upskilling for all employees, and optimized our internal operating processes.

Aim to predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team with the early identification of potential risks to quality, using metrics that aim to predict quality issues. This quality risk analysis is an essential part of our SoQM, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM. Our firm has been implementing AQIs since 2016. Our Assurance leadership team and business process owners from various functional units routinely discuss each indicator based on the key focus areas for quality management. They establish the definition and measurement objectives for each indicator. When developing their annual work plans, the business process owners of each functional unit consider the need to adjust any indicator metric and related targets for the current year. The actual results of each AQI are regularly reviewed to timely identify any areas requiring SoQM remediation or plan adjustments.

Our monitoring and remediation process

The Monitoring section on pages 42-47 describes the types of ongoing and periodic monitoring that our firm has designed, implemented and is operating to provide relevant and reliable information about our SoQM and to help us take appropriate actions over any identified deficiencies so we can remediate those deficiencies effectively and on a timely basis. To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and is operating a root cause analysis programme, as described on page 47.

We use the information gathered from our monitoring and remediation process, along with other sources of information, such as from external reviews, to help us evaluate our SoQM.



Statement on the effectiveness of our SoQM

During the year, we completed our evaluation of our firm's SoQM in accordance with ISQM 1 and TWSQM1. On behalf of PwC Taiwan, our Chairman Patrick Hsu evaluated whether our SoQM provides reasonable assurance that:

- The firm and its personnel fulfil 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 June 30, 2025, we believe our SoQM provides us with reasonable assurance that the quality objectives of ISQM 1 and TWSQM1 noted above have been achieved.

02

**Our culture and
values**

Our culture and values

Quality definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of 364,782 people. This culture of quality emphasizes that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Measurement and transparency

For all our businesses, each PwC firm — as part of the agreement by which they are members of the PwC network — is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, the PwC network is continually reviewing and updating the scale, scope and operations of our PwC firms' systems of quality management and investing in programmes to enhance the quality of the services that the PwC network provides.



Our commitment to quality

Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects ‘why’ we do what we do, and our strategy provides us with the ‘what’ we do. ‘How’ we deliver our purpose and strategy is driven by our culture, values and behaviors. 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’.

Trust in what matters

Today companies are judged on far more than financial outcomes. A company's performance in areas like ESG, cybersecurity, integration and compliance with international regulations can affect how stakeholders measure the complete value of an enterprise. That's why we're evolving our assurance offering to provide confidence not just in companies' financial statements but in their broader impact.

We apply rigorous standards to analyse companies' performance and give professional advice that is material and relevant to stakeholders, such as financial performance reports, sustainability reports and carbon emissions disclosures, enterprise risk management and internal controls. High-quality and reliable information is conducive to gaining the trust of stakeholders, and can enhance corporate accountability. It is the basis for companies to track and improve performance, helps companies optimize operating processes, enables these firms to strengthen their business constitution, enhance their corporate reputations, and grow enterprise value.

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



Act with integrity



Make a difference



Care



Work together



Reimagine the possible

This culture is supported by an appropriate tone at the top through regular communication from leadership to all partners and staff about the firm's commitment to quality. Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. Leadership and engagement partners take the lead on these actions as they role model the expected behaviors in interactions with clients and teams. We measure whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our quality objectives. Delivering service of the highest quality is core to our purpose and our Assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

Reinforce: Recognition and accountability framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high-quality culture. Our RAF has been designed to both set clear expectations of expected quality behaviors and outcomes and reinforce those expectations by holding Partners accountable for quality behaviors and quality outcomes. Our RAF considers and addresses the following key elements:

Quality outcomes

We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies

Behaviors

We have set expectations of the right behaviors that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objectives

Interventions / recognition

We have put in place interventions and recognition that promote and reinforce positive behaviors and drives a culture of quality

Consequences / rewards

We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behavior and sufficient to incentivised the right behaviors to achieve the quality objectives

PwC Taiwan has long established and implemented an RAF, which is regularly updated in accordance with network guidelines and in response to external changes. Subject to the approval of our leadership team, the RAF is communicated to all partners and staff. An annual (at least) discussion takes place about quality findings from internal/external quality inspections or specific behavioral performance outcomes. Rewards and punishments are imposed and our leadership team supervises their subsequent implementation (including any necessary corrective actions).

Ethics, independence and objectivity

Ethics

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

1. Integrity

to be straightforward and honest in all professional and business relationships.

2. Objectivity

to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.

3. Professional competence and due care

to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

4. Confidentiality

to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.

5. Professional behavior

to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting Annual Compliance Confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff comply with the standards developed by the PwC Network and the leadership of PwC Taiwan monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Taiwan has adopted PwC's Global Code of Conduct, Network Standards and related policies that clearly describe the behaviors expected of our partners and other professionals-behaviors that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, PwC Taiwan provides an overview of the PwC Global Code of Conduct and the expected behaviors for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, every partner and staff are required to complete new hire training, which covers the ethics and compliance network standards, including ethics and the Code of Conduct.

PwC has implemented a network-wide confidential ethics helpline for the reporting of questions or concerns related to behaviors that are inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations. The ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff and third parties to feel safe raising a question or concern without fear of retaliation.

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

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

Finally, the Organization for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business

conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.

PwC annually conducts a Global People Survey, and the 2025 results for our Taiwan firm show an improved satisfaction score in relation to ethics-related questions.

Independence and objectivity

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

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

The independence requirements of the U.S. Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, including PwC Taiwan, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph.

PwC Taiwan 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. The PRI is supported by a team of about 17 independence specialists. Significant independence matters are reported to the Firm's Strategic Risk Council for discussion and input, and are escalated to the Firm leadership for resolution, where necessary.



Independence policies and practices

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

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts and loans by partners, staff, the firm and benefit plans;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

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

To strengthen our independence and objectivity, PwC Taiwan issued rules on 15 December 2023 requiring audit partner rotation for public interest entities (PIEs, including listed, emerging companies and certain financial institutions). Engagement partners, quality review partners and other key audit partners must rotate off after seven years and are subject to a cooling-off period of five, three and two years, respectively.

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 Taiwan supplements the PwC Global Independence Policy to include the independence requirements of the National Federation of Certified Public Accountants Associations of the R.O.C. (Taiwan), the U.S. Securities and Exchange Commission, the U.S. Public Company Accounting Oversight Board and of the EU Audit Regulation, where their requirements are more restrictive than the global network policy.

Our firm's audit partners and audit staff, which includes people from Assurance and other lines of service who contribute to audit engagements, are not permitted to be, nor are they incentivised to be, evaluated, promoted or remunerated for the selling of non-audit services to their audit clients.

Independence-related systems and tools

As a member of the PwC network, PwC Taiwan has access to a number of systems and tools which support PwC firms and their personnel in executing and complying with their independence policies and procedures. These include:

The Central Entity Service (CES)

which contains information about PwC assurance clients and their related entities (including PwC audit clients that are Public Interest Entities and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of PwC clients before entering into a new non-audit service or business relationship. This system also integrates with Independence Checkpoint and Authorization for Services system;

Independence Checkpoint

which is a global system that facilitates communication between a non-audit services engagement leader and the assurance engagement leader regarding a proposed non-audit service, documents the analysis of any potential independence threats created by the service and proposed safeguards and the audit partner's conclusion on the permissibility of the service;

Authorization for Services (AFS)

which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, and the audit partner's conclusion on the permissibility of the service;

Global Breaches Reporting System

which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements) where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the applicable independence requirements.

PwC Taiwan also has a number of Taiwan-specific systems, which include:

Rotation supervision

is a rotation tracking system that monitors compliance with PwC Taiwan's audit rotation policies for engagement leaders, quality review partners, other key audit partners and senior staff involved in audit engagements.

Registry of business relationships system

is used to clear joint (close) business relationships from an independence perspective and helps to ensure that we are in our compliance with the relevant requirements for new and existing joint business relationships. Our Independence Office uses the registry of business relationship system to gather related information, assess the permissibility of proposed joint business relationships and to monitor the continued permissibility of existing approved relationships.

Personal independence audits

are regularly performed to test and monitor compliance with personal independence requirements in relation to any investments held by the partners and practice staff of PwC Taiwan.

Independence training and confirmations

PwC Taiwan provides onboarding training focused on its independence policy and requirements to new joiners; milestone training covering knowledge of independence requirements at promotion; and annual training for changes in internal or external regulations to all partners and practice staff. These trainings are provided through computer-based modules or in-person sessions led by PwC Taiwan's independence specialists, as appropriate.

All our partners and practice staff are required to complete annual compliance confirmations in relation to relevant aspects of the PwC Global Independence Policy and PwC Taiwan's independence requirements, including their personal independence. In addition, partners have to confirm that all non-audit services and business relationships for which they are responsible comply with our firm's independence policies and that the required procedures were followed when accepting these engagements and relationships. Separately, these annual confirmations are supplemented by periodic engagement-level independence confirmations for all audit clients of PwC Taiwan.

Independence monitoring and disciplinary policy

PwC Taiwan is responsible for monitoring the effectiveness of its quality management system in managing compliance with independence requirements. As part of our monitoring, we also perform:

- Compliance testing of independence controls and processes;
- Personal independence compliance testing which is carried out for partners and practice staff as a means of monitoring compliance with independence policies; and
- An annual assessment of our firm's adherence with the PwC network's standard relating to independence.

We monitor our people's personal independence compliance through a Personal Independence Audit program, with randomly selected partners and staff required to provide certain financial records and transaction reports from the Taiwan Depository and Clearing Corporation for examination. Furthermore, PwC Taiwan's quality control system for managing compliance with independence requirements is tested for design and operating effectiveness by the internal PwC Taiwan Assurance Quality Assurance function and by the PwC Network's Global Assurance Quality Management Review program.

The monitoring and testing results are reported to our senior management on a regular basis together with an annual summary. PwC Taiwan has an Independence Accountability Framework and supporting disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the PwC firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Taiwan's systems and processes and for additional guidance and training.



Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasize risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.



Client and Engagement Acceptance and Continuance

PwC Taiwan has a process in place to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance). Acceptance facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation, by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

PwC firms (including PwC firm leadership and risk management)

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.

03

Our people

Our people

People strategy

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

PwC Taiwan's people strategy focuses on: driving diverse value experiences and practicing key digital transformation capabilities; implementing the Evolved PwC Professional framework to help employees unlock future skills; and enriching physical and mental well-being to promote the development of high-performance work.

The PwC Professional

The PwC Professional is the set of behaviors we expect of all our people, at all levels, to demonstrate with each other and with our clients and other stakeholders. When we focus on the behaviors that guide our interactions, we create opportunities to build trust and empower our teams to deliver distinctive outcomes. This is how we build trust in society and solve important problems.



Audit Quality Measures

- Average staff retention rate
- Measure of project management/phasing of the audit: actual utilization by planning/execution in relation to total actual hours at period end

FY25 Average retention rate by staff level



Charged hours by planning v.s execution phase





Inclusion and diversity

At PwC, we're an organization that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We do this by delivering on our Inclusion First strategy, which is centered on action, accountability and advocacy, in each of our member firms, across the PwC network.

We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender equity, disability inclusion, LGBT+ inclusion and social inclusion. Underpinning this is ensuring our systems and behaviors are inclusive.



Recruitment

PwC Taiwan aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behavior-based questions built from The PwC Professional framework, assessment of academic records, and background checks. During FY25, our firm recruited over 1,000 new people across all lines of service, including 637 university graduates.



Team selection, experience and supervision

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



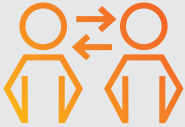
Feedback and continuous development

Audit team members receive feedback on their overall performance, including with regard to assurance quality, such as their knowledge of corporate reporting standards, auditing skills and professional skepticism. Assurance quality is an important factor in performance evaluation and career progression decisions for both partners and staff. Ongoing feedback helps them to learn and grow, adapt to new and complex environments, and bring the best to our clients. Multi-directional feedback, supported by our Feedback Exchange platform, allows our people to request feedback from all levels to capture how they create value based on their behaviors (PwC Professional) and project contributions. Feedback is used to support conversations about value creation, progression, and development, helping our people to grow and develop as part of efforts to create value for our clients, people, firm, and society.



Career progression

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



Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. At PwC Taiwan, we have implemented several measures to address this issue, including enhancing engagement with our people, gathering diverse feedback from them and implementing appropriate action plans, and creating appropriate action plans. We also offer various wellbeing activities and flexible measures and benefits policies. For example, we introduced volunteer leave in 2023 to combine corporate social responsibility with employee self-fulfillment, and promoted a new Guru Program to provide more mentorship-type support. In addition, we closely follow labour market trends to ensure our compensation packages are competitive, and we also offer various bonuses and non-monetary incentives to motivate our people. Furthermore, we continually seek to enhance our people's digital skills as part of our firm's transformation initiatives.



Global People Survey

Our people are annually invited to participate in a Global People Survey (GPS) conducted by the PwC network. We analyse the GPS results for Taiwan, communicate them to our people and formulate and implement relevant action plans. In recent years, we worked to enhance our people-centric value proposition by promoting various initiatives and projects. As a result, our employee satisfaction rate for FY25 remained above 65%. By differentiating on quality and total solutions, while maintaining our professional integrity and client-focus approach, we seek to enhance our client experience and provision of high-quality services. Accordingly, our Quality Behaviors Index (QBI) rose to 78% in FY25, up from 71% in FY24.



Taiwan Junior Board

A Taiwan Junior Board was set up in 2019 for elected representatives from various business units with three to ten years' seniority. It represents the perspectives of new generation employees and provides a deeper understanding and direct expression of their thoughts and needs. It also serves as a bridge between our employees and management to improve information exchanges and communications internally.

Each year, the Taiwan Junior Board analyses the Taiwan results from the annual PwC Global People Survey, and researches and discusses topics aimed at further enhancing employee satisfaction and work efficiency. The Board conducts in-depth interviews with employees at various levels to gather and summarise their feedback, and then submits feasible improvement proposals to our firm's Leadership Team. If a proposal is approved and implemented by management, the Taiwan Junior Board will monitor its execution and report the results to all employees.

The Taiwan Junior Board has so far proposed various employee benefits and workplace improvements. These include the early implementation of a work-from-home policy; the promotion of a new transfer platform to enhance employee skills training and human capital management; advocacy for the creation of a digital tools platform and the conduct of impactful digital activities; the centralization of certain administrative tasks; and the introduction of a new 'guru' mechanism to provide work-life experience sharing and other related guidance to senior associates.

During FY25, the Taiwan Junior Board Podcast was launched to share our corporate culture and enhance our people's sense of belonging to the firm. Also, as part of efforts to promote a culture of timely and transparent feedback, our partners were encouraged to actively participate in social activities within their respective operating units.



Basis for determining partner and management remuneration

A partner's compensation package is based on their seniority, management position and performance, and includes fixed income/drawing (including duty allowance) and profit sharing elements. The fixed part is adjusted by the TSP based on the firm's overall operation results and the annual growth rate of the consumer price index. A duty allowance is also payable to partners holding a management position. The annual adjustment rate and duty allowance are proposed by the TSP and approved by the Board of Directors. The profit-sharing part is determined by a partner's level of seniority, performance and TSP adjustments. Their performance is evaluated based on the three aspects of quality, people and financial performance. The TSP also makes adjustments based on the level of public affairs that each partner is responsible for and their degree of promotion for strategic priorities and quality performance. The performance portion is allocated to partners based on their respective LoS KPI results as determined by each LoS Leader, with the TSP reporting the overall profit-sharing percentage to the Board of Directors. The remuneration of the Leadership Team members is determined based on the status of strategy implementation, as well as certain quality, people and financial performance indicators. The TSP's remuneration is decided by the Board of Directors.

Learning and education

Professional development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom, virtual classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalised learning with access to a variety of educational materials, including webcasts, articles, videos, quiz with prizes and courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualized path to promotion and support them prioritizing 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 and retention strategy.

Continuing education

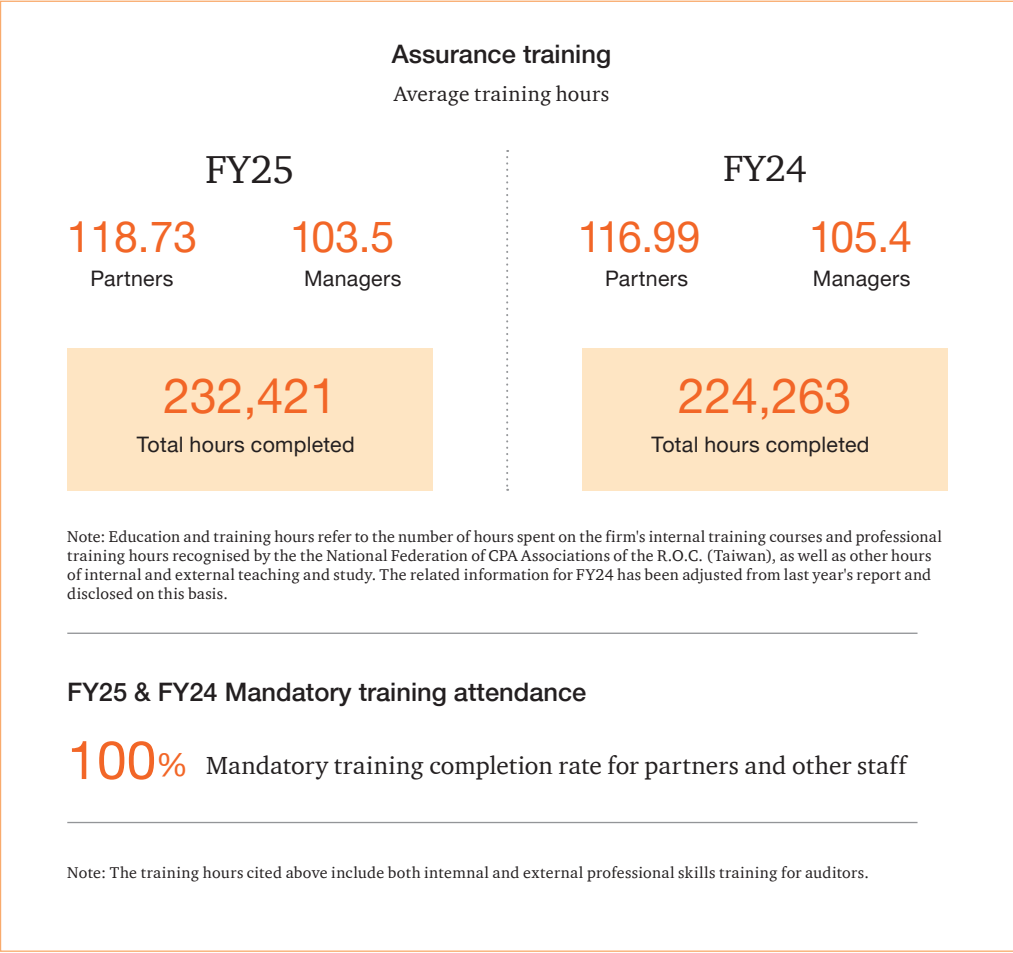
We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximize consistency in the network, the formal curricula, developed at the Network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curricula supports our primary training objective of quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a skeptical mindset.

The design of the curricula allows us to select, based on local needs, when we will deliver the training. Our HC Leader and Assurance Learning & Education Leader then consider what additional training is appropriate - formal and/or informal - to address any additional specific local needs, including but not limited to:

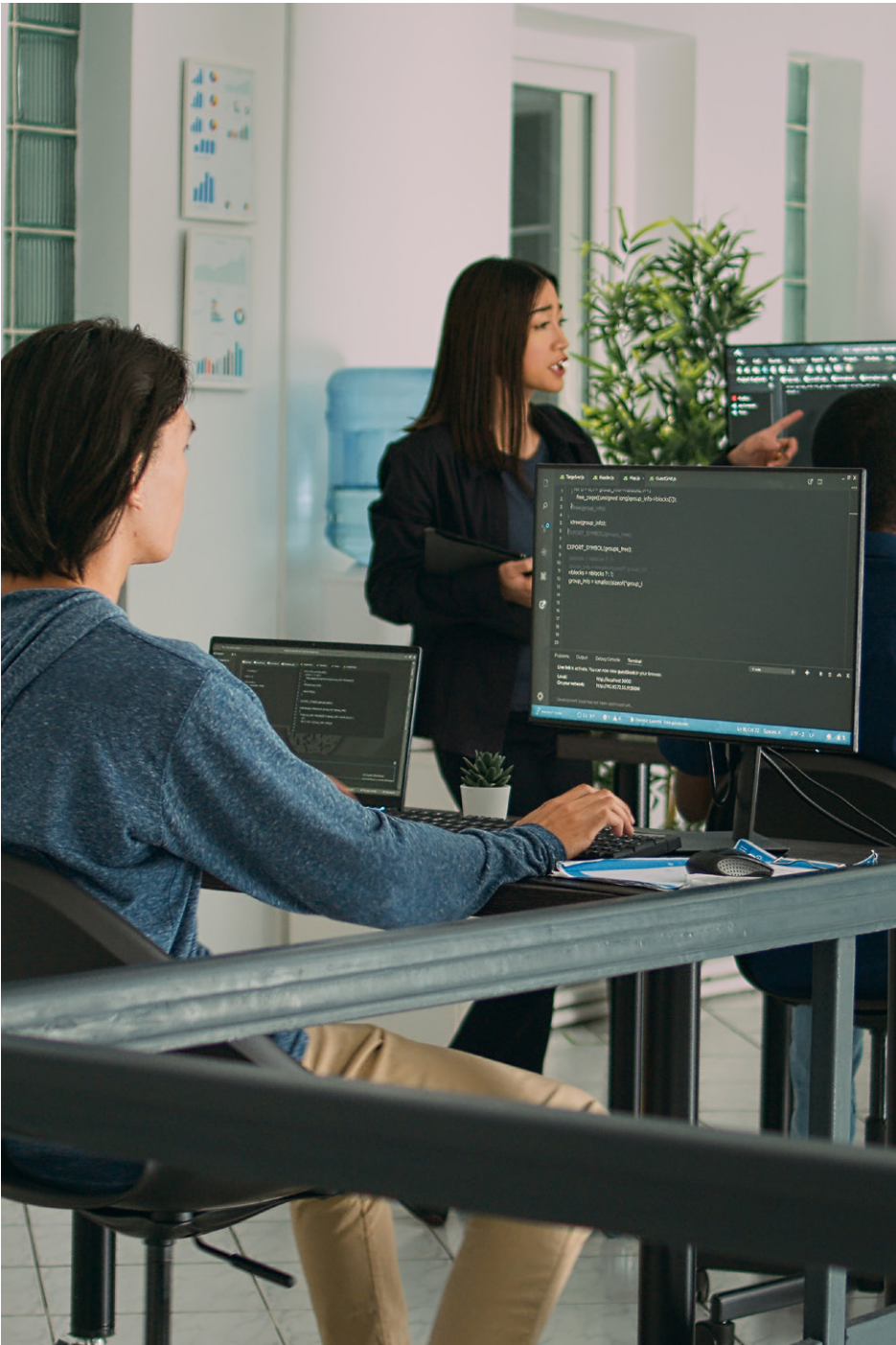
Assurance training	Audit courses on international and local auditing standards bulletins, legal requirements or enhanced reminders of key issues, as well as other training courses on accounting, taxation and digital topics, etc.
General knowledge	Money laundering prevention, independence, information security and legal compliance, etc.
Leadership	Coaching, emotional awareness, emotional awareness, new generation leaderships, etc.
Soft skills	Storytelling, effective communications, personal branding, business etiquette, etc.
Instructor training	Curriculum and instructional design, virtual classroom guidance skills.
Digital upskilling	Digital tool application and innovation.
Sustainability	Sustainable development and climate change.

Our training investment in people



Audit Quality Measures

- Average training hours
 - Partners
 - Managers
- Mandatory training attendance rate



Cultivation of digital innovation talent

In this digital era, bridging the gap between existing skills and emerging necessary abilities is crucial. By fostering digital thinking, disseminating technological insights, and providing digital tool training, we continuously endeavor to cultivate our firm's digital talent. This foundation is essential for being able to successfully navigate dynamic challenges and ultimately achieve PwC Taiwan's digital transformation.

Since PwC Taiwan first launched its "New World. New Skills." initiative in FY20, we have focused on enhancing our people's digital skills as well as building their digital mindset. Through diverse learning sources, we aim to equip our people with comprehensive digital knowledge, skills, and experience, to enable them to become more valuable contributors who can keep pace with the changing times.

In FY25, we put AI enablement as the focus of our digital activities, strengthening firmwide AI literacy and application capabilities and positioning AI as a partner for driving efficiency and innovation. Following the rollout of our generative AI tool ChatPwC and scenario-based training, coupled with robust data governance and responsible AI principles, we intend to cultivate digital talent who can effectively harness AI to solve complex problems.

Prompting Party

PwC Taiwan provides GenAI tools to all full-time employees across business units to enhance their work efficiency. To maximize their usage, we launched a "Prompting Party" initiative in FY25, using hands-on case studies and other resources to help our people apply GenAI in their day-to-day work. To date, a total of 31 sessions have been successfully conducted, with over 1,432 participants, helping inject momentum into PwC Taiwan's digital transformation journey.

Digital tools courses

PwC Taiwan offers hands-on courses on digital tools, including Alteryx, Power BI, and UiPath, to continuously build up our people's digital skills. These courses are tailored to meet real business needs, and several courses are conducted online to allow for flexible participation and review. In FY25, there were a total of 3,926 enrollments with our firm for both in-person and online courses.

Digital innovation seminars

PwC Taiwan's Digital Innovation Seminar program showcases our unrelenting focus on AI and how it can be responsibly used for the benefit of our business and clients. We regularly invite external experts from industry and academia to share their insights on digital-related topics. In FY25, we hosted an AI Masterclass led by PwC's Asia Pacific Lead Partner for Digital & AI.

Digital newsletter

PwC Taiwan regularly publishes a newsletter to keep staff informed about digital developments across the PwC Network, including new digital platforms and the latest digital insights.

04

**Our audit
methodology**

Our approach

The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying methodology, the technology we use, in compliance with laws and regulations, and in making the right amount of time and resources available.

To achieve high-quality and effective assurance, we have designed a serious of risk and quality management systems. We pay close attention to the internal indicators used in daily monitoring process, to provide timely information about the quality of our audit work and any areas for improvement. For more detailed information, please refer to the Monitoring section. Additionally, we consider what our various stakeholders require from us, including findings and deficiencies of regulatory inspections, to continuously improve the quality of our work.

As a member of the PwC network, PwC Taiwan has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements. In addition, PwC Taiwan has incorporated additional local standards and regulations into our audit procedures, ensuring that employees can comply with both international and local requirements simultaneously.



Tools and technology to support our audit talent

Our technology



Aura

Aura is an audit documentation platform, which is uniformly used across the PwC network. It helps drive how we build and execute our audit plans by supporting engagement teams to effectively apply our methodology. Aura creates transparent linkages 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 allow our teams to quickly see the progress of audits and the impact of scoping decisions.



Connect

Connect is a collaborative platform which allows clients to quickly and securely share and access audit documents and deliverables. It also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified for more immediate attention and resolution. Clients can also see in real-time any audit adjustments, control deficiencies and the audit progress for all locations.



Connect Audit Manager

Connect Audit Manager streamlines, standardizes and automates the coordination of groups and component teams for group and statutory/regulatory audits. It provides a single platform to view all outbound and inbound work and digitizes the entire coordination process, which facilitates greater transparency, compliance and quality for complex multi-location audits.



Halo

Halo is a data auditing tool that manages large data volumes and analyses 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 visualize the data for a client's journal entries and conduct testing.



Count

The Count tool facilitates the end-to-end process for inventory counts. Engagement teams use it to create and manage count procedures, input count results via mobile devices or tablets and export the results to Aura.



PwC Confirmations

PwC Confirmations is a global, secure, web-based platform, which provides a guided experience for preparing, sending, monitoring and receiving electronic and paper responses to auditors and third-party confirmers. It also has a dashboard view to assist with status updates. The Confirmer portal allows confirmers to easily navigate and provide responses.



Halo Platform

Halo Platform enables our engagement teams to manage all data extractions, executions and storage for all applications in one central location. This allows our engagement teams to monitor the status of data uploads and to use the acquired entity data for multiple applications during an audit.

Financial Blockchain Confirmation System

The Financial Blockchain Confirmation System uses blockchain's trust mechanism and tamper-resistant technology, and combines the confidentiality and non-repudiation features of digital certificates and digital signatures. By establishing common operational specifications, the system reduces the risks of data tampering, forgery and losses, ensuring the security of financial data and protecting investor interests. In addition, the system simplifies the engagement team's workflow and enhances processing efficiency.

Our technology

We have been using Robotic Process Automation (RPA) technology since 2019 to develop audit tools to extract various types of public information and organize and compare data, thereby saving manual execution time and mitigation the risks of human data entry and calculation errors. We also use data automation tools (Alteryx) and visualization tools (PowerBI) to significantly reduce the time spent on manual data organization in our audit work and to enhance the quality of insight drawn from the data.

Automatic comparison of financial statement notes and schedules (loans and endorsements guarantees)

This tool automatically compares client prepared by client (PBC) information with publicly-available data on public information observation platforms, saving manual comparison time and improving information quality.

Exchange rate query tool

This tool helps saves time when searching for exchange rate information needed for audit work.

Tool for calculation reference factors for non-financial asset impairment evaluation

The tool replaces manual data collection and organization, saving time and reducing errors.

PBC preparation tool

The tool saves time in organizing PBC data and reduces human errors.

Completeness testing of journal entries tool / sampling tool

This data automation tool assists our engagement teams to conduct general ledger completeness tests and select journals entries automatically.

Audtomatic sampling tool for tax return certification

This tool assists our engagement teams to select samples automatically.

Our next generation audit

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 standardize, simplify, centralize, 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.

Reliability and auditability of audit technologies

We have designed and implemented processes and controls to underpin the reliability of our audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, our guidance focuses on the sufficiency of audit documentation included in workpapers related to the use of these audit technologies, including consideration of the reliability of solutions, and the documentation needed to assist the reviewer in meeting their direction, supervision and review responsibilities as part of the normal course of the audit.

Confidentiality and information security

Data privacy

We have a robust and consistent approach to the protection and management of all personal data, having established personal data policies and protection plans in compliance with Taiwan's Personal Data Protection Act and the EU General Data Protection Regulation (GDPR). Relevant management measures include the establishment of a dedicated unit and the appointment of a designated representative to safeguard the security maintenance of personal data files and the formulation of procedures and management measures for the collection, processing, use, transfer, storage, deletion, and outsourcing of personal data (including the provision of appropriate information security management). In addition, we have established emergency response measures for personal data incidents and procedures and the handling of requests from data subject, as well as conduct regular annual education and training, perform personal data inventories, carry out internal assessments to check the implementation status of the personal data management protection system and follow up the results with corrective and preventive actions. We continue to build upon our existing personal data protection policies and protection plans and are committed to integrating good data management practices into our operations.

Information Security

Information Security is a high priority for the PwC Network. Our firm is accountable to our people, clients, suppliers, and other stakeholders to protect information that they entrust to us. Failure to protect such information could potentially harm the individuals whose information our firm holds, cause our firm to suffer regulatory sanctions or other financial losses, and impact our market reputation and PwC brand. Accordingly, PwC Taiwan complies with the PwC network's information security policy which outlines the minimum-security requirements for all PwC Firms.

Compliance with this policy is evaluated through quarterly data-driven assessments and annual evidence-based assessment for each PwC firm. Any policy deviations identified in these assessments are prioritized for timely remediation as agreed with firm's leadership.

Supporting engagement performance



Evolving delivery model

We continue to evolve the way we deliver services to provide clients an even better experience, further enhancing the quality of what we do and creating economies of scale. We use a service delivery centre to centralize parts of the audit, enabling standardization, automation and enhancement of audit quality.



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for supervising the work of junior team members as well as coaching them in order to maintain high audit quality. Our engagement teams use the Aura platform to effectively monitor the progress of an audit engagement and to determine that all work has been completed and reviewed by appropriate individuals.



Consultation culture

Consultation is key to maintaining high audit quality. We have formal protocols that require consultation as part of our quality management system. For example, engagement teams consult with appropriate groups in areas such as tax, risk and valuation, as well as with individuals in our professional technical function.



Professional technical function

Our professional technical function comprises specialists in accounting, auditing, tax, risk and quality monitoring. They are responsible for staying informed about the latest internal and external developments in their respective fields and sharing such information with other professional staff.



Quality review partners

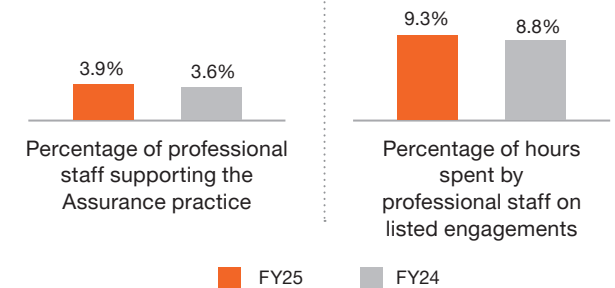
Specific audit engagements are assigned a quality review partner (QRP) as part of our quality management processes. The QRP must have sufficient stature, technical knowledge and experience to be able to objectively evaluate whether an engagement team has performed and obtained sufficient audit evidence, addressed any significant risks and specific accounting or auditing issues identified during the course of the audit, and properly disclosed these matters in the financial statements.



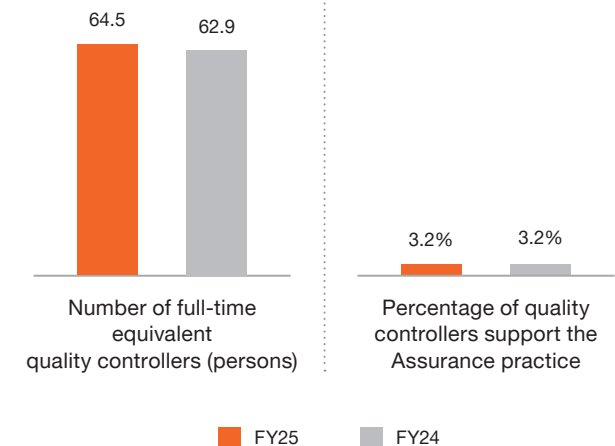
Differences of opinion

We have protocols to resolve situations where there is a difference of opinion between an engagement leader and the QRP or another Assurance partner. These include the use of technical or consultation panels consisting of partners not involved in the engagement. Where a difference of opinion remains between the engagement team and the technical or consultation panel, other senior partners, functional leaders or the Assurance Leader will be invited to involve in discussions and resolve the matter.

Professional support



Quality support capabilities



Note: The number of quality control people include professional consulting or training personnel involved in audit independence and risk management, quality monitoring, professional accounting and auditing compliance and audit technology, but do not include general administrative staff.

Use of service delivery centre

5.5% Percentage of audit hours performed by service delivery centre

05

**Monitoring
mechanisms**

Monitoring of assurance quality

We recognize that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Taiwan. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

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

We have an independent testing team that monitors the design and operating effectiveness of our SoQM. It is charged with developing and executing an annual testing plan to assist our leadership with assessing the effectiveness of our SoQM. When determining the nature, timing and scope of testing, the team takes into consideration the impact of changes in internal and external environments, including (but not limited to) our firm's strategic developments, the results of previous monitoring activities and changes in laws and professional standards. The results are reported to our leadership on a regular basis and also communicated to relevant business process owners. For all quality findings identified from various SoQM sources, business process owners must perform a root cause analysis and develop and execute remedial actions as necessary.



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

Aim to Prevent: Real Time Assurance (RTA)

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

RTA primarily involves conducting Root Cause Analysis (RCA) and Quality Improvement Plan (QIP) based on various inspection results, identifying the key focus areas for quality review after comprehensive discussions, and performing on-going monitoring reviews before the audit report is issued.

Additionally, Assurance Risk and Quality (R&Q) functions discuss critical factors and use technical tools (such as Aura Reporting) to obtain timely information and feedback on on-going audit engagements, optimizing the effectiveness of the RTA program. Our quality review personnel include experienced practice professionals, Risk Service (RS) specialists, and Assurance R&Q members, who provide appropriate assistance to the engagement teams throughout the RTA process.

In addition to the ongoing monitoring noted above, our monitoring also encompasses periodic assessment of our SoQM which includes the review of completed engagements (Engagement Compliance Reviews, ECRs), as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. ECRs are performed under a network-wide inspection program based on professional standards and PwC audit methodology.

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorized to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every five years, unless a more frequent review is required based on the profile of that signer's client engagements.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers may be sourced from other PwC firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support in fulfilling their responsibilities and utilize a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

In addition to ECRs, we annually conduct quality reviews of cases involving colleagues who meet specific conditions (such as candidates nominated for promotion), as well as non-audit assurance or other related service cases. The reviewers are Assurance Quality Assurance (AQA) members and experienced practice professionals, and they adopt PwC network checklists for applicable service types. These reviews are intended to not only monitor whether engagement teams comply with relevant regulatory and policy requirements, but to also provide a basis for our leadership to understand and evaluate whether various quality management measures are being effectively implemented in individual engagements.





Audit quality measures

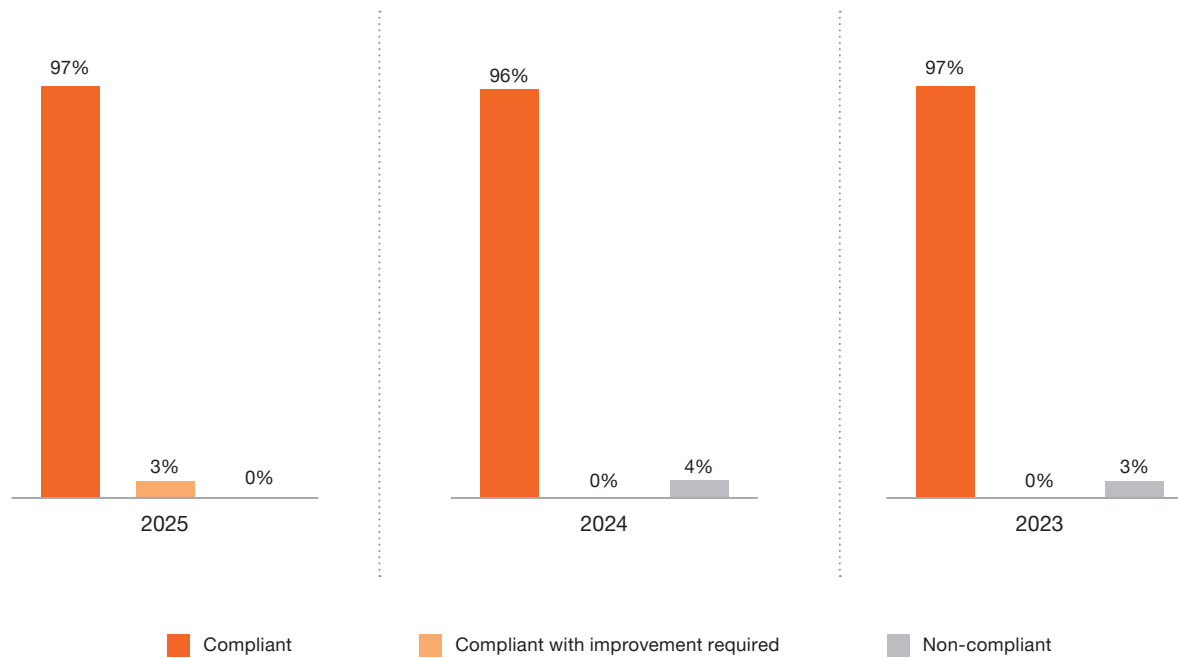
- Percentage of total internal inspections rated as compliant, compliant with improvement required, or non-compliant
- Number of financial statement restatements involving public audits due to material errors

Restatements

2

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

Audit quality reviews - internal inspections



Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of PwC firms' systems of quality management. The network also looks at the PwC firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The inspection results are reported to our firm's leadership who are responsible for analyzing the results of the inspections along with quality findings identified from all sources of information, for performing timely root cause analysis, and for implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible engagement leader or our firm's Assurance leadership personnel may be subject to financial or non-financial sanctions (ex. client portfolio adjustment or additional training) in accordance with our firm's Recognition and Accountability Framework.

Assurance engagement leaders of our firm receive information on the results of the network inspection program, designed for their use in assessing the scope of audit work they determine needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client's consolidated financial statements.



Audit quality measures

- Result from the regulators' audit quality reviews

External inspection results

2024
Taiwan's Financial
Supervisory Commission
(FSC) inspection result

Quality control review

No significant
deficiencies
identified

Audit engagement review

1
Engagement
deficiency identified

2022
PCAOB
inspection result

Quality control review

No significant
deficiencies
identified

Audit engagement review

No significant
deficiencies
identified

Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide an effective environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies-whether identified through our own internal inspections process or through external inspections and other inputs such as financial statement restatements to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of root cause specialists identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional skepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

Also, the data compiled from audits, both with and without engagement-level findings, is compared and contrasted to identify whether certain factors appear to correlate to audit quality. The data used includes (but is not limited to) the degree of involvement by key engagement team members such as the engagement partner, quality review partner or engagement manager, where there is a geographic concentration of engagement review matters, the level of seniority of the engagement partner, quality review partner or the engagement manager, amongst other information.

Our goal is to understand how quality audits may differ from those with engagement-level findings, and to evaluate how these learnings may be used to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management.



06

PwC global network

PricewaterhouseCoopers International Limited

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practice accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL develop and implement policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC network are made available to them. In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms agree to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain "PricewaterhouseCoopers", however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.



The governance bodies of PwCIL are

Global Board

which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following page on the PwC Global website for a list of the current members of the Global Board.

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.



07

**Legal and governance
structures**

Legal structure and ownership of PricewaterhouseCoopers, Taiwan

PricewaterhouseCoopers, Taiwan

Our firm was originally founded in 1970 by Professors Kuo-chang Chu and Chen-hsien Chen, and in 1973 joined the global network of accounting firms that later became PricewaterhouseCoopers (PwC). Please click [here](#) for more information about the PwC network and its member firms.

Partnership organization

PricewaterhouseCoopers, Taiwan is a partnership organization. As of 30 June 2025, the firm had 120 partners and 2,686 accounting assistants. Our main office is located at 27F, 333 Keelung Section 1, Taipei and we have branch offices in Taoyuan, Hsinchu, Taichung Tainan, and Kaohsiung.

Strategic alliances

PricewaterhouseCoopers, Taiwan has strategic alliances with the following:

PricewaterhouseCoopers Business Services Taiwan Ltd.
PricewaterhouseCoopers Sustainability Services Company Ltd.
PricewaterhouseCoopers Business Consulting Services Taiwan Ltd.
PricewaterhouseCoopers Professional Services Taiwan Ltd.
PricewaterhouseCoopers Financial Advisory Services Company, Ltd.
PricewaterhouseCoopers Consulting Services Taiwan Co., Ltd.
PricewaterhouseCoopers Risk Consulting Taiwan Ltd.
PricewaterhouseCoopers Financial Advisory Taiwan Ltd.
PricewaterhouseCoopers Management Consulting Company Ltd.
PricewaterhouseCoopers Tax Consulting Company, Ltd .; and
PwC Business Advisory Services Taiwan Ltd.

All of these entities are members of the PwC network and they provide professional services for particular business areas, including auditing, taxation, financial advisory, management consulting, talent and organizational change consulting, and real estate agency and consulting.



Governance structure and management of PricewaterhouseCoopers, Taiwan

1. Chairperson

PwC Taiwan elects a Chairperson (also known as the Territory Senior Partner or TSP) from among all partners to serve for a term of four years. The TSP represents the firm externally and is responsible for executing partnership matters, including the formation of a Leadership Team and other advisory bodies (such as consultative and advisory committees) to execute the significant operational developments and the planning of PwC member firms in Taiwan.

2. Board of Directors

The Board consists of elected directors and ex officio directors from among all partners, each serving for four years. Its duties include supervising the activities of the Leadership Team and addressing the rights and obligations of partners, and it convenes at least once every quarter.

3. Leadership Team

The Leadership Team (LT) is appointed by the TSP, with appointments and removals submitted for record to the Board of Directors and Partners' Meeting. Its main responsibilities are the execution of operational strategies agreed by partners, the handling of authorised matters and reporting on the firm's operational status to the Board of Directors. The LT has twelve members, including the TSP (ex officio member), members of the Chairman's Office, Chief Operating Officer, heads of business support units such as Human Capital and Compliance & Risk Management, branch representatives, and the heads of strategic alliance businesses. The LT meets once a month and more as needed.

4. xLoS R&Q Leader

The Cross-Line of Service Risk & Quality Management (xLoS R&Q) Leader also serves as the Head of the Compliance & Risk Management Office and is a member of the Leadership Team. In addition, the xLoS R&Q Leader is the convenor and chair of the firm's Strategic Risk Council as well as its designated Anti-Money Laundering Officer.

5. Strategic Risk Council

The Strategic Risk Council (SRC) meets once a month, with each component unit reporting on routine risk and quality matters, as well as discussion of other related matters involving actual cases or projects. The following is a brief introduction to the responsibilities of each SRC unit.

(1) Cross-Line of Service Risk & Quality Management Department

The xLoS R&Q Department convenes the SRC to communicate and coordinate our firm's risk and quality management affairs. It develops, implements and supervises risk and quality management policies applicable to all our people. Its responsibilities include policy formulation and promotion; consulting on and resolving risk and quality management issues; investigating, reporting and disciplining violations; and reporting significant matters to the Leadership Team.

(2) Risk & Quality teams

Risk & Quality (RQ) teams are responsible for implementing risk and quality management policies of each business unit. They formulate applicable policies, provide education and training, conduct compliance testing and reports on relevant work matters to the xLoS R&Q Leader.

(3) Compliance Management Office

The Compliance Management (CMP) Office is responsible for implementing the overall risk management and regulatory compliance policies of PwC Taiwan. It formulates applicable policies, provides education and training, conducts compliance testing and reports on relevant work matters to the xLoS R&Q Leader.

(4) Ethics & Business Conduct Office

The Ethics & Business Conduct (E&BC) is responsible for implementing matters related to our firm's code of conduct and professional ethics. It formulates code of conduct policies, handles complaints, and reports on reports on relevant work matters to the to the xLoS R&Q Leader.

(5) Independence Office

The Independence (IND) Office is responsible for all independence-related matters. It formulates and implement policies, provides education and training, conducts compliance testing and reports on relevant work matters to the xLoS R&Q Leader.

(6) Global Technology Solutions

The Global Technology Solutions (GTS) department is responsible for evaluating, developing and implementing IT-related decisions, processes and systems within our firm. It also provides technical assistance for the implementation of IT projects in various other departments.

(7) Network Information Security

The Network Information Security (NIS) department is responsible for formulating information security policies, implementing related policies, ensuring the information security within our firm. It reports on relevant work matters to the xLoS R&Q Leader.

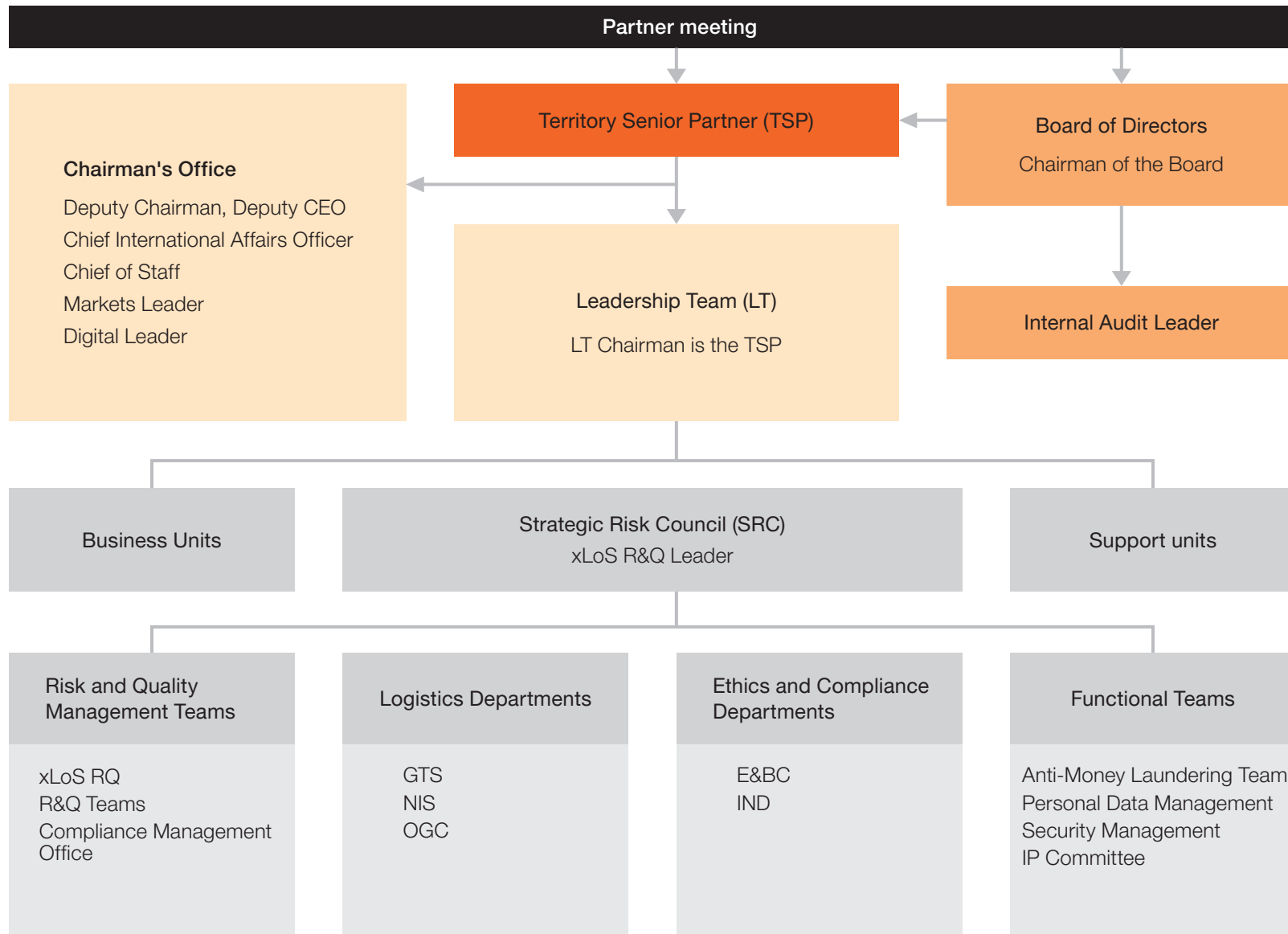
(8) Office of General Counsel

The Office of General Counsel (OGC) is responsible for consulting on and negotiating the internal legal affairs of PwC Taiwan. It reviews important legal documents, assists with relevant legal matters, and provides legal services for significant issues.

(9) Other support units

Various other support units (including Brand & Communications, Human Capital, Finance & Accounting and General Affairs) also provide assistance on risk management-related matters.

Organizational chart of our firm's governance and management





Contact us



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PwC Taiwan



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