

EY South Africa
Transparency Report
2022

Our purpose

Building a better working world

Our values

People who build relationships based on doing the right thing.

People with energy, enthusiasm and the courage to lead.

People who demonstrate integrity, respect, teaming and inclusiveness.

Client value

To help clients grow, optimise and protect value

Financial Value

To be the long-term growth leader

People value

To create an exceptional experience for EY people

Social value

To build trust in the capital markets and have a positive impact on communities and the planet

value creation



Contents



01 Introduction	1 - 4
02 Governance	5 - 10
03 Methods and Practices	11 - 12
▶ Quality Management System	13 - 24
▶ Client Management	25 - 28
▶ Audit Quality Control	29 - 38
▶ Quality Innovation	39 - 40
04 People and Culture	41 - 46
05 Social Impact	47 - 50



Welcome

to the 2022 EY South Africa Transparency Report. The importance of trust and communicating transparently with our stakeholders is a principle that guides all our actions. We believe that how we advance audit quality, manage risk, and maintain our independence as auditors should be transparent to stakeholders. This report is one way we provide that transparency.

Roger

Ajen

Stephen

Foreword: Introduction to our 2022 Transparency Report

Restoring trust in our profession

Thank you for reading our 2022 Transparency Report. Transparency guides how we lead, how we build trust and most importantly how we demonstrate our accountability in serving the Public Interest. By being transparent we can exchange ideas and develop better insights and approaches to building a better working world.

2022 was a busy year on the audit quality front. Internally, we dedicated large project teams to get us ready for the implementation of ISQM1; we managed a complex transition of taking on new clients and at the same time rotating off existing audits as part of the Mandatory Audit Firm Rotation (MAFR) rules; we have been observing both our internal and external inspection outcomes and have had numerous engagements internally and with the Independent Regulatory Board for Auditors (IRBA) on the topics of independence and audit quality. We launched a Risk & Quality Board to provide overall governance and oversight over our audit quality initiatives and we refined our multi-year Sustainable Audit Quality Improvement Programme (SAQ); we are increasing our investments in audit quality in response to our environment; we have strengthened our quality monitoring function by expanding our in-flight review capabilities. All these initiatives are aimed at driving higher audit quality and operating an effective system of quality management.

Like most corporates we implemented plans for post-COVID recovery including new ways of work in the face of significant change affecting our profession, most notably the impact of Mandatory Audit Firm Rotation and the need to invest in technology and the transformation of our service delivery models to be fit for the future. We also observed increased competition for talent, not only within the local market but also globally with a higher number of local audit professionals taking up opportunities across the world.

This trend is accelerating the need to continue to enhance our overall employee value proposition and to promote the attractiveness of our local audit profession.

Although we are facing significant uncertainties in our working world and society in general, with our commitment to audit quality as our foundation, we are confident about the future and our role in serving the Public Interest.

Looking ahead

We have an exciting future ahead. As announced at the beginning of September 2022, EY leaders reached the decision to move forward with partner votes to separate into two distinct organisations. One would be a simplified, more agile global network of multidisciplinary member firms committed to assurance, tax and advisory services with all the capabilities required to deliver high-quality audits, serve the public interest, and focusing on the CFO agenda and sustainability. The other would be a new global corporate organisation comprising consulting, the majority of tax, strategy and transactions, and managed services focused on clients' growth, risk, and transformation agendas, enabled by technology.

Partner votes, to be held over the course of 2023, will determine whether we move forward. We recommended taking this bold step because we believe this is the way we can better serve EY people, clients, and broader stakeholders in a once-in-a-generation opportunity to redefine the future of professional services.

We are proud of the leadership and bold course EY is charting and look forward to the opportunities ahead, and to building an even better working world.

We welcome any comments and questions you may have.

Ajen Sita
EY Chief Executive

Stephen Ntsoane
EY Assurance Leader

Roger Hillen
EY Professional Practice Leader

November 2022

About EY South Africa

1,778 EY Learning Badges (certifications) earned by staff

5 - star **level 1 B-BBEE** contributor

2,7% Allowable non-audit services provided to our Top 25 audit clients

6,9% Allowable non-audit services provided across all clients

1,075 Trainee audit accountants

11% *Audit revenue invested in audit quality and risk management

86 Average learning hours per auditor

2,923 Employees across all service lines

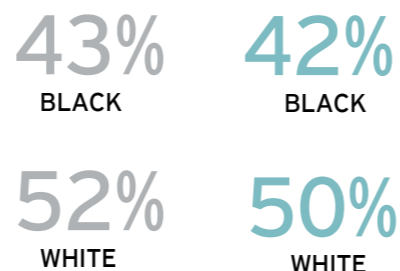
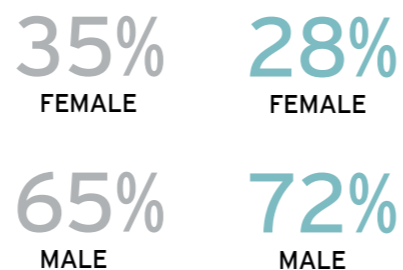
2 sponsored MBA programmes available to all staff: Technology and Sustainability MBAs with Hult University

0 No ongoing professional litigation with clients

Ownership and Economic Interest



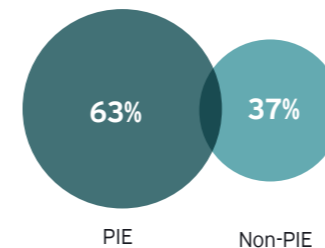
Ownership Economic Interest



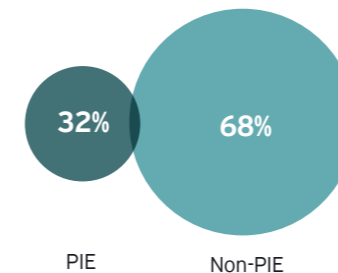
Financial Value



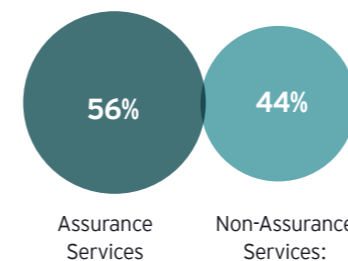
Audit Services Revenue: PIE versus Non-PIE



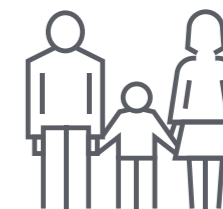
Non-Audit Services (NAS): PIE versus non-PIE Revenue



Revenue: R3.2-billion



Social Value



45 Bursaries to Thuthuka students

R4.1 million Total Thuthuka student bursary investment

1,146 EY Africa employees that participated in our Ripples (social development) programmes

R8.8 million Total accounting degree bursary investment

1,512,437 lives impacted through our Ripples programmes

318 Women participating in our flagship women's development programme: NextGen

116 South African beneficiaries of bursaries for accounting degrees.

228 Number of NextGen women currently at University or in the workplace.

* This includes the cost of our Professional Practice and Risk Departments, the cost of Engagement Quality Reviews and in flight reviews, the cost of staff being trained, as well as the cost of registration and inspection by our Regulators.

02

Highlights

- ▶ EYG is a network of member firms in over 150,000 countries where some 350,000 people are united by shared values and an unwavering commitment to quality, integrity and professional scepticism.
- ▶ We are a global leader in assurance, tax, strategy and transactions, and consulting services.

Looking at Governance



1. Who We Are

EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, over **350,000** people in member firms in more than 150 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional scepticism.

We believe that achieving social, economic and environmental sustainability is the most pressing issue of our time. It is important to all stakeholders – from employees, consumers and society, the providers of financial capital – as well as the environment itself. And that makes it everybody's business.

Sustainability

At a global level, we are proud to be carbon negative in FY22, for the second year running. To offset the FY22 emissions we have not yet eliminated, EY has invested in

a diverse portfolio of nature and technology-based projects. These include forest protection, wind and solar renewable energy, clean cookstoves, peatland protection, regenerative agriculture, blue carbon and biochar. Combined, they offset 723,000 tCO₂e, representing 121% of EY's FY22 emissions – and confirming our carbon negative position for FY22.

All 10 projects meet our criteria for quality offsets and have demonstrated that they are independently verified, additional, permanent, not used for

other purposes, will not result in leakage, and have a positive impact on the community.

We are committed to supporting clients on their sustainability journeys – creating a better, more sustainable working world.

2. Organisation Structure

In today's global market, the integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

EY member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA). The Areas comprise multiple Regions, which themselves consist of member organisations. Ernst & Young (EMEIA) Limited (EMEIA Limited), an English company limited by guarantee, is the principal coordinating entity

for the EY member organisations in the EMEIA Area. EMEIA Limited facilitates the coordination of these organisations and cooperation between them, but it does not control them. EMEIA Limited is a member organisation of EY, has no financial operations and does not provide any professional services.

EY South Africa is part of the Africa Region which is included in the EMEIA Area.

In this document, reference to "partners" refers to directors who are also shareholders in the EY South

Africa entities. EY South Africa includes the following entities which are EY member firms:

- ▶ Ernst & Young Incorporated
- ▶ Ernst & Young Advisory Services (Pty) Ltd
- ▶ Ernst & Young Services (Pty) Ltd
- ▶ Cova Advisory & Associates (Pty) Ltd (a wholly owned subsidiary of Ernst & Young Advisory Services)
- ▶ EY Africa Foundation NPC



3. Governance Structure

EY South Africa is governed by the EY South Africa Executive Committee (Exco) that also oversees its strategy and operations. The Exco comprises the following members: Chief Executive Officer (CEO); Business Unit Leaders for each service line: Assurance, Consulting, Tax and Strategy and Transactions; Function Leaders for Operations, Risk, Markets and Talent; and Geographical Leaders: KwaZulu-Natal and the Western Cape.

The EY South Africa Exo is supported by the following sub-committees:











These sub-committees include members of the EY South Africa Exco as well the Risk Management Leader, the Independence and Conflicts Leader, and the Head of Legal.

4. Oversight

The African Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board to Regional leadership. The partner elected as Presiding Partner of the RPF also serves as the Region's representative on the Global Governance Council. The current presiding Partner is Shailen Ramgoolam, a Partner based out of Mauritius.






Africa Region Partner Forum Members - 1 July 2022

 Shailen Ramgoolam ARPF Presiding Partner & Southern Representative Ebene, Mauritius	 Gloria Yekani-Peni Consulting Representative Jhb, South Africa	 Allister Carshagen Assurance Representative Jhb, South Africa
 Sarel Strydom Strategy and Transactions Representative Jhb, South Africa	 Gisela Pieterse Tax Representative Jhb, South Africa	 Elina Bvurere Central Representative Lusaka, Zambia
 Julius Ngonga East Africa Representative Nairobi, Kenya	 Priscilla Koranteng-Gyasi West Africa Representative Accra, Ghana	

5. Our Leadership Team



Ajen Sita
CEO

 Jabulile Kubheka Talent	 Val Davies Risk	 Lance Tomlinson COO	 Rod Wolfenden Markets	 Tina Rookledge Western Cape	 Vinesh Moodley KZN
---	---	---	---	---	--

Services

 Stephen Ntsoane Assurance	 Hennie Human Consulting	 Quintin Hobbs Strategy & Transactions	 Ekow Eghan Tax
--	--	--	---

03

Looking at

our Methods and Practices

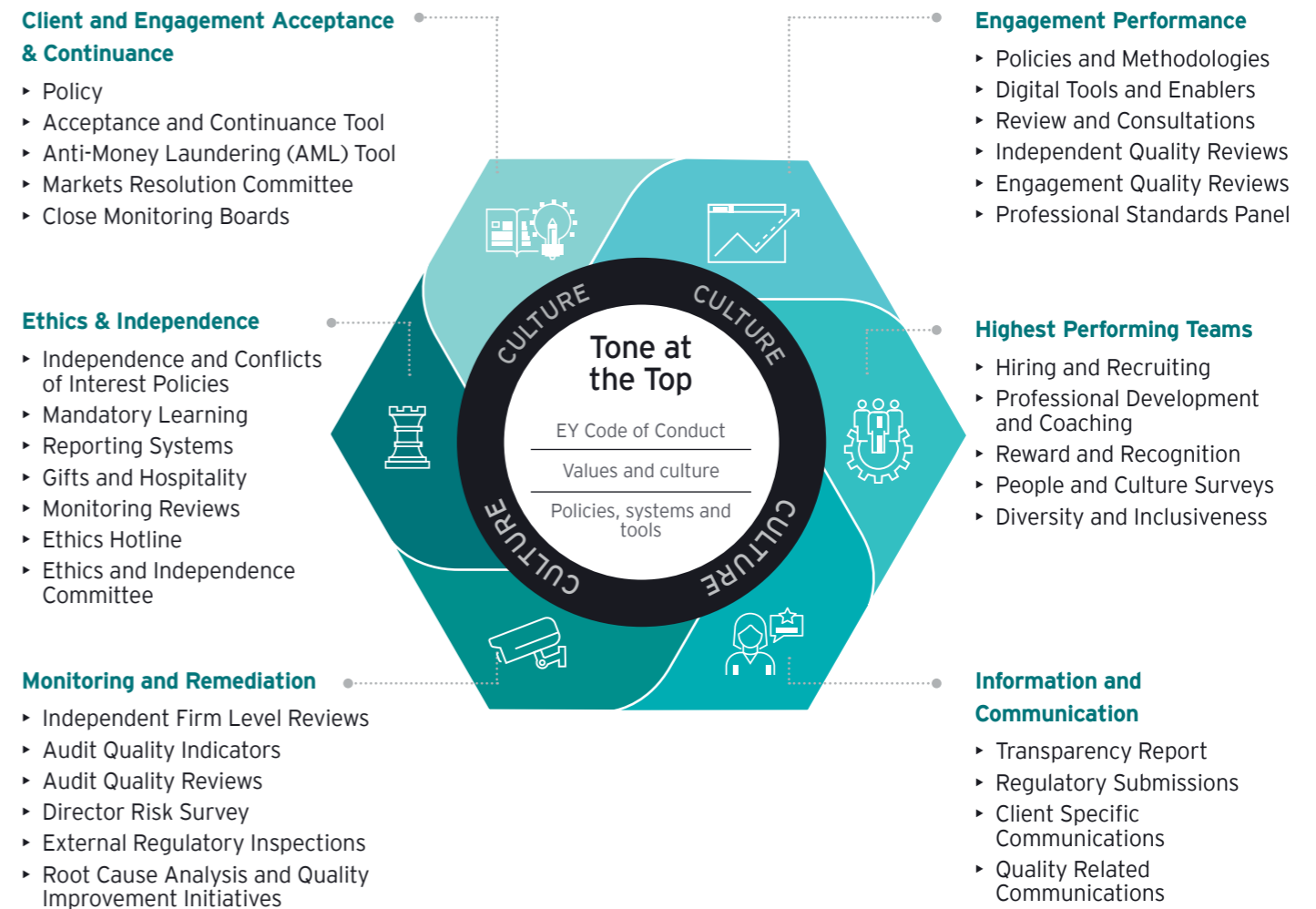


Our Commitment

We are committed to exceptional client service worldwide, supported by an unwavering commitment to quality and service that is professionally and globally consistent. Our Code of Conduct and other policies contain our commitment to ethics and quality. A key accountability metric is the quality of the services we provide to all of our clients. Through our leadership we have inculcated a culture where our people understand that quality and professional responsibility starts with them. Our shared values, which inspire our people and guide them to do the right thing, and our commitment to quality is embedded in who we are and in everything we do.

1. Tone at the Top

EY South Africa's leadership, framed in the Governance Structure, is responsible for setting the right 'tone at the top'; demonstrating our commitment to building a better working world through behaviour and actions.



2. Implementing ISQM1

In September 2020, the International Auditing and Assurance Standards Board (IAASB) approved a quality management standard that includes significant changes to the way professional accountancy firms manage quality. The International Standard on Quality Management 1 (ISQM 1) will replace the current International Standard on Quality Control 1 (ISQC 1) and requires a more proactive and risk-based approach to managing quality at the firm level. ISQM 1 requires firms to design, implement, monitor and evaluate the overall system of quality management (SQM), including annually concluding on the effectiveness of the SQM. The standard includes robust requirements for the governance, leadership and culture of professional accountancy firms, and introduces a risk assessment process to quality management in order to focus the firm's attention on mitigating risks that may have impact on engagement quality. It also requires more extensive monitoring of the SQM to identify deficiencies that require corrective actions and to provide the basis for evaluating the overall effectiveness of the SQM.

The standard outlines an integrated and iterative approach to the SQM based on the nature and circumstances of the firm and the engagements it performs. It also takes into consideration the changes in the practice and the different operating models of the firms (e.g. use of technology, network, multidisciplinary firms).

The EY approach is to implement an SQM that is consistently applied across the entire network of member firms to promote engagement quality and operating effectiveness. This is especially important in a global economy where many audits are transnational and involve the use of other EY member firms.

EY has developed consistent frameworks and enablement for implementing the SQM within EY South Africa. For example, EY has established an approach to the required risk assessment process that includes input and feedback from across EY services lines, functions and geographic areas to develop global baseline minimums, including quality objectives (based on ISQM 1 requirements), quality risks and responses (including key controls) assumed to be applicable to EY member firms.

EY member firms have the responsibility to evaluate the global baseline minimums (e.g. quality risks, policies, technologies, key controls), and determine if the global baselines need to be supplemented or adapted by the member firm to be appropriate for use (e.g. additional quality risks, if the policy needs to be amended to comply with local laws and regulations, additional key controls).

Utilising this approach for ISQM 1 implementation, EY is building on responses already in place in the current ISQC 1 framework to establish the SQM under ISQM 1.

In addition, frameworks for performing monitoring and remediation activities (such as identifying and evaluating deficiencies, performing root cause analysis and developing remediation plans) have been developed as well as a framework for performing the annual evaluation process.

These frameworks are supported by IT applications to drive consistency in the implementation of SQM throughout the EY member firms.

We believe that implementing ISQM 1 will be useful to improving quality at the firm and engagement level because an effective SQM is foundational to achieving consistent engagement quality. In addition, it is building upon strong EY processes and controls to take quality to the next level; and is the next phase in the journey of continuous improvement, which started with the EY Sustainable Audit Quality programme.

EY member firms are ultimately responsible for the design, execution and operation of their SQM, including the annual evaluation conclusion.

Key ISQM1 steps include:

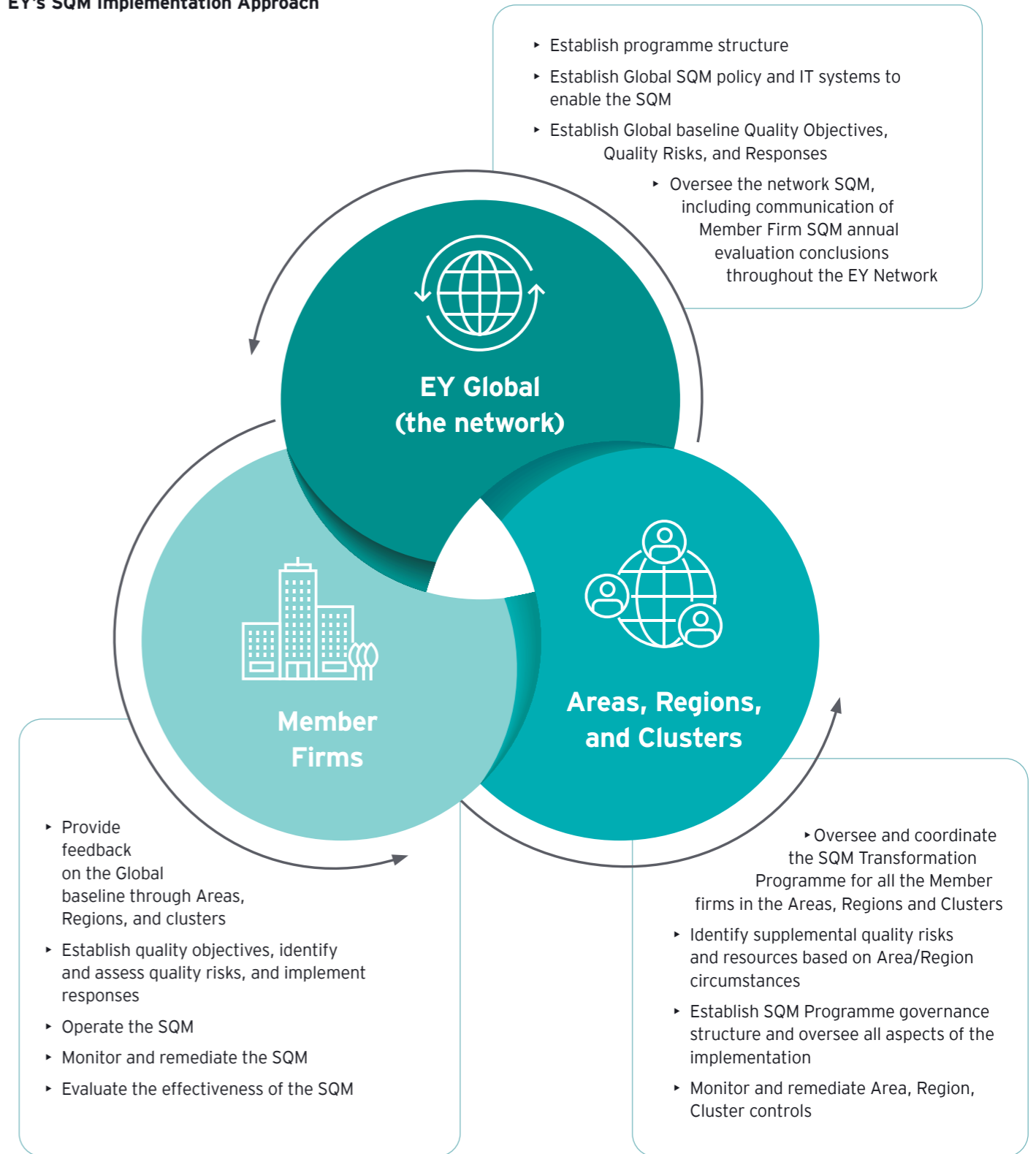
- ▶ The standard requires firms to implement an SQM by 15 December 2022.
- ▶ Reviewing Global baseline Quality Objectives and Quality Risks to identify whether additional Quality Objectives and/or Quality Risks are needed.
- ▶ Reviewing and understanding Global resources (i.e. Global policies and technologies) and their implementation or use by the country in its SQM.
- ▶ Reviewing and customising Global baseline key controls.
- ▶ Identifying and documenting EY South Africa key controls.
- ▶ Performing walkthroughs and sample testing.
- ▶ Identifying enhancements to the existing quality control system to achieve compliance with the new standard

“

Significant effort has been spent in the past year to implement ISQM1. This has included several cycles of dry-run testing to ensure we are ready for adoption of the standard.”

Stephen Ntsoane | EY Assurance Leader

EY's SQM Implementation Approach



3. Risk Management

Responsibility for high-quality service and ownership of the risks associated with quality is placed within our various service lines and is monitored centrally.

The Risk Management Leader helps monitor the management of risks, across EY South Africa, is appointed to lead risk management initiatives (supported by other staff and professionals) including coordinating with the service lines and is responsible for establishing risk management priorities and enterprise risk management.

We have industrialised appropriate processes and controls to ensure that our top ten risks are continuously monitored for relevance and that these risks are adequately mitigated.

Each of the top ten risks have been rated in terms of likelihood and consequence of occurrence in terms of their inherent and residual risk. There are carefully designed risk treatment plans (controls) to reduce the overall residual risk.

Top ten risks for South Africa:

- | | | | | | |
|---|----------|---|---|-----------|--|
|  | 1 | Attract, develop and retain talent |  | 6 | Reputation and brand |
|  | 2 | Separation of audit & non-audit businesses |  | 7 | Service quality failure |
|  | 3 | Execution of growth strategy |  | 8 | Working with an ecosystem of service providers and alliances |
|  | 4 | Technology, infrastructure and security and business continuity |  | 9 | Regulatory developments |
|  | 5 | Financial and operational discipline and maintaining liquidity |  | 10 | Leadership succession |

4. Independence & Conflicts of Interest

Ethics remains at the forefront of everything we do. Our professionals are committed to each other as colleagues, holding ourselves and each other accountable and maintaining zero tolerance for those who do not live our values. Performing high-quality audits with independence, integrity, objectivity and professional scepticism is at the heart of EY South Africa in serving the public interest.

Our commitment to independence starts at the top of our organisation. EY South Africa leaders set a clear tone from the top by establishing and maintaining a culture based on doing the right thing and adhering to our policies and any regulatory requirements. We nurture, develop and guide our talent in dealing with ethical dilemmas. We have extensive policies to avoid conflicts of interests and maintain independence, which are routinely reviewed and updated to adhere to regulatory requirements and are even stricter in certain aspects.

Our policy on conflicts of interest and associated guidance take into account the increasing complexity of engagements and client relationships, and the need for speed and accuracy in responding to clients. They also align with the latest International Ethics Standards Board for Accountants (IESBA) Code. All our staff from juniors to the CEO are required to complete ethics and independence training.

This training includes amongst others:

- Conflicts of Interest
- Code of Conduct
- Anti-Money Laundering, Tax Evasion and Terrorist Financing
- General Data Protection Regulation
- Handling Information Safely
- Anti-Bribery
- Independence Learning
- Living Our Values

Ethics Hotline

The EY Ethics Hotline provides EY people, clients and others outside of the organisation with a means to confidentially report activity that may involve unethical or improper behavior, and that may be in violation of professional standards or otherwise inconsistent with the EY shared values or Global Code of Conduct. Globally, the hotline is operated by an external organisation that provides confidential and, if desired, anonymous hotline reporting. When a report comes into the EY Ethics Hotline, either by phone or internet, it receives prompt attention. Depending on the content of the report, appropriate individuals from Risk Management, Talent, Legal or other functions are involved in addressing the report. The same procedures are followed for matters that are reported outside of the EY Ethics Hotline.

Code of Conduct

At the heart of maintaining the highest ethical standards is our Code of Conduct and we have strict requirements to avoid conflicts of interest and to maintain independence.

Our Code of Conduct provides a clear set of standards and an ethical framework for how we work with clients and each other. Our commitment to independence starts at the top of our organisation. EY South Africa leaders set a clear tone from the top by establishing and maintaining a culture based on doing the right thing and adhering to our policies and any regulatory requirements. We nurture, develop and guide our talent in dealing with ethical dilemmas. We have extensive policies to avoid conflicts of interests and maintain independence, which are routinely reviewed and updated to adhere to regulatory requirements and are even stricter in certain aspects.

We have strict requirements regarding both giving and receiving gifts or hospitality. Gifts and hospitality must be pre-approved, and recorded on a register. No gifts or hospitality may be given to or received from audit clients.

In addition, across all our service lines, no gifts or hospitality may be given to, or received from a government/state-owned entity or a politically exposed person.

Our approach to independence is contained in our Code of Conduct and other policies, and is embedded in training programs, internal communications, reporting systems and our culture of consultation. Performing high-quality audits with independence, integrity, objectivity and professional skepticism is at the heart of EY South Africa serving the public interest.

The below represents our system to manage our independence.

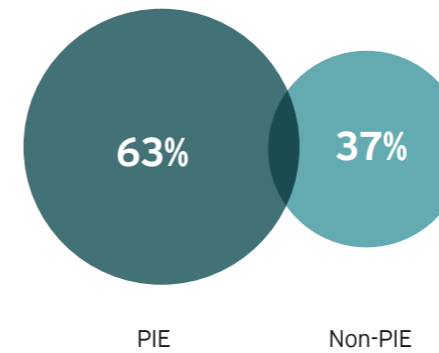


5. Finance

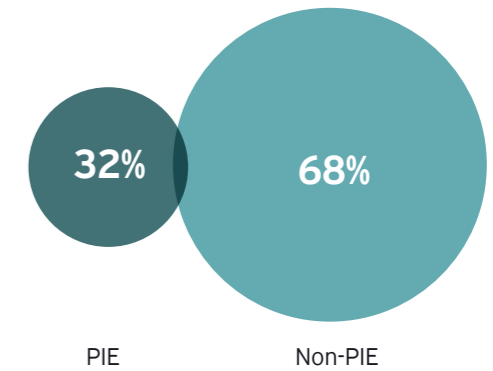
EY South Africa Revenues

Quality is at the centre of our strategy and is a key component of our performance management system. EY South Africa partners and other professionals are evaluated and compensated based on criteria that include specific quality and risk management indicators, covering both actions and results. For FY22, EY South Africa's total revenue was R3.2-billion, of which 56% was generated by our Assurance business.

Audit Services Revenue: PIE versus Non-PIE



Non-Audit Services (NAS): PIE versus non-PIE Revenue



Partner Remuneration

Our Performance Management System for partners, associate partners, executive directors and directors (PPEDDs) applies to all partners in EY South Africa. LEAD for PPEDDs reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and performance review, and is tied to partners' recognition and reward. Documenting partners' goals and performance is the cornerstone of the evaluation process. A partner's goals are required to reflect various priorities, of which quality is a significant component.

Specific quality and risk performance measures have been developed to account for:

- ▶ Providing technical excellence,
- ▶ Living the our values as demonstrated by behaviours and attitude,
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management,
- ▶ Complying with policies and procedures,
- ▶ Complying with laws, regulations and professional duties, and
- ▶ Contributing to protecting and enhancing our brand.

Our partner compensation philosophy calls for meaningfully differentiated rewards based on a partner's level of performance, as measured within the context of LEAD (referenced under Talent Management in this report). Partners are assessed annually on their performance in delivering quality exceptional client service and people engagement alongside financial and market metrics.

To recognise different market values for different skills and roles, and to attract and retain high-performing individuals, the following factors are also considered when we determine our partners' total reward:



Experience



Role and responsibility



Long-term potential



Fair and equal remuneration for similar roles and responsibilities.

Instances of non-compliance with quality standards result in remedial actions, which may include compensation adjustment, additional training, additional supervision or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in actions that include separation from EY South Africa.

Our policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-assurance services to companies they audit. This reinforces to our partners their professional obligation to maintain our independence and objectivity.

6. Acceptance and Continuance: Choosing our Clients

The EY South Africa policy on Client and Engagement Acceptance sets out principles to assist us in determining whether to accept a new client or a new engagement, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting our people and meeting regulatory requirements.

The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements
- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any potential conflicts of interest
- ▶ Identify and decline clients or engagements that pose excessive risk
- ▶ Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors
- ▶ Comply with legal, regulatory and professional requirements
- ▶ Identify and address any issues related to reputation and brand

Putting Policy into Practice

We use our Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and member firm policies. PACE takes users through the acceptance and continuance requirements, and identifies the policies and references to professional standards needed to assess both business opportunities and associated risks.

As part of this process, we carefully consider the risk characteristics of a prospective company or engagement and the results of several due diligence procedures. Before we take on a new engagement or company, we determine whether we can commit sufficient resources to deliver quality service, especially in highly technical areas, and if the services the client wants are appropriate for us to provide.

In our annual client and engagement continuance process, we review our service and ability to continue to provide a quality service, and ensure that companies we serve share EY South Africa's commitment to quality and transparency in financial reporting.

As a result of this review, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit clients are discontinued, where appropriate. As with the client acceptance process, our Professional Practice Director (PPD) is involved in the client continuance process where the risk is higher than normal and must agree with the continuance decision.

In deciding to accept or continue with client engagements, our assessment includes considering whether the company's management may pressure us to accept inappropriate accounting, auditing and reporting conclusions which could undermine quality. Considerations and conclusions on the integrity of management are essential to acceptance and continuance decisions.

Markets Resolution Committee (MRC)

We are diligent and professionally sceptical in our client acceptance procedures to ensure we accept the right clients and consider whether we should perform the service. Executive Leadership involvement is essential in adapting to our ever changing environment and our leaders that serve on the MRC bring years of experience,

market knowledge and professional judgement to ensure we are accepting the right clients. Where work is being considered at a government or state-owned entity, additional approval levels are required. We continue to give special consideration to regulatory requirements with regard to public sector procurement to mitigate the risk of being appointed through, or associated with, a process that might be considered irregular.

7. Audit Partner Rotation

Mandatory audit partner rotation reinforces auditor independence. EY South Africa complies with the audit partner rotation requirements of the IESBA Code, the Independent Regulatory Board for Auditors (IRBA) Code, the Companies Act of South Africa, 2008, as well as the U.S. Securities and Exchange Commission (SEC), where required. Audit partner rotation, combined with independence requirements, enhanced systems of internal quality controls and independent audit oversight, helps strengthen independence and objectivity, and are important safeguards of audit quality.

In addition to the audit partner rotation requirements applicable to Public Interest Entity (PIE) audit clients, EY South Africa has established a long association safeguards framework that, consistent with the requirements of

the IESBA Code, include consideration of the threats to independence created by involvement of professionals over a long period of time on an audit and a safeguards framework to address such threats.

We employ tools to effectively monitor compliance with internal rotation and requirements for audit partners and other professionals who have had long association with the audit client. There is also a process for rotation planning and decision-making that involves consultation with, and approvals by, our Professional Practice and Independence professionals.

Our Public Interest Entity (PIE) clients are:

New PIE audit client appointments where our first audit has not started:

- ▶ First Rand Group Ltd and subsidiaries
- ▶ Liberty Holdings Limited and subsidiaries
- ▶ Nepi Rockcastle PLC
- ▶ MultiChoice Group Limited
- ▶ Standard Bank Group and subsidiaries
- ▶ Shoprite Group Limited and subsidiaries
- ▶ Super Group Limited and subsidiaries

PIE audit clients expecting to rotate auditors within the next 2 years:

- ▶ Accelerate Property Fund Limited
- ▶ Africa Rainbow Minerals Limited
- ▶ AGRe Insurance Company Limited
- ▶ Albaraka Bank
- ▶ Allan Gray (Pty) Investment Services Limited
- ▶ Allan Gray (Pty) Limited
- ▶ Allan Gray Life Limited
- ▶ Allan Gray South Africa (Pty) Limited
- ▶ Allan Gray Unit Trust Management (RF) (Pty) Ltd
- ▶ AngloGold Ashanti Limited
- ▶ Cape Peninsula University of Technology
- ▶ Central Retirement Annuity Fund
- ▶ Channel Life Limited
- ▶ Clicks Group Limited
- ▶ Engineering Industries Pension Fund
- ▶ GEM Diamonds Limited
- ▶ Glacier Financial Solutions (Pty) Limited
- ▶ Investec Life Limited
- ▶ Investec Property Fund Limited
- ▶ Investec Securities (Pty) Ltd
- ▶ Metal Industries Provident Fund
- ▶ Mr Price Group Limited
- ▶ Northam Platinum Holdings Limited
- ▶ RECM and Calibre Limited
- ▶ Safrican Insurance Limited
- ▶ Sanlam Collective Investments (RF) (Pty) Ltd
- ▶ Sanlam Developing Markets Limited
- ▶ Sanlam Life Insurance Limited
- ▶ Sanlam Limited
- ▶ Stellenbosch University
- ▶ Tiger Brands Limited
- ▶ Truworths International Limited
- ▶ University of South Africa

Other PIE clients:

- ▶ ArcelorMittal Limited
- ▶ Aspen Pharmacare Holdings Limited
- ▶ Attacq Limited
- ▶ AVI Limited
- ▶ Barloworld Limited
- ▶ Brimstone Investment Corporation Limited
- ▶ Capital Appreciation Limited
- ▶ China Construction Bank Corporation
- ▶ Credit Guarantee Insurance
- ▶ Deutsche bank Johannesburg Branch
- ▶ Emira Property Fund Limited
- ▶ Guard Risk Life Limited
- ▶ Guard Risk Insurance Company Limited
- ▶ EPP N.V.
- ▶ Growthpoint Properties Limited
- ▶ Hulamin Limited
- ▶ Investec Bank Limited
- ▶ Investec Limited
- ▶ Invicta Holdings Ltd
- ▶ JSE Limited
- ▶ Momentum Collective Investments (RF) Proprietary Limited (Unit Trust funds)
- ▶ Momentum Insure Company Limited
- ▶ Momentum Metropolitan Life Limited
- ▶ Momentum Metropolitan Holdings Ltd
- ▶ Momentum Retirement Annuity Fund
- ▶ Momentum Securities Pty Ltd
- ▶ Momentum Wealth (Pty) Ltd
- ▶ Munich Reinsurance Company of Africa Limited
- ▶ Mutual and Federal Risk Financing
- ▶ Octodec Investments limited and subsidiaries
- ▶ Old Mutual Limited and subsidiaries
- ▶ MetAir Investements Limited
- ▶ MTN Group Limited
- ▶ Mobile Telecommunication Networks Holdings Limited
- ▶ Nedbank Group Limited
- ▶ Nedgroup Life Assurance Company Limited
- ▶ Nedbank Insurance Company Limited
- ▶ Ndala Investments no 1 (RF) Limited
- ▶ Pick n Pay Stores Limited
- ▶ Premium Properties Limited
- ▶ Prescient Fund Services (Pty) Ltd
- ▶ Prescient Holdings (Pty) Ltd
- ▶ Prescient Management Company (RF) Ltd
- ▶ Professional Provident Society Insurance Company Limited and subsidiaries
- ▶ Residual Debt Services Limited
- ▶ RFG Holdings Limited
- ▶ SAHL Insurance
- ▶ SAHL Investments Holdings (Pty) Ltd
- ▶ SAHL Life
- ▶ SAHL Listed Ambers
- ▶ SAHL Listed Theks
- ▶ Sea Harvest Group Limited
- ▶ Sibanye Stillwater Limited
- ▶ Southchester (RF) LTD
- ▶ Standard Chartered Bank (Incorporated in England)
- ▶ Thor US Holdco Inc
- ▶ Tongaat Hullet Limited
- ▶ University of Pretoria
- ▶ Vodacom Group Ltd
- ▶ YeboYethu (RF) Ltd
- ▶ Zambezi Platinum (RF) limited

8. Professional Practice

The Professional Practice Group (PPD) establishes audit quality control policies and procedures to ensure high quality services are delivered to audit clients. Our PPD is overseen by the Area (EMEIA) PPD, who in turn is overseen by the EY Global Vice Chair of Professional Practice, referred to as the EY Global PPD.

The PPD leads and oversees the Professional Practice Group. This is a network of technical subject matter specialists in accounting and auditing standards, who consult on accounting, auditing and financial reporting matters, in addition to performing various practice monitoring and risk management activities.

Additional resources often augment the Professional Practice Group, including networks of professionals focused on:

- ▶ Internal-control reporting and related aspects of our audit methodology.
- ▶ General engagement matters and how to work effectively with audit committees.
- ▶ Accounting, auditing and risk issues for specific industries and sectors.
- ▶ Event-specific issues involving areas of civil and political unrest; or sovereign debt and related accounting, auditing, reporting and disclosure implications.

Quality Enablement

Our Quality Enablement team, headed by our Quality Enablement Leader (QEL), is a group of experienced and knowledgeable Assurance professionals who drive improvements in audit quality. Their responsibilities include: coaching teams and developing a quality-driven culture; supporting internal and external inspections; advising teams on remediating the root causes of areas for improvement; driving practice and project management; supporting portfolio risk analyses; and implementing processes related to the EY system of quality management, including Audit Quality Indicators (AQIs).

Using EY Canvas and the related Milestones functionality, as well as ever more sophisticated artificial intelligence (AI) tools, the QELs are able to build a picture of audit quality performance in real time. This, in turn, allows for positive and timely intervention, such as deploying additional resources (including subject-matter specialists), to support audit teams and the companies they audit.

9. Sustainable Audit Quality (SAQ)

Quality is the foundation of our work and central to our responsibility to provide confidence to the capital markets. This is reflected in the SAQ programme, which continues to be the highest priority for our audit practice.

SAQ establishes a strong governance structure that enables us to provide high-quality audits. The word “sustainable” in SAQ is used to demonstrate that this is not a one-off, short-term initiative, but an ongoing process of improvement that has been embedded into our culture of excellence.

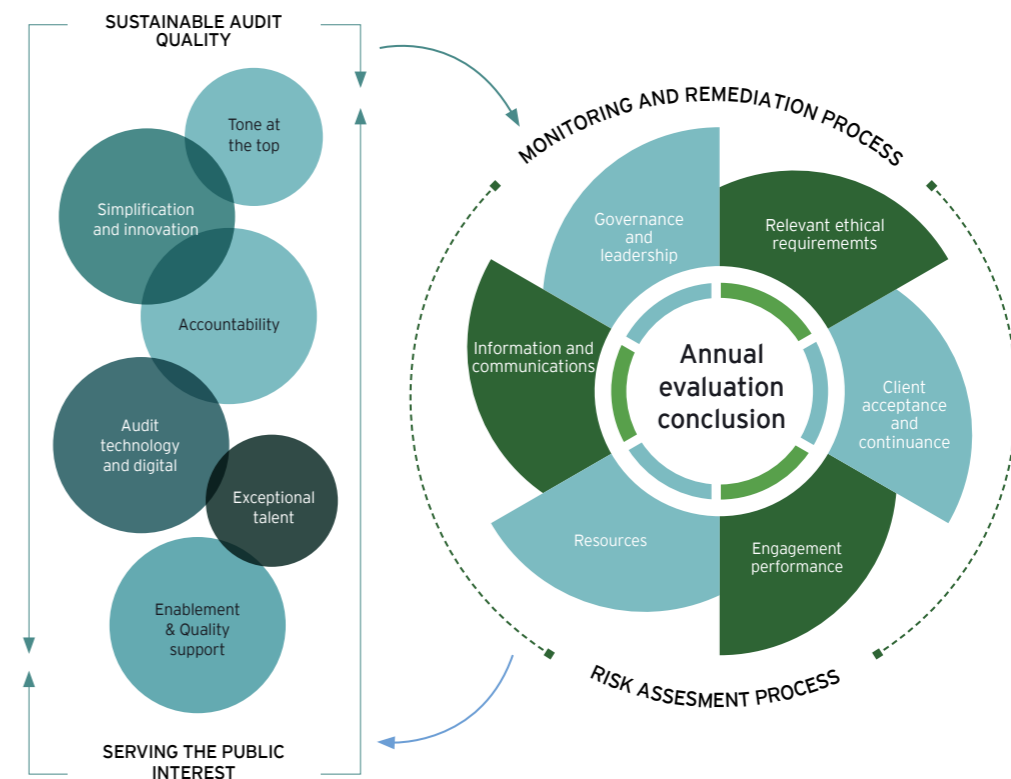
SAQ also puts the implementation of the International Standards on Quality Management, namely ISQM 1 and ISQM 2, at EY in a strong position as:

- ▶ SAQ drives consistency and uniformity through various monitoring and remediation activities such as the Global Milestones Programme and Global Root Cause Analysis process.

- ▶ SAQ sets out clear objectives and priorities for the distributed assurance leadership team to reinforce a consistent focus - examples of this include the Accountability Framework, Global Audit Quality Indicators and Action Plan response plans

There are six SAQ pillars: tone at the top; exceptional talent; simplification and innovation; audit technology and digital; enablement and quality support; and accountability. These pillars are supported by a foundation of serving the public interest.

Sustainable Audit Quality



Current SAQ initiatives are focused on understanding, managing and mitigating risk. From an audit engagement perspective, there is a focus on supporting EY teams in understanding the business of the companies audited. By leveraging data and technology and executing enhanced engagement risk assessment, EY is continuing to drive quality audit execution.

Quality is at the core of our culture and every team member is required to understand the importance of quality as well as have access to a support and coaching network in order to facilitate this pillar. Our quality culture is enabled through a number of initiatives including PLOT, Fusion and our Review and Consultation approach.

PLOT

Our culture is supported and reflected in Purpose Led Outcome Thinking (PLOT).

PLOT is designed to create a way of thinking that marries quality and team goals with purpose to resonate with team members on a personal and professional level so that quality and commitment are not just things we consider but instead are part of our DNA. This is the source from which our quality stems.

While PLOT is the soul of our initiatives, we are consistently implementing new initiatives to support this culture such as the manager peer review programme. This programme proactively improves quality by equipping our managers with different lenses to learn from their peers and improve their own quality standards and at the same improving quality on the engagements that are subject to peer review.

Our Fusion Framework



Fusion

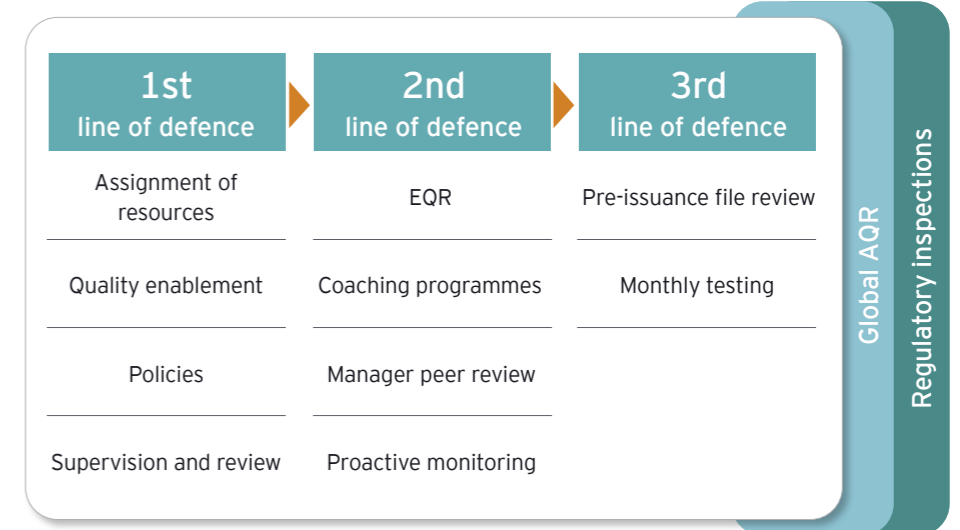
Our Global Sustainable Audit Quality System (SAQ) is enabled locally through Project Fusion. Fusion is our long-term quality initiative, launched to reduce regulatory findings and address new and emerging risks from the environment our clients find themselves operating in. We focus on improving the way our people, skills and tools come together to ensure high quality audits are executed.

The following local and international industry developments require a different approach to audit quality:

- ▶ Mandatory audit firm rotation
- ▶ Corporate failures
- ▶ Increased media attention on audit profession
- ▶ Increase in local and international regulation
- ▶ Increased market and environmental risk

The Fusion project has further evolved during the year, and we have focussed our quality improvement efforts using the three lines of Defence methodology. In strengthening our third line of defence we have introduced two additional quality initiatives:

- ▶ A pre-issuance file review performed before the audit opinion is issued and is focussed on the areas of significant risk and judgement during the engagement, as well as focussing on recurring findings or themes coming from our internal and external review process.
- ▶ Monthly testing of various Independence related topics that were raised by the IRBA in the 2021 Firm Level Inspection.



Reviews of audit work

Our policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for accuracy and completeness. Senior audit team members and engagement partners perform a second-level review to determine adequacy of the audit work as a whole, and the related accounting and financial statement presentation. A tax professional reviews the significant tax and other relevant working papers. For listed and certain other companies, an engagement quality reviewer (described below) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the company we audit and our auditor's report.

The nature, timing and extent of the reviews of audit work depend on many factors, including:

- ▶ The risk, materiality, subjectivity and complexity of the subject matter,

- ▶ The ability and experience of the audit team members preparing the audit documentation,
 - ▶ The level of the reviewer's direct participation in the audit work, and
 - ▶ The extent of consultation required.
- Our policies also describe the roles and responsibilities of each audit engagement team member for managing, directing and supervising the audit, as well as the requirements for documenting their work and conclusions.

Consultation

Our consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues.

Consultation is built into the decision-making process; it is not just a process to provide advice.

Consultation requirements and related policies are designed to involve the right resources so that audit teams reach appropriate conclusions.

For complex and sensitive matters, we have a formal process requiring consultation outside of the audit engagement team with other personnel who have more experience or specialised knowledge, primarily Professional Practice and Independence personnel. In the interests of objectivity and professional skepticism, our policies require members of Professional Practice, Independence and certain others to withdraw from a consultation if they currently serve, or have recently served, the client to which the consultation relates. In this circumstance, other appropriate individuals would be assigned.

Our policies also require that all consultations are documented, including written concurrence from the person or persons consulted, to demonstrate their understanding of the matter and its resolution.

10. Audit Quality Indicators (AQIs)

The path to SAQ is monitored through the AQIs which are a wide-ranging set of quality metrics that are monitored on a monthly basis and used by the QEL to rapidly respond to the changing landscape and address areas for improvement.

AQIs are monitored at both the engagement level and at the overall firm level and aligned to the AQIs reported to the IRBA annually.

In addition to monitoring, we have deployed leading technological tools that enhance the quality and value of our audits, including the EY Canvas online audit platform, EY Helix analytics platform and EY Atlas research platform.

EY Canvas facilitates the use of the "Milestones" project management functionality, which helps audit teams stay on pace with their audit execution and drive executive involvement. Milestones is a focal point for our project management and its implementation is being driven with a view to improve our quality initiatives. The EY Canvas Client Portal, which is a component of EY Canvas, magnifies its

importance in having a secure and user-friendly platform in transmitting data between engagement teams and the entities audited, while effectively monitoring the pacing of the audit.

Additionally, EY Helix and the entire suite of data analytic tools represent the key approaches to address the risk of material fraud in audit execution. Increasing the required use of these tools provides a more robust response to audit risks. A broader adoption of these data analytic tools is set to occur this year.

EY Atlas is a cloud-based platform for accessing and searching for accounting and auditing content, including external standards, EY interpretations and thought leadership.

Engagement level AQIs include:

AQIs	Profession Average (2022 IRBA Survey report Audit Quality Indicators)	EY Audit quality indicators (January to December 2021)	Description of AQI
*EQCR Partner time (%)	1.6%	0,7%	EQCR partner time as a % of total engagement hours
*EQCR team time (%)	2.2%	1,7%	EQCR team time as a % of total engagement hours
*Partner time (%)	6.2%	3,8%	Engagement partner time as a % of total engagement hours
Partner coverage (%)	38%	40%	% of partners subject to internal quality review
AQR Results - Highest % of 1 ratings	93%	83%	2021 internal audit quality review results
*Manager time (%)	19.3%	24,4%	Manager time as a % of total engagement hours
Staff to Partner (Ratio)	13	21	Ratio of professional staff to audit partners
Engagement Partner to Technical Partner (Ratio)	10	5.6	Ratio of audit partners to partners in technical
Training hours (Hours per person)	91	86	Number of training hours per professional staff
Staff turnover - Audit Partner (%)	10.2%	0,6%	% audit partner turnover in the year
Staff turnover - Audit Manager (%)	48%	4,7%	% audit manager turnover in the year
Staff turnover - Supervisor (%)	71%	7,6%	% audit supervisor turnover in the year
*Firm tenure (Years)	9	12	Average number of years appointed as auditors of PIE audit clients
Partner experience (Years)	11,1	9.2	Average number of years experience of audit partners
*Non-audit fees (%)	10%	6,9%	Non-audit and audit-related non-audit services as % of total audit fees. Non-audit fees only is 2,7%

* Audit Quality Indicators are calculated as an average on all audit engagements for Public Interest Entities.

11. Engagement Quality Reviews (EQR)

Engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all listed companies, those considered to need close monitoring and meeting certain other risk factors. Engagement quality reviewers are experienced professionals with significant subject matter knowledge. They are independent of the engagement team and are able to provide objective evaluation of significant accounting, auditing and reporting matters.

Certain policies and practices related to the assignment and eligibility of professionals to serve as engagement quality reviewers, related accreditation and training requirements and enablement to support execution of the reviews is being modified to conform with the requirements of International Standard on Quality Management (ISQM) 2, Engagement Quality Reviews.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed, and the required documentation evidencing their completion. Our PPD approves all engagement quality review assignments.

12. Differences of Opinion

EY has a collaborative culture that encourages and expects people to speak up, without fear of reprisal, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to an engagement. Policies and procedures are designed to empower members of an audit engagement team to raise any disagreements relating to significant accounting, auditing or reporting matters.

“
These policies are made clear to people as they join EY, and we continue to promote a culture that reinforces a person’s responsibility and authority to make their own views heard and seek out the views of others.

Differences of professional opinion that arise during an audit are generally resolved at the audit engagement team level. However, if any person involved in the discussion of an issue is not satisfied with the decision, they refer it to the next level of authority until an agreement is reached or a final decision is made, including consultation with Professional Practice if required.

Furthermore, if the engagement quality reviewer makes recommendations that the engagement partner does not accept or the matter is not resolved to the reviewer’s satisfaction, the auditor’s report is not issued until the matter is resolved.

Differences of professional opinion that are resolved through consultation with Professional Practice are appropriately documented.

13. Monitoring

We have designed and implemented a comprehensive set of audit quality control policies and practices. These policies and practices meet the requirements of the ISQC1 issued by the IAASB. Our adopted policies and procedures are supplemented as necessary to comply with local laws and professional guidelines, as well as to address specific business needs.

EY Global Practice Level Reviews (PLR): At least once every three years, there is an EYG review of our audit quality policies and implemented procedures. Experienced reviewers, external to EY South Africa, test extensive samples and complete detailed work programmes to determine whether we are complying with requirements of ISQC1.

Audit Quality Reviews (AQR): EY South Africa, driven by EY Global, is responsible for establishing and administering a programme to continually evaluate the adequacy and operational effectiveness of the country practice’s quality control policies and procedures, covering its accounting, auditing and other assurance engagements.

The AQR programme is a significant component of our policies and procedures of quality control and supports other risk management and continuous improvement initiatives.

Accordingly, the primary objective of the programme is to assist EY South Africa in maintaining and continually enhancing the quality of its assurance engagements. This objective is accomplished by determining whether EY South Africa:

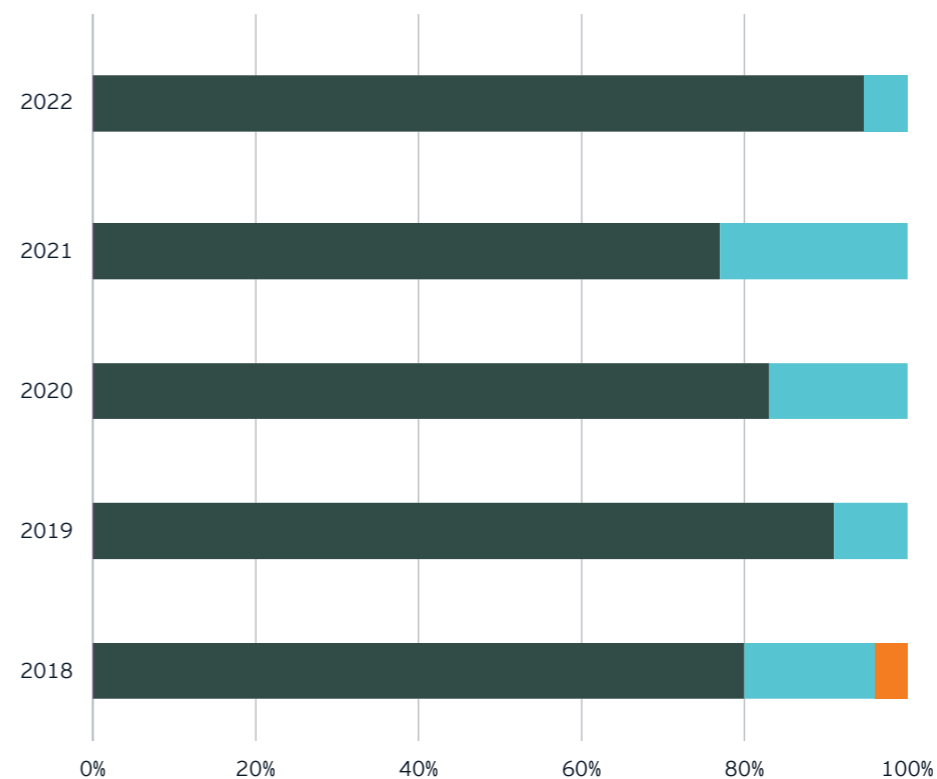
1. Is conducting audit engagements in accordance with relevant professional standards and in accordance with our applicable policies, and
2. Has established and documented adequate control policies and procedures and is complying with them.

Each EY South Africa partner is reviewed at least once every three years. New partners are reviewed in the year following their appointment. Should the outcome of a review be unsatisfactory, the partner will be subject to re-review in the following year.

Engagements are selected for review on a risk basis, and cover a cross-section of EY South Africa’s accounting, auditing and other assurance practice.

The Assurance Leader, together with the PPD, are notified of all “3” rated partners, and the findings of “2” and “3” rated engagements are taken into account when determining partner remuneration.

Audit Quality Review Results



The AQR ratings are defined as follows:

- “1” Rating:** A good quality file, with no or minor findings.
- “2” Rating:** There were findings which were more than minor, but less than material. Some improvement required.
- “3” Rating:** There were material findings. Significant improvement required.

14. Regulatory Inspections

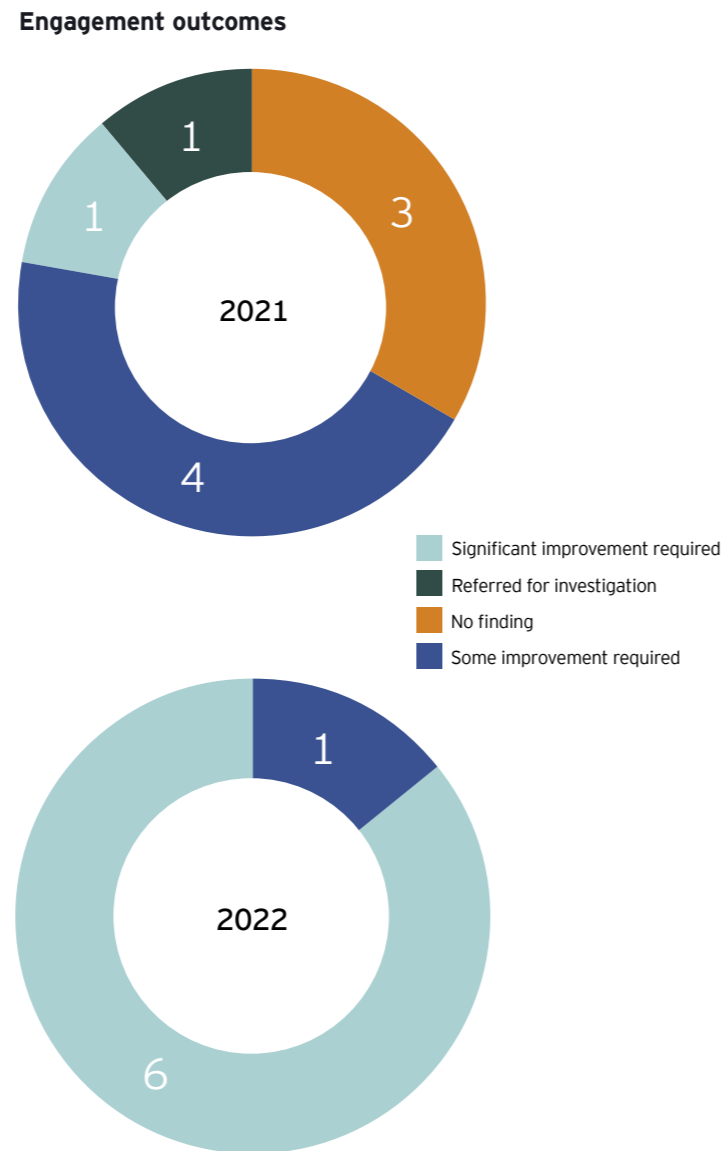
IRBA Inspections

During 2021 the IRBA concluded an ISQC 1 firm level review and selected nine engagements to assess compliance with the International Auditing Standards (ISAs). Overall, our engagement outcomes improved and the average findings per file decreased, however, one engagement reviewed resulted in a referral for investigation. The outcome of the 2021 firm level review was a referral for investigation on matters related to Independence. There were a number of findings, which were all unique in nature. Our Root Cause Analysis (RCA) process concluded that we require more discipline in the documentation of our consideration of the threats and safeguards to independence.

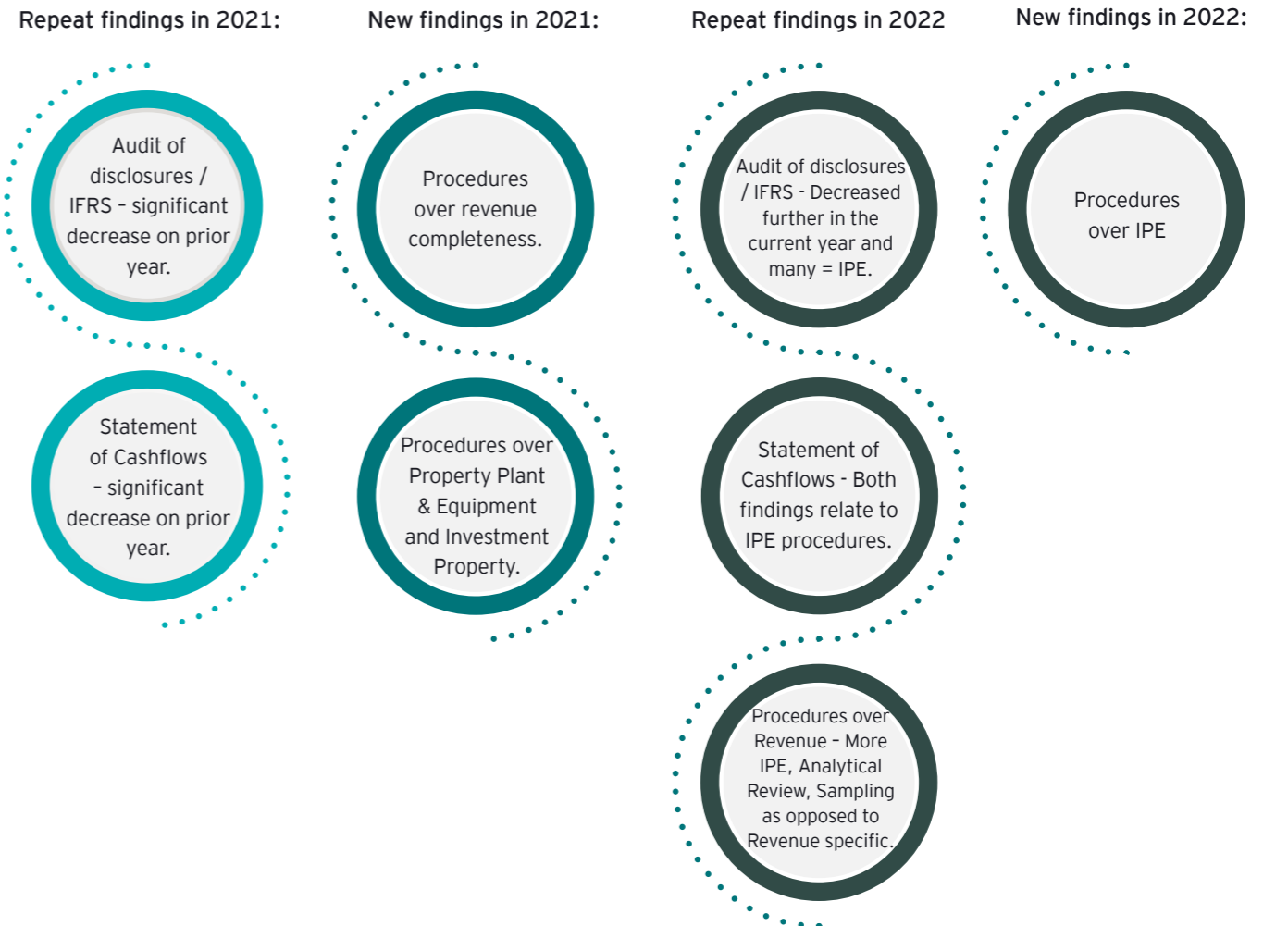
In 2022, seven engagements were inspected and we are pleased that none of these resulted in a referral for investigation. We are however disappointed that six of these engagements were rated as requiring significant improvement. One engagement required some improvement. While the firm was not subject to a full ISQC1 inspection in 2022, the IRBA performed a thematic inspection on 13 engagements, with a focus on independence, summary of audit differences and materiality considerations. Certain findings were identified for which relevant actions have been implemented. Overall, the firm was rated as requiring significant improvement in 2022.

In 2021 and 2022, we had repeat findings related to the Statement of Cash Flow and the Audit of Disclosures / IFRS themes. However, the number of related findings continue to significantly decrease and from analysis of the underlying findings we observe that the nature of findings that drove these two themes has changed. This, together with the absence of repeat findings related to Summary of Audit Differences (another 2020 theme) and Property, Plant and Equipment themes gives us comfort that our related action plans are appropriate.

Whilst we believe our quality control practices remain effective, we acknowledge that the deficiencies highlighted through both our internal reviews (AQR) and the IRBA engagement level inspections point to certain areas that require improvement.



Thematic summary of IRBA findings



PCAOB Inspections

In the last 3 US PCAOB inspections that we have had over the past 10 years, we have never had any Part 1 Engagement Level Inspection Findings, on either FPIs or US referred work clients

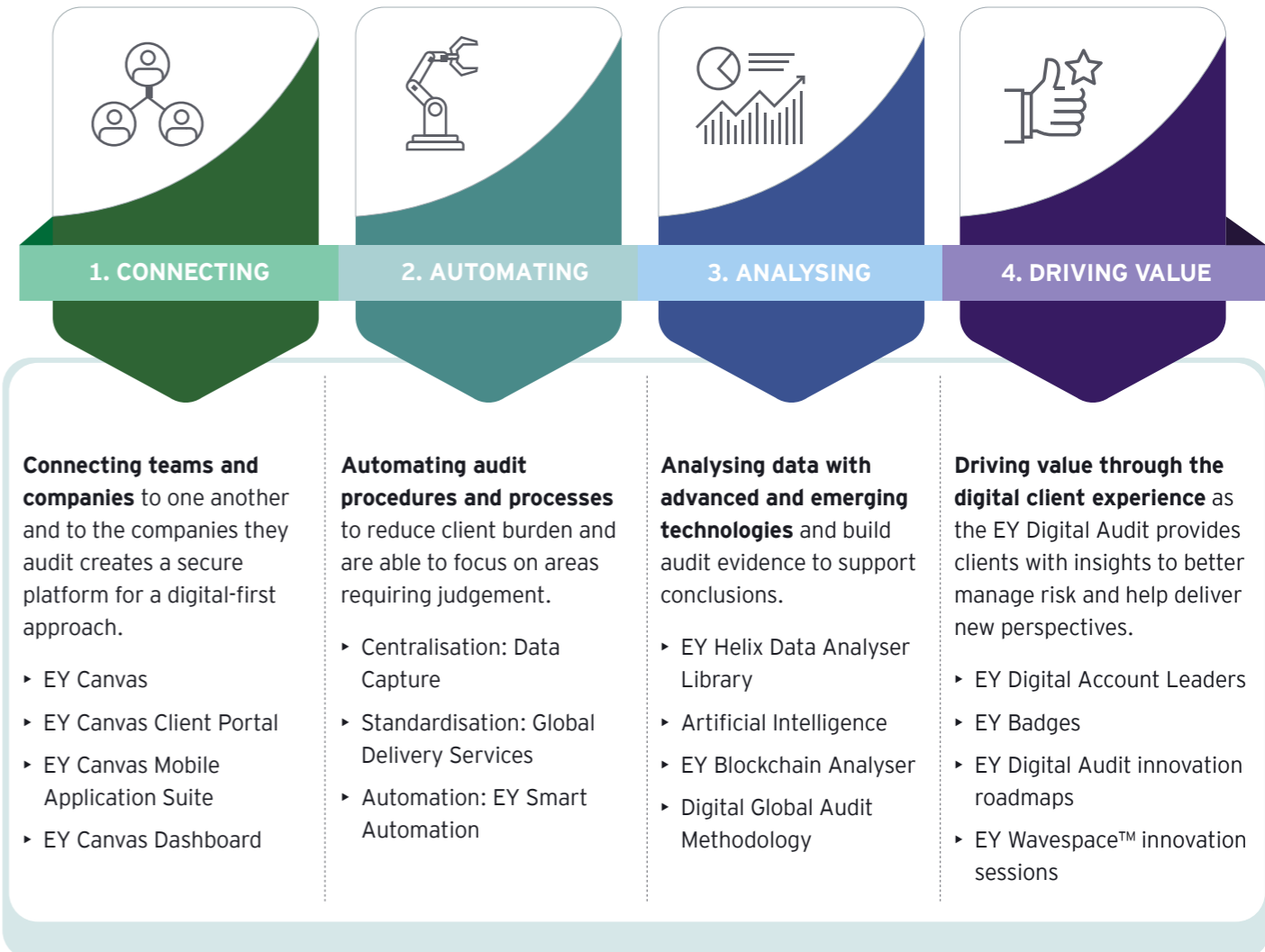
15. The Digital Audit

Our overall objective of using data analytics and technology is to provide a simpler, smarter audit that focusses on the areas that matter while delivering insight to unlock value. Our tools are not "nice to haves" - they are an integral part of our methodology and provide enhanced assurance. They aid in delivering greater audit efficiencies.

Summarised below are some of the key technology and data analytics tools that we use in our audits:

EY CANVAS	EY CLIENT PORTAL	EY HELIX
What is it?	What is it?	What is it?
<ul style="list-style-type: none"> ▶ Cloud-based global audit platform ▶ Project management tool ▶ Connected and automated 	<ul style="list-style-type: none"> ▶ Information exchange and project management ▶ Track and monitor progress of audit requests ▶ Cloud-based storage of information 	<ul style="list-style-type: none"> ▶ Analytics suite - audit procedures enabled with data analytics ▶ Greater confidence in financial reporting through population testing ▶ Better questions enabling audit focus

Our Digital Audit approach, the first connected data-driven audit is underpinned by a strategy built on the four key pillars of connecting, automating, analysing and driving value.



04

Highlights

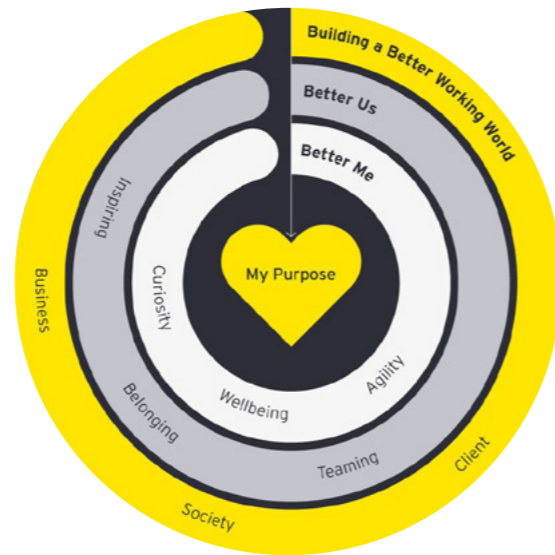
- ▶ Our culture is driven by our Transformative Leadership Model which has personal purpose at its heart.
- ▶ We continuously strive to build a culture which is deeply rooted in our values.
- ▶ Diversity, equity and inclusiveness is at the core of who we are, how we work and how we live our values.

Looking at

People and Culture



Our culture is driven by our Transformative Leadership Model which has personal purpose at its heart. It shows the way we are linking personal purpose through Better Me and Better Us to our organisational purpose of building a better working world. We continuously strive to build a culture which is deeply rooted in our values.

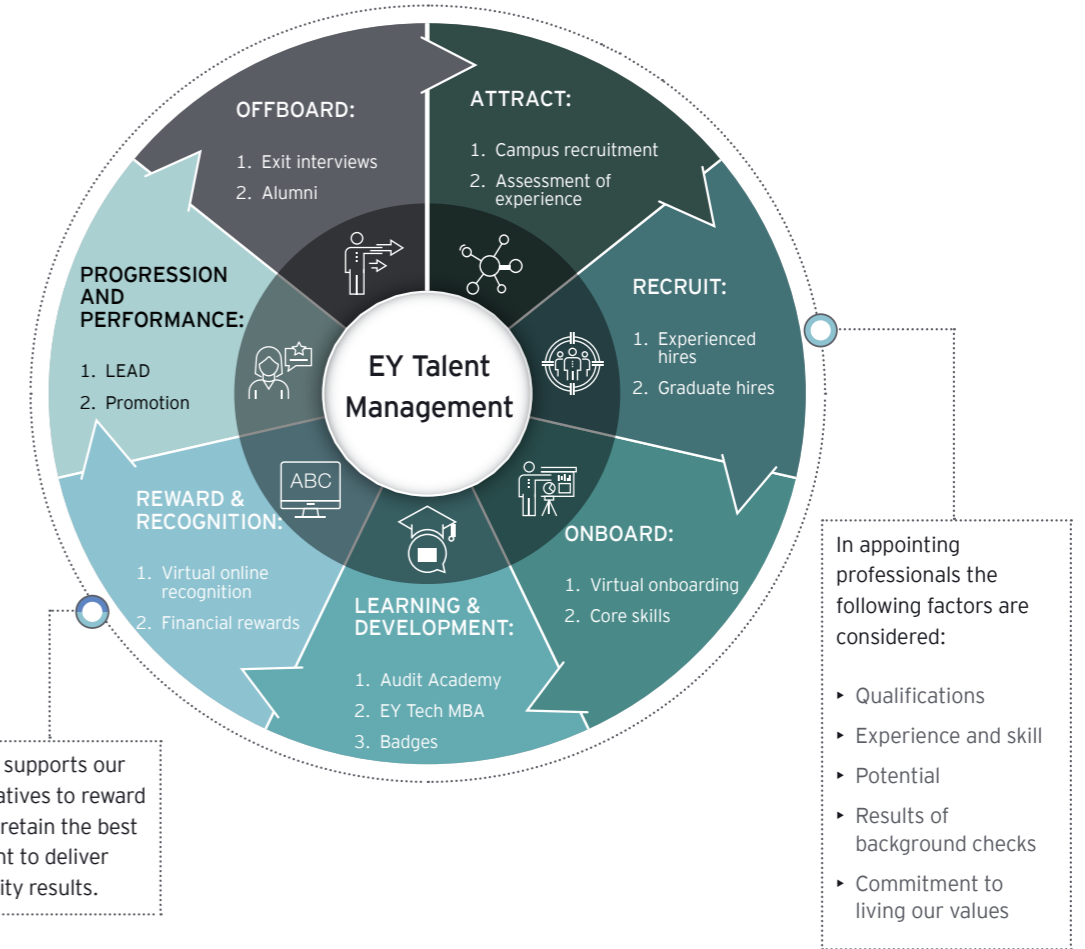


1. Talent Management

Our people are the at the heart of our success. We endeavour to attract, develop, deploy and retain the very best talent, and offer in return access to tools, experiences, learning, development, recognition, reward and many more opportunities to build a long-lasting, multi-faceted and rewarding career. Our goal is to create an exceptional employee experience via the provision of a diverse and inclusive culture, meaningful work supported by the best technology, and visible and strong leadership. Together, we continue to build an organisation surrounded by the

curious, united by purpose where we learn from the best while using technology to unlock our potential for our clients and society. All to build a better working world, together.

We look for technical excellence, strong communication skills, high ethical standards and the ability to collaborate in high-performing teams, in our candidates. All joiners are expected to live up to high standards of integrity, and to have strong business acumen and leadership potential.



2. Tools and Programmes that Build our Culture

Workforce Planning

Workforce planning enables us to understand, anticipate and lead the changes that will impact the profession. Planning tools enable the business to model different assumptions and identify the actions needed on both a short- and long-term basis. The tools help to connect the different talent initiatives, starting with recruitment - identifying the number of people and the skills required - and then linking to career development. This knowledge enables the EY organisation to offer meaningful career progression and opportunities.

Retaining high quality employees is a contributor to the delivery of high-quality audits. We are proud of the scope of work experiences that we offer to all our employees, across rank and job profile as well as the variety of opportunities from which they are able to choose. And it's this that affords our people the very real opportunity to construct their career journey to suit their own ambitions, at a pace that works for them.

Diversity and inclusion

Diversity, equity and inclusiveness is at the core of who we are, how we work and how we live our values. We hold a collective commitment to continue to nurture an environment where all differences are valued and practices are equitable. We are successful because of the inclusive culture we have built, where employees feel free to be themselves, feel a strong sense of belonging, and have equitable opportunities. This drives better decision-making, stimulates innovation and increases organisational agility and resilience.

To demonstrate our commitment, the EY Global Executive, the highest leadership body, signed the Global Executive Diversity, Equity and Inclusiveness Statement. Not only does this reinforce that DE&I is a key business lever, but it also ensures that we hold ourselves accountable for progress. To drive consistent progress around the world, we use the DE&I Roadmap and Culture Change Continuum; our approach and methodology for DE&I that sets out our journey.

Employee Wellbeing

Work-life balance is becoming increasingly important. People are now far more focussed on getting the balance right between their professional and personal lives. An increasingly important talent priority has therefore been a focus on wellbeing and improving the day-to-day experience of EY people. The better the organisation can support people's wellbeing, the more likely it is to provide them with compelling reasons to continue their career journey within the EY network.

The recently launched EY Global Wellbeing Strategy has as its overarching goal to embed a wellbeing culture through the commitment of leadership and the provision of appropriate resources and opportunities to achieve optimal health and performance. The aim is to increase job satisfaction, help people take care of themselves and be more effective.

Additionally, new entrants to the world of work are less likely to stay at the same organisation for their entire careers. Boosting retention, therefore, now means focusing more on the journey than the destination.

Learning and Development

Providing the framework for our employees to develop their skills is critical to ensuring that we enable our people to be future-ready.

Our Badges Learning Programme opens up a world of possibilities for our people to attain new future-fit skills that enables them to keep their skill sets updated. There are now five levels of badges i.e. learning, bronze, silver, gold and platinum. Each level has different requirements in learning and experiences, building our technology skillset and transformative mindset.

Sustainability is Everybody's Business

Understanding the issues at the heart of sustainability is critical if real change is to be achieved. That's why we continue to support EY people to build their understanding of the risks and opportunities for a net-zero emissions future, the environmental and social impacts of climate change, biodiversity, and other key issues.

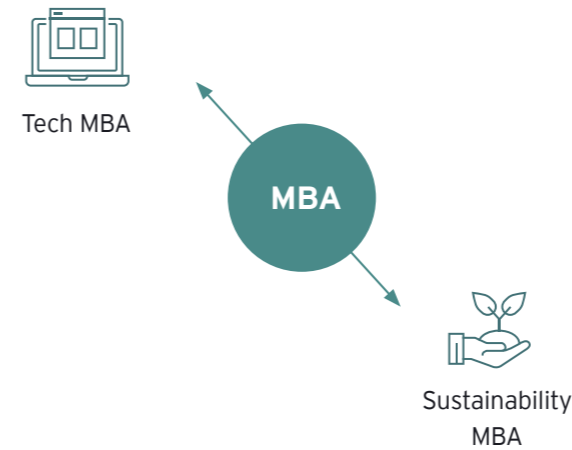
“
In FY22 EY people began more than 8,000 sustainability-related EY Badges, with 5,000 EY Badges awarded. In addition, about 1,000 badges were awarded to leaders across EY as part of a leadership education programme focusing on key sustainability themes and client issues.

The EY Masters in Sustainability by Hult launched in January 2022 and is available to all EY people. This programme is designed to equip participants with the knowledge and strategies they need to recommend sustainable choices and create long-term value for EY clients, people and society.

Leading through Technology

We are proud to have introduced the EY Tech MBA. This online qualification, awarded by Hult International Business School, is the first ever fully accredited corporate MBA. This marks a 'first' not just for us but for any large organisation. Hult is renowned for its skills-focused approach to education and commitment to practical learning, and is regularly ranked as one of the top business schools in the world. The EY Tech MBA is free to our employees. To earn the EY Tech MBA, employees will need to complete 16 Badges spanning three categories: Technology, Leadership, and Business – and prepare an insight paper for each as well as complete final projects.

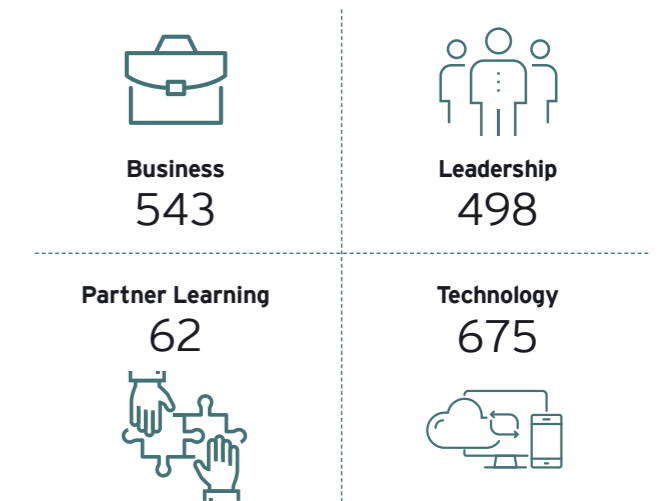
Future-proofing our workforce through two learning offerings:



LEAD

LEAD is our forward-looking approach to our employees' career, development and performance, which focuses on continuous feedback and results in better conversations. It is designed to support the growth and development of our people at all stages in their careers. Personal dashboards are populated with aggregated feedback, and this is used to determine employees' performance against the Leadership dimensions and against their peers.

1,778 badges were awarded in the following pillars:



Levels of badges awarded:

- Learning: 1641
- Bronze: 126
- Silver: 11

05

Highlights

- ▶ Our Ripples Programme provides our employees with opportunities for volunteer work via a number of initiatives around the world.
- ▶ NextGen is our flagship women's development programme and aims to develop the next generation of women leaders for Africa.

Looking at Social Impact



EY is committed to building trust in the capital markets, and having a positive impact on our communities and the planet.

Our social value initiatives are led by our Ripples programme, which provides our employees with opportunities for volunteer work via a number of initiatives around the world.

EY Ripples Junior Achievement South Africa Initiatives

Keeping in line with our purpose of building a better working world, EY South Africa first partnered with Junior Achievement South Africa in January 2019 the first throughout EY Africa. Junior Achievement South Africa is a member of Junior Achievement Worldwide, an international non-profit company operating in over 100 countries worldwide since 1919. Junior Achievement is a partnership between the business community, educators and volunteers, all working together to inspire young people to develop aspirations and reach their potential through hands-on, experiential programmes that teach young people the key concepts of work readiness, entrepreneurship and financial literacy all over the world. As part of EY Ripples initiatives, EY South Africa worked with Junior Achievement South Africa in FY22 to support the More than Money and Enterprise Programmes for learners with special needs at the GAP College.

The More than Money financial literacy Programme inspired 50 GAP students to make wise financial decisions and consider entrepreneurship as a viable career option. The programme involved learners taking up the savings challenge where they set saving goals and received money boxes to start saving towards their goal. A total of 18 students from then initial cohort also attended the Enterprise Programme and were equipped to successfully participate in the economy through employment or self-employment. As part of the training this group of learners set up and ran a business, they now have the option to continue with the business beyond the programme duration. JA South Africa went on to further train and mentor 8 GAP Educators to set up and run sustainable business ventures through the Youth Enterprise Development Programme intervention.

EY Ripples Business Clinics

EY Ripples Business clinics are interactive workshops which include practical training and coaching on a topic of interest to impact entrepreneurs. Focused on common topics of interest and barriers to growth, EY Business clinics are intensive half-day to one-day workshops designed to bring together groups of impact entrepreneurs, offering

a combination of practical training, peer discussion and individual and group mentoring. Business clinics present opportunities for EY people to share their skills, knowledge and experience with impact entrepreneurs who are working to tackle inequality and empowering people to change their lives by accelerating creation of quality jobs, especially in low-income or otherwise marginalised communities; providing opportunities for women, young people and other underrepresented groups to actively participate in the economy, and innovating products and services that help protect and restore the environment

Through the existing global relationship with our Supply Chain function, we were able to plan and deliver the clinics as annual offerings to Small and Medium Enterprises operation withing our communities. In FY22 we hosted 3 Business Clinics for entrepreneurs participating in the Innovating for Sustainable Growth Programme, which was designed to shift the mindsets of the entrepreneurs across Africa. While their journeys and experiences innovating differed, this series aimed to clarify the different types of innovation entrepreneurs could consider, how to innovate, and case studies of innovation successes and

failures regionally as well as the lessons from those. The series was meant to answer all of those questions and provide some inspiration to the entrepreneurs in the group; hence the business clinics were appreciated by 96 entrepreneurs that attended the programme. Another clinic for Meaningful Business 100 was facilitated fully virtually, followed by 2 hybrid Business Clinics delivered as part of the LGBTQ+ Business Summit hosted by EY namely in Preparing for Investment and Managing Your Finances to an audience of 42 entrepreneurs. Business Clinics remain a critical offering within our EY Ripples initiatives, and we continue to impact communities across the continent.

EY NextGen

NextGen is our flagship women's development programme and aims to develop the next generation of women leaders for Africa. The programme consists of 30 learners in each grade from 10, 11 and 12, chosen from select disadvantaged schools across Gauteng, KwaZulu-Natal and the Western Cape.

The programme currently consists of 318 young women from the school, university and alumni programmes. A dedicated team of EY South Africa

employees manage the programme, from design, to project management, communication and execution of the programme.

The objective of the programme is to empower and aid girls from disadvantaged backgrounds. More than academic and financial assistance, the programme strives to provide holistic development to the young girls to become well-rounded women leaders. From leadership skills training to academic tutoring and food parcels the programme is designed to increase their chances of success in the future. We also believe in uplifting the environment from which the girls come from and thus support extends to participants, their schools and their families.

Our leadership team remain key sponsors and advocates of this initiative, with direct involvement through knowledge sharing, coaching and mentoring during our leadership development programmes camps and funding. In addition, each school of the participants has been 'adopted' by EY South Africa, which regularly caters to the needs of the school and the community.

Success highlights of the NextGen programme include:

100%

pass rate at secondary school level - 9 consecutive years

100%

100% university entrance passes in 2021



The university students are studying a wide range of courses, such as:

- ▶ MBChB (Medicine);
- ▶ BSc Accounting;
- ▶ BCom Accounting;
- ▶ BCom Finance; and
- ▶ BCom Law



7 NextGen girls have joined EY South Africa as trainees in our audit business. The programme has also been adjusted to ensure we build pipeline so that we have young women with qualifications that are aligned with our business in order to provide more with training contracts and on the job experience.

An aerial photograph of a river with a yellow rectangular frame overlaid on the left side. The number '22' is printed in large white font on the right side of the image.

22

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organisation, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organisation, please visit ey.com.

© 2022 EYGM Limited.
All Rights Reserved.

Creative Services ref. 8305. Artwork by (Gumede).

This material has been prepared for general information purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice. The information contained herein has been prepared as of the current date, is of a general nature, and is not intended to address the circumstances nor needs of all individuals or entities. No one should act upon such information without obtaining appropriate professional advice. Although we endeavor to provide accurate and timely information at the current date, there can be no guarantee that such information will continue to be accurate in the future.

Ernst & Young Inc. is a South African company and a member firm of the Ernst & Young network of independent member affiliates with Ernst & Young Global Limited ("EYG"), each of which is a separate legal entity. EYG is a UK company limited by guarantee. EYG does not provide services to clients. For more information about our organisation, please visit ey.com

ey.com/en_za