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Tax Strategy

PwC Austria



Contents

Introduction	p. 3
Who we are and what we do	p. 4
Scope	p. 5
Our tax principles	p. 6
Governance	p. 8
Transparency and reporting	p. 9
Relationship with our stakeholders	p. 9
Implementation	p. 10

Introduction

PwC Austria

This document sets out the tax strategy of PwC Austria, as well as the implications of this tax strategy for our relationships with clients and third parties with which we do business. We inform our stakeholders, clients and third parties with which we do business on our approach, as we consider this to be a vital part of our purpose to build trust in society and solve important problems and our role in the further development of sustainable tax. The views presented in this tax strategy are those of the Austrian PwC firm.



Who we are and what we do

We, PwC Austria ("AT"), are a member of a global network of PwC member firms in 158 countries with more than 250,000 people. We have a workforce of more than 1,200 people. We are committed to delivering quality in assurance, tax and advisory services. Please visit www.pwc.com/structure for further details.

Our purpose and values

Our purpose is to build trust in society and solve important problems. A prerequisite for living up to this purpose is that we incorporate the views of the world outside PwC into our service delivery and the way we operate. Our values are in line with this aim and help us to become purpose-led and values-driven.

These values are:

- **Act with integrity:** speak up for what is right and act as if your personal reputation were at stake.
- **Make a difference:** we create impact through our actions and we respond with agility to the ever-changing environment in which we operate.
- **Care:** we make the effort to understand every individual and what matters to them, recognise the value that each person contributes and help others to grow and work in ways that bring out their best.
- **Reimagine the possible:** we dare to challenge the status quo and try new things.
- **Work together:** we collaborate and share relationships, ideas and knowledge beyond boundaries.

Culture

Our purpose and values are shaping the behaviour of our people and are defining the culture of PwC. We want this culture to be externally focused, with societal involvement and responsibility being the norm.

PwC Austria is also committed to making a visible contribution to the fulfilment of the 17 Sustainable Development Goals of the United Nations.

International context

PwC AT is part of a global network of separate and independent member firms operating locally in countries around the world. PwC firms are members of PricewaterhouseCoopers International Limited and have a right to use the PricewaterhouseCoopers name. Members of the PwC network share knowledge, skills and resources.

Furthermore, we work closely with the PwC member firms in Germany, the Netherlands, Belgium, Turkey and Switzerland within the 'PwC Europe' collaboration



Scope

PwC AT

In scope is PwC AT. PwC in Austria consists of PwC Beteiligungsgesellschaft mbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and PwC Austria Holding AG Wirtschaftsprüfungsgesellschaft including its subsidiary PwC Österreich GmbH Wirtschaftsprüfungsgesellschaft and their subsidiaries, referred to hereafter jointly and individually as “PwC AT”. All our people have to act in line with this tax strategy.

As a member of the global PwC network, PwC AT participates in business initiatives of the PwC network.

This may result in the incorporation of PwC network entities in Austria in which PwC AT holds an interest. For the purpose of this strategy, we consider these entities to be part of PwC AT.

Our tax services

In scope are tax services provided by PwC AT to its clients.

Third parties with which we do business

In scope are entities, including their employees and subcontractors, or individuals sub-contracted to work for or with PwC AT or that provide goods or services to PwC AT.



Our tax principles

For our behaviour related to tax, we have defined our tax principles. These are based on:

- Our purpose and values (<https://www.pwc.at/en/about-us/corporate-responsibility.html>)
- Our Global Code of Conduct (<https://www.pwc.com/gx/en/about/ethics-business-conduct/code-of-conduct.html>);
- Our Global Tax Code of Conduct (<https://www.pwc.com/gx/en/services/tax/code-of-conduct.html>);
- Our corporate responsibility agenda (<https://www.pwc.at/de/ueber-uns/corporate-responsibility-die-verantwortung-von-pwc-oesterreich.html>);
- Our stakeholder views (see our GRI Report 102-40);
- Recommendations of PwC AT's Tax Policy Panel;
- The Austrian Wirtschaftstreuhandberufsgesetz 2017 ("WTBG 2017") (<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20009983>);
- The Austrian Association of Tax Advisors and Auditors regulation on the Practice of the Professions of Chartered Accountants and Tax Consultants (https://www.ksw.or.at/PortalData/1/Resources/berufsbild/berufsrecht/AB_Sondernummer_02_17_Final.pdf)

Our tax principles are applicable to (i) PwC AT, (ii) our tax services to clients and (iii) third parties with which we do business.

1. Tax principles relating to PwC AT

We have defined the following tax principles for PwC AT.

a. Committing to our standards

We are responsible taxpayers and pay tax where we operate: we declare profits and pay taxes where the economic activities occur. We manage all our relevant tax filings, domestic and foreign, with accuracy, in good faith, and on time.

We act in accordance with the law and the intended purpose and as well as with regulatory requirements. We follow applicable technical standards and comply with professional standards of integrity and objectivity. We abide by the principles of our Global Tax Code of Conduct.

b. Specific circumstances where the Territory Leadership Team decides on PwC AT's tax behaviour

There may be specific circumstances not foreseen in this tax strategy or that require additional attention, where the Austrian Territory Leadership Team decides on the actual tax behaviour of PwC AT.

c. Contribution to the development of sustainable tax

In line with our purpose to build trust in society and solve important problems, we contribute to the development of sustainable tax through thought leadership publications, participating in public debates, and organising and participating in seminars. We always do so with the public interest in mind. This is in line with Sustainable Development Goal 16, which we embraced and incorporated in our strategy.

d. Behaviour of our tax professionals is in line with PwC's Global Tax Code of Conduct and professional groups' codes of conduct

Our tax professionals behave in line with our Global Tax Code of Conduct and the relevant professional group's code of conduct.



2. Tax principles relating to our tax services provided to our clients

We have defined the following tax principles relating to our tax services, from strategy through execution, provided to our clients.

a. Our clients intend to comply with their legal and regulatory obligations in relation to taxation and we expect our clients to provide information and documents that we require

PwC AT only serves clients that we are competent to serve, who value our service and who demonstrate high standards of legitimacy and integrity in their business and financial activities. We therefore satisfy ourselves that clients intend to comply with their legal and regulatory obligations in relation to taxation. We expect our clients to provide us with all information and documents that we require for proper and timely execution of our tax services.

b. When advising our clients on tax matters, we consider laws and regulations, our codes of conduct and the client's strategy

With respect to advising our clients on tax matters, it is our mission to be an advisor of the future. In this respect, we advise our clients on tax matters based on (i) laws and regulations, (ii) PwC's Global Code of

Conduct, (iii) PwC's Global Tax Code of Conduct and (iv) the client's strategy. We actively incorporate our own opinions and those of our clients' stakeholders into our advice.

c. We comply with rules on independence and conflicts of interest when providing services to our clients

We safeguard independence and address potential conflicts of interest. Any potential conflicts of interest or independence issues are identified before we accept or commence work on a new client or engagement and throughout the course of an engagement. We have proper procedures in place to ensure that potential conflicts of interest or independence issues are timely identified and addressed.

3. Third Party Code of Conduct for third parties with which we do business

PwC's Third Party Code of Conduct explains the minimum standards of integrity and business conduct PwC expects of the third parties with which it does business. PwC AT expects third parties to require the same levels of integrity and business conduct from their employees or subcontractors of third parties and anyone outside their organisation engaged to provide services for or with PwC AT.



Governance

Roles and responsibilities PwC AT's tax affairs

The management of PwC AT's tax affairs requires good governance. The responsibility of the Territory Leadership Team for our tax affairs is managed through the portfolio of the CFO who reports to the Territory Leadership Team. Our CFO delegates the day-to-day management of our tax affairs to our Designated Tax Partner. Our CFO - supported by the designated Tax Partner - is authorised to make decisions and sign filings and other documents in relation to the tax affairs of PwC AT. The Designated Tax Partner reports to the CFO on a quarterly basis.

The Designated Tax Partner and CFO are supported by the Tax Policy Panel concerning corporate affairs.

Tax Compliance Risk Management

To act upon our tax principles, PwC AT has designed and implemented certain processes and tools which relate to PwC AT's tax affairs (especially corporate income tax, value added tax and wage tax).

The CFO and the Designated Tax Partner are responsible for the processes and tools and the continuous improvement, and for compliance with laws and regulations. The tools are designed to identify tax risks (financial and regulatory) and design and implement controls associated with such risks. The Tax Policy Panel is involved in the development of tools and provides input, where required.

Use of our Tax Policy Panel when advising clients on tax matters

PwC AT is one of the PwC firms that has established a Tax Policy Panel. The Tax Policy Panel is composed of senior tax partners and subject matter experts who determine whether a potential tax project or advice position fits with our brand values and our Global Tax Code of Conduct. This is necessary in order to avoid any liability risks or reputational damage of our clients or PwC. For that reason, we

have incorporated certain trigger-events, upon which the involvement of the TPP is mandatory.

Examples for such triggers are inter alia: consultation on tax structures which must be disclosed to the tax authorities or consultation in high-risk fields or tax advice that is understood to be "aggressive". Certain triggers lead to a mandatory TPP involvement only, if the risk of damage (tax exposure) is significant (i.e. more than TEUR 500).

The involvement of the TPP is monitored and documented. It reports to the Tax Leadership Team on a quarterly basis.

Code of Conduct Reporting & Whistleblowing Procedure

We recognise that on occasion incidents may occur which we will inevitably deal with. PwC AT therefore has a Code of Conduct Reporting & Whistleblowing Procedure. The purpose of the procedure is to enable incidents or suspected incidents of business wrongdoing to be raised safely within PwC AT and to be handled properly, so that suitable measures may be taken in a timely manner. The procedure applies to partners, our people and third parties. More information is available on our intrasite ("PwC Insights").



Transparency and reporting

Walk the talk

As it is our purpose to build trust in society and solve important problems, being transparent in the way we approach tax is important. As such, this tax strategy is published on our external website www.pwc.at. By doing so, we inform our stakeholders on our tax approach and how it is aligned with our business strategy and corporate responsibility agenda.

Reporting externally regarding the execution of PwC AT's tax strategy

We will periodically report on the execution of our tax strategy, including our stakeholder dialogue (see below), tax risk management, and results of the application of our tax principles. We will take into account internationally accepted standards and guidance like the tax reporting standard 207 of the Global Reporting Initiative.

Relationship with our stakeholders

Annual stakeholder dialogue

Our purpose of building trust in society and solving important problems requires us to truly understand what society expects of us. We therefore maintain a proactive and continuous dialogue with our stakeholders, and we use their input to evaluate and recalibrate our strategy including our approach to tax.

Our stakeholder group is broader than the portfolio of our clients and our people, and the societal environment in which we operate has become increasingly important to our strategy. That is why our ongoing dialogue includes supervisory authorities, interest groups, politicians and educational and other societal organisations.

Stakeholder engagement takes place via the departments, responsible for either the stakeholder or the exchange process in question.

This is complemented by environmental analyses, surveys of employees, the evaluation of press and social media, and the analysis of ESG enquiries from clients. We have taken this stakeholder input into account in our approach to tax and defining this tax strategy. Examples of stakeholder input are integrity, our role in the public tax debate and transparency.

Open and constructive engagement with Austrian tax authorities

We engage openly and constructively with the Austrian tax authorities on matters relating to our PwC AT tax affairs, including our approach to tax as laid down in this tax strategy. In this respect, we also work together with the Austrian tax authorities. We share information about our commercial developments or transactions with the Austrian tax authorities, particularly where there are complex tax treatments. Where necessary, we seek clearance from the Austrian tax authorities on uncertain tax positions if they relate to our tax affairs.



Implementation

Implementation and monitoring of this tax strategy

In the digitalised organisation we aspire to become, we use technology-enabled solutions in our approach to tax. Technology is therefore an important element for tax data management and high on the agenda for the further development of our Tax Compliance Risk Management.

Processes will be designed and implemented to monitor the implementation of this strategy.

Training programme for PwC AT partners and employees

To strengthen adherence to our tax strategy, training for our partners and employees will be updated to integrate the PwC AT tax strategy.

Approval and maintenance of this strategy

This strategy has been approved by the Territory Leadership Team. The tax strategy is subject to periodic review by our CFO and will be updated if necessary to continuously reflect our purpose, values, and regulations, international tax standard and other relevant developments in society.



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