

Africa Annual Review 2022



Solving important problems
with The New Equation

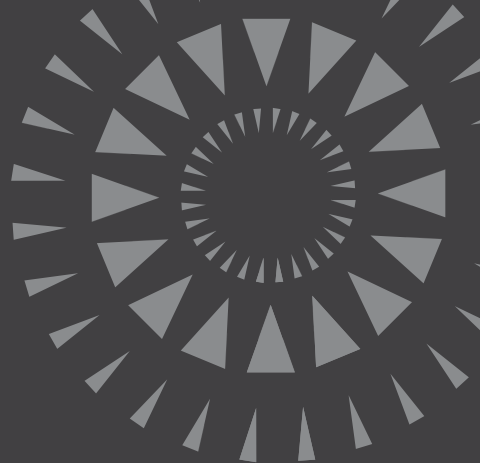


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Introduction

Welcome to our first PwC Africa Annual Review! Over the last year, the firms in our Sub-Saharan Africa region have worked together and with clients to deliver distinctive value. The COVID-19 pandemic was a learning experience for us, as it was for every other organisation. Other challenges like the war in Ukraine, climate change and elections have brought our resilience into sharp focus. We are facing the future with optimism, in large part because of our resilience and our vibrant community of PwC problem-solvers.

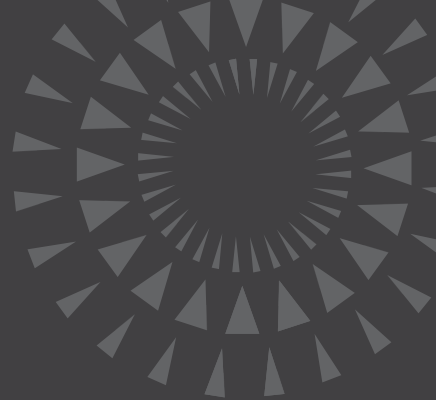
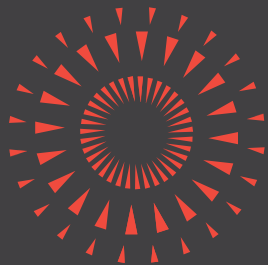
PwC Africa is proud to contribute to Africa's growth, not only through our core services such as audit and tax services, but increasingly through transformation through technology solutions and strategy services. In various ways, our services help to strengthen our clients' businesses and operations, building trust and helping them to grow sustainably and prepare for change. Our culture is a powerful motivator; our people are focused on building relationships founded on trust and delivering quality in everything that we do.

Looking forward, we know that trust is earned on a continuous basis. We are grateful for the trust that our clients and other stakeholders place in us. We're excited about the possibilities ahead and all of the ways that we can deliver sustained outcomes in the communities where we operate and also support our clients to build trust with their stakeholders.

Join me in touring the 2022 Africa Annual Review and let me know what you think.

Dion Shango
PwC Africa Territory Senior Partner





Shirley Machaba, Regional Senior
Partner, PwC South Market Area

Building trust for today and tomorrow

Organisations increasingly need to earn trust across a much wider range of issues, with a much broader group of stakeholders. Our formula for building trust is simple: we deliver bold ideas, solutions which are human-led and tech-powered and meaningful experiences that deliver real-life results. We know that people trust results more than promises; as employees, clients and stakeholders, they rely on us for sustainable outcomes. As companies continue building transparency and reliability into their everyday operations, we see them being recognised for more than reporting and compliance. They earn a reputation for providing clarity and building trust, even in the midst of disruption and change.



Uyi Akpata, Regional Senior Partner,
PwC West Market Area

Delivering sustained outcomes that make a difference

We have set ourselves the goal of helping our clients transform for enduring success. It's exciting and inspiring work and we are also leading from the front by digitising our business, investing in our people, focusing on ESG and driving business transformation. Digital transformation is about more than the technology; it's also about the work environment and embracing a new way of working. ESG transformation is an opportunity to redefine the challenges of today's business environment as opportunities for long-term and sustainable growth. Similarly, business transformation helps organisations like ours discover how their core business capabilities present opportunities for growth.



Peter Ngahu, Regional Senior Partner,
PwC East Market Area

Driving transformation and solving important problems

As a community of solvers, we believe that organisations like ours should play a significant role as problem-solvers, creating value in new and unexpected ways. Solving complex problems often results in sustainable business advantages and measurable value. The operational, cultural or financial benefits help to future-proof the organisation. To fully appreciate the complexity of the problems we need to help solve, we consider the impact on all stakeholders—from owners and employees to customers, suppliers and society at large.





The New Equation in Africa

The New Equation, PwC's landmark global strategy, is a response to the fundamental changes affecting organisations and society. The guiding principles that used to make sense have shifted — and opportunities and challenges can now also shift in the blink of an eye. The rules of the game are no longer obvious, and we are looking beyond today to deliver outcomes that continue to create value for our stakeholders: our people, our clients, and the communities where we live and work. Disruption is here to stay.

The New Equation is built on two interconnected needs: trust and sustained outcomes. To help our clients and stakeholders address these needs, we have committed to invest significantly in our community of solvers, a diverse team that is human-led, tech-enabled and prepared to solve important problems today and tomorrow.

PwC Africa's investment focuses on five main themes:

Trust and quality

In order to build and maintain trust with our clients and other stakeholders, quality must continue to underpin everything that we do. We invest consistently in our teams, methodology, tools and technologies that support quality.

People

Our people are our most valuable asset. Our strategy focuses on being human-led first. We remain committed to investing in PwC people and their careers, as well as the diversity that makes our community of solvers so vibrant and innovative.

Digital

Our strategy is human-led and tech-powered. Technology supports us in our work and the value we deliver to our clients. We inspire our people to help identify new ways of working through technology and innovation.

Sustained outcomes

Disruption is the new normal. We are investing significantly in people, technologies and skills in areas where we know we can help clients transform their organisations. These areas include tech-enabled transformation, ESG, value creation, cyber and international development.

Societal purpose

Building trust in society and solving important problems requires a holistic focus on the society and communities in which we operate. Our responsibility entails serving clients, strengthening bonds of trust with all stakeholders and contributing to society as a whole. Our societal purpose strategy ensures that we make a difference consistently.

Trust

The New Equation

Our business

At PwC, we bring together the collective skills of nearly 328,000 people across our expansive network of firms in 152 countries to solve for tomorrow. We strive to deliver high quality, innovative work that helps our clients build trust and deliver sustained outcomes. We work with the world's leading organisations on their most challenging strategic problems, helping them to build enduring success in a changing world. In Africa, we're the largest provider of professional services with over 450 partners and over 10,000 people in 32 countries.

Our purpose is to build trust in society and solve important problems. In an increasingly complex world, we help intricate systems - such as our legal, tax and economic systems - function, adapt and evolve so they can deliver sustained outcomes for communities and society.

Our values

We are purpose-led and values-driven. Our purpose is why we exist. Our values define how we behave. When working with our clients and our colleagues to build trust in society and solve important problems, we:



Reimagine the possible



Work together



Act with integrity



Care



Make a difference



Committed to quality

PwC's strategy, The New Equation, reflects our dedication to helping organisations build trust and deliver sustained outcomes. We understand that our services are valuable to stakeholders precisely because of our focus on quality. Delivering high-quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us.

Quality at PwC is about much more than complying with standards, policies and regulations; it's about being recognised by stakeholders for delivering quality outcomes and keeping the commitments we've made. For more information about how we manage risks to support our quality agenda, see [Risk Management].

Quality outcomes require the right culture, tone from the top, and a comprehensive system of quality management. And when we don't meet our quality standards, we learn from it, hold ourselves accountable, and work to get better. We constantly look for ways to enhance the quality of our work while meeting and seeking to exceed the expectations of our stakeholders. We're fostering a culture which emphasises that integrity and quality are everyone's responsibility.

Quality is fundamental to our business and all our operations across disciplines

Our strategy is enabled through our multidisciplinary model. Our integrated way of working is outcome focused, combining our deep expertise in audit, tax, compliance and a broad array of consulting areas. This includes specialty expertise in areas such as cybersecurity, cloud, legal, deals, digital transformation, and environmental, social and governance (ESG) issues just to name a few.

The quality of our work across the full range of our services has remained a core focus for us, both in terms of how best to monitor and manage quality. We expect local leadership to endorse our focus on quality through setting the right tone from the top and communicating expectations to our people.

Assurance services

Building trust in what matters

PwC's Assurance practice continues to enhance its performance to meet evolving expectations of quality and value. Assured information helps to build trust in capital markets and in companies' performance on key issues like sustainability. But to build trust effectively, assurance must be high quality. That's why we will continue on our path of continuous improvement in the quality of our audits, grounded in independence, ethics and professional standards. Along that path, we are also reimagining our role in building trust in what matters most to our clients and their stakeholders.

Audit quality in focus

Delivering quality audits is absolutely core to our purpose. We take any instance of a sub-standard audit seriously and we work hard to analyse the root cause of the issue, learn lessons and take the opportunity to enhance the quality of future audits. We reflect the importance of quality in the evaluation, recognition and accountability of the

relevant partners and leadership teams. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. We welcome the increased public focus on audit quality, and the dialogue about how auditors, preparers, investors and other stakeholders can work collaboratively to increase the level of confidence in financial and nonfinancial reporting. We've actively contributed to this debate with audit committees, boards, regulators and standard-setters.

PwC continues to publish our overall network internal inspection results for audit engagements. We're eager to continue engaging with others to share, listen and learn – while continuing to invest in enhancing the quality of every audit we undertake. We use a quality management framework based on clear objectives around audit quality supported by the global firm.

Our member firms deliver high-quality audit services through access to the necessary capabilities in terms of both people and technology. That's why our quality objectives focus on having the right capabilities — both at a member firm level and across our network — and on using these capabilities to meet our own standards and applicable professional requirements. These capabilities are best developed and used within a culture of quality in which leaders set the right tone and are role models for our values, starting by acting with integrity.

We continue to enhance our guidance and update our tools to support our engagement teams in addressing new and emerging risks and requirements as part of our audits.

Our internal inspections

Our Engagement Compliance Reviews (ECRs) are carried out by PwC member firms and include reviews of completed engagements. These periodic reviews are designed to determine whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. ECRs are led by experienced independent Assurance partners supported by independent teams of directors, senior managers and specialists. Review teams are resourced to reflect the specialist knowledge or experience needed to objectively assess the selected engagements and are independent from those who are either subject to the review or are potentially affected by the results.

Many member firms seek support from outside the member firm to maintain objectivity of the review team, but this does not create or imply transfer of responsibility for the ECR outside of the member firm. Review teams receive training to support them in fulfilling their responsibilities. They use a range of checklists and tools developed at the network level when conducting their reviews. Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of member firms' systems of quality management. We also look at the member firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

Tax and Legal Services quality

Our Tax and Legal Services are underpinned by our PwC purpose and values and our application of the principles of our PwC Global Tax Code of Conduct, with adherence to these principles supported by our Tax Policy Panels. Under our Code of Conduct:

- tax advice must be supported by a credible basis in tax law;
- no tax advice relies for its effectiveness on any tax authority having less than the relevant facts;
- tax advice is given in the context of the specific facts and circumstances;
- tax advice involves discussion of the wider considerations involved, as appropriate in the circumstances, including economic, commercial and reputational risks and consequences arising from the way stakeholders might view a particular course of action; and
- PwC firms advise clients of appropriate options available to them under the law, having regard to all of the principles contained in the Code.

Advisory quality

Our teams in Advisory rigorously strive to uncover new sources of value for clients through our deep expertise and extensive experience to help solve important problems and deliver sustained outcomes. With a foundation built on quality, our multidisciplinary model made up of a community of strategists and solvers is the way we work; it allows us to address market complexity and business challenges with world-class capabilities that deliver the measurable results our clients demand.

PwC's Advisory professionals address stakeholder expectations by following a comprehensive approach to enhance quality through three lenses:

- The quality of our people. We continuously upskill and invest in our people to create the right mixture of talent and culture to provide more value for our clients. Our people power the latest tools, technology and methodologies.
- The quality of delivery. We proactively identify, manage and mitigate risks associated with complex transformations. In addition, we use leading methodologies and automation to enable consistency, repeatability and quality to deliver excellence for our clients.
- The quality of client experience. Our people provide differentiated client experiences by harnessing data, technology, industry expertise and technical know-how.

To reinforce and enable our commitment to quality, we implement programmes designed to understand, monitor and promote quality across our projects. This includes ongoing reviews of our most significant projects to continuously evaluate and facilitate quality throughout the project, and to make sure we're delivering value to our clients.

In conclusion, quality is the bedrock of our success, our clients' trust in us, and our ability to help our clients build trust and achieve sustained outcomes.





Performance summary

For the 12 months ending 30 June 2022, PwC Africa revenues were up 3.72% on the prior year, with mixed performances across territories due to local economic and currency circumstances.

PwC Africa Net Revenues at FY22 constant average rates in \$'000"

	FY 2022 Actual	FY 2021 Actual	FY20 Actual	Growth FY22
Assurance	390,731	379,145	366,913	3.06% ↗
Advisory	120,624	111,786	118,895	7.91% ↗
Tax	85,619	84,632	89,990	1.17% ↗
Total LoS revenues	596,974	575,564	575,798	3.72% ↗

Advisory

As the market shifts, so do our clients' challenges and opportunities. Africa Advisory embarked on FY22 from a position of strength. Our Connected Execution delivery model, backed by The New Equation, heightened the focus on strategy-led, digitally-enabled, results-driven business transformation.

Our financial performance demonstrates our strong market position, despite the difficult economic climate. Our performance reflects our high-performing Consulting, Deals and Forensics teams who are relentlessly market focused and who bring together our digitally-enabled capabilities and solutions to make a meaningful difference to our clients.

Over the last year, we revised our quality review programme's in-flight review process and extended the involvement of our quality partners in our high-value, high-risk and complex engagements.

We further embedded our Connected Execution+ delivery model across Africa Advisory, working closely with our other lines of service. We elevated our market presence and captured a bigger share. We increased our win rate in our priority accounts and strengthened our relationship with our technology alliance partners.

One of the key highlights in digitising our business was the roll-out of digital accelerators and assets. We create visualisations for our clients and develop resellable digital solutions to share both internally and with our clients.

Our Africa Advisory University received overwhelmingly positive feedback from staff and the global team. The 849 participants and trainers collaborated to complete a total of 11,444 training hours during the experience.

In FY22, we prioritised the alignment and adoption of operational procedures and tools across Africa to achieve our commercial goals. Our focus on effective and efficient management means Africa Advisory consistently produces predictable results. We improved our margins through improvements in how we work and deliver, which we strategically reinvested to drive further growth in the market.



Assurance

Assurance delivered positive results in FY22, driven by our focus on quality, transforming the audit, developing our people, and embracing new technologies. Continued market focus by our partners and teams enabled revenue growth in a tough market. Audit remains the cornerstone of our brand and comprises a significant part of our Assurance business.

We experienced growth across all areas of the business – several major external audit wins and strong growth in other trust-based assurance services, in a time of uncertainty and ambiguity for our clients, contributed to the results.

Our commitment to quality is the foundational value of our strategy. We are making progress with our quality journey, supported by our culture, values and behaviours, and a strengthened system of quality management.

In the market, we continue to work with organisations that have recognised the need for professional services to help manage risks in a changed environment brought about by COVID-19 and other world events. We responded to high demand for services related to digital transformation, which allows companies to compete better in an economic environment that is constantly changing in response to technology evolutions. We also saw strong demand for our technology risk and transparency services, with organisations increasingly seeking external assurance over areas such as third-party relationships and cybersecurity risks. Furthermore, we have experienced an increased demand for our assurance services over non-financial information such as ESG disclosures and anticipate significant growth in this area in the future.

Our greatest asset and the success of our business is the brilliance and ongoing growth of our people. In addition to significant investments in digital upskilling, we have prioritised how we reward and recognise our people as key pillars of our business strategy.

COVID-19 created a challenging environment for African businesses, including our own. We are proud of the role our people played in helping our clients navigate successfully through this challenging time.



Tax

In line with The New Equation, we set out on a journey to enhance PwC Africa's leading position and market differentiation through the exceptional work that our people do across the continent every day. We supported our key stakeholders by providing insights and solutions to their most important problems ranging from tax compliance to dispute resolution, value creation, transformation, and tax policy engagements. Our aim is to enable our clients to do the right thing which in turn enables them to build trust with their stakeholders and deliver sustained outcomes.

In FY22, Tax and Legal Services delivered commendable financial performance given significant headwinds such as unprecedented staff changes, resourcing challenges, volatile market conditions and regulatory uncertainties. This will provide a solid basis for our ambitious future growth.

As we continue to build our capacity to navigate the exciting but challenging tax landscape, we are better prepared and positioned to bring The New Equation to life, not only within the firm but also for our clients, policymakers, and society at large. Across the African continent, there are growing opportunities in many areas such as tax controversy and dispute resolution, managed services, customs and international trade, digital services tax, ESG, tax policy, transfer pricing and NewLaw. These are expected to be the catalysts for our future growth and transformation.



Taxing the digital economy in Africa

The economies of the world are becoming more digital. This has added a layer of complexity for governments and businesses on the question of taxing digital supplies, especially where they cross borders. Africa is no stranger to the booming digital economy. For governments and revenue authorities seeking to bolster their revenue streams, the digital economy is a lucrative tax revenue opportunity.

Various African governments are legislating for the taxation of the digital economy through the introduction of Digital Services Tax (DST), a direct tax approach. Additionally, indirect taxes, in one form or another, have also either been implemented or are on the policymakers' radar.

PwC Africa remains at the forefront in helping shape the policies on the taxation of the digital economy and assisting clients to navigate the evolving taxation regime. Our focus remains making our clients aware of the tax developments on the continent to enable them to plan and manage their tax risks and obligations.

Visit our [Africa VAT Guide](#) for insight about Africa's evolving tax environments, published annually by PwC Africa.

– Job Kabochi, Africa Indirect Tax Services Leader, PwC Kenya

Governance, leadership and legal structure

Africa Governance Board

PwC firms in the South Market Area, West Market Area and East Market Area fall under the governance arrangements of the PwC Central and Southern Africa Joint Venture (“PwC Africa”). These governance arrangements are exercised by the Africa Governance Board, constituted in terms of the PwC Africa joint venture agreement, which details its powers and duties.

Africa Governance Board members are elected by the partners in each of the three market areas making up PwC Africa. The Chairman of the Governance Board is elected by the members of the Governance Board. It has several committees that act in accordance with the delegated authority of the Governance Board. The committees are accountable to the Governance Board and report to the members at each board meeting.

- 12 members
- Four scheduled meetings per annum (and ad-hoc meetings if required)
- Term of office: four years

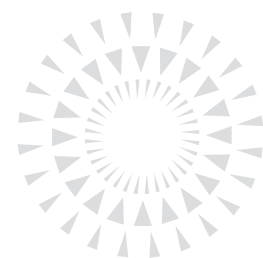
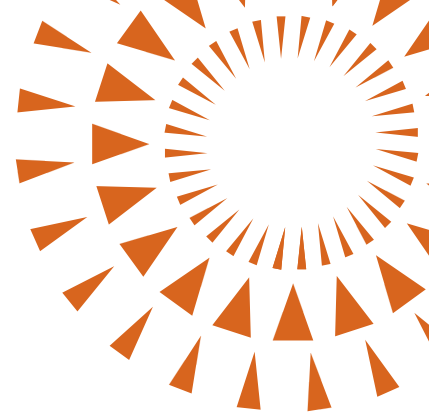


Anastacia Tshesane,
Governance Board Chairman

Anastacia Tshesane was elected as the firm’s new Africa Governance Board Chairman, effective 1 July 2022. Anastacia is the first female partner to be elected as Chairman of the Africa Governance Board. [Read more here.](#)

“We are thrilled at Anastacia’s election as Chairman of the PwC Africa Governance Board. Her skill sets, experience and values will stand her in good stead and equip her to be successful as Chairman of our Africa Governance Board. She has a great vision and understanding of the business, which is why we are confident she will provide the required governance oversight to enable the firm to operate on a path of trust and integrity, and make a meaningful contribution to society at large.”

— PwC Africa CEO, Dion Shango



Africa Leadership Team

Our Africa Leadership Team is led by our Territory Senior Partner, Dion Shango. The members are appointed by Dion and represent PwC Africa's three Market Areas and strategic functions including Lines of Service, Operations and strategic functional areas of our business.



Dion Shango

Territory Senior Partner for PwC's East, West and South Market regions in Africa, Johannesburg, PwC South Africa



Shirley Machaba

Chief Executive Officer - Southern Africa, Johannesburg, PwC South Africa



Uyi Akpata

Regional Senior Partner for PwC in West Africa, Lagos, PwC Nigeria



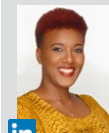
Peter Ngahu

Regional Senior Partner for PwC in East Africa, Nairobi, PwC Kenya



Johannes Grosskopf

Africa Chief Operating Officer, Johannesburg, PwC South Africa



Ayesha Bedwei Ibe

Partner, Africa Diversity and Inclusion Leader, Tax Leader, Ghana, PwC Ghana



Michal Kotze

Africa Clients and Markets Leader, Johannesburg, PwC South Africa



Vicki Myburgh

Partner, Risk Leader, Johannesburg, PwC South Africa



Corlia Volschenk

Africa People Leader, Johannesburg, PwC South Africa



Pieter Hough

Africa Assurance Leader, Johannesburg, PwC South Africa



Mark O'Flaherty

Africa Advisory leader, Johannesburg, PwC South Africa



Taiwo Oyedele

Africa Tax and Legal Services Leader, Lagos, PwC Nigeria



PwC South Africa Governing Board ("the Governing Board")

- 11 members (10 elected by partners and the Chief Executive Officers, serving ex officio)
- Four scheduled meetings per annum (and ad-hoc meetings if required)
- Term of office: four years

The members are elected by the partners of PwC South Africa and the Chairman of the Governing Board is elected by the members of the Governing Board. It is mainly responsible for overseeing, at a South Africa level, the implementation of the long - term strategies and business plans of PwC Africa.

Management Committee - South Market Area

- Members appointed by the Chief Executive Officer/Regional Senior Partner
- Eight scheduled meetings per annum
- Term of office: Four years

Management Committees - West Market Area, East Market Area

The Management Committees for each Market Area are accountable for their respective firms' results. Their principal responsibilities include creating, directing and overseeing strategy implementation, developing succession plans for leadership roles and ensuring regular and ongoing partner communication on the progress and performance of the Market Area's firms.

Uthman Mayanja,

Country Senior Partner, PwC Uganda

Uthman Mayanja was appointed as PwC Uganda's new Country Senior Partner, with effect from 1 January 2022. Uthman was previously the leader of the firm's Assurance line of service as well as a member of PwC's Assurance leadership team in PwC Africa's East Market Area.

"I am very happy to take on this new challenge at a very exciting time for our firm. I will be focusing on delivering PwC's global strategy, The New Equation, which focuses on two interconnected needs that most organisations face in the coming years: building trust across a wide range of areas that are important to stakeholders and delivering sustained outcomes in an environment where the risk of disruption is more intense than ever before.

"These interconnected needs are very relevant in Uganda, and I look forward to working with our clients, our people and other stakeholders to help deliver The New Equation strategy."

More information about Uthman's appointment is available [here](#). He shares his thoughts on sustainability and the importance of ESG in Uganda in [this point of view here](#).



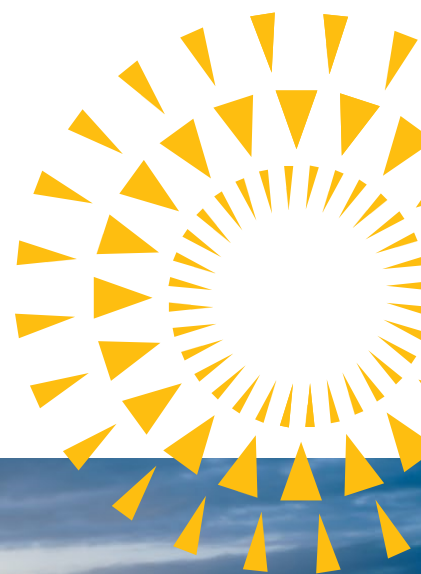
Legal structure

PwC refers to the international PwC network and/or one or more of its member firms, each of which is a separate legal entity.

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

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

In Central and Southern Africa, the individual member firms of 18 countries in the three market areas formed a joint venture, which we call PwC Africa. Each member of the joint venture remains a separate legal entity and contracts and delivers services as an independently owned, separate legal entity.



Risk management

The PwC network faces both familiar and new risks in the business environment: fractures in the global and local economy, political instability, and the pressing need to address climate change and its impacts. The tenets of our work – striving to deliver quality, legal and regulatory compliance, and our commitment to independence and objectivity – continue to be the foundation for how we recognise and respond to risks.

How we identify and manage key risks and engage with our stakeholders

Identifying, managing and planning for the mitigation of risk is an essential part of running any business. At PwC, we work with many organisations to help them deal with the growing risks they face in our increasingly complex world. We also invest significant time and resources in anticipating and managing risks to our own business.

At PwC, the Africa Governance Board provides oversight, review and approval of our network's enterprise risk management (ERM) approach and focus. The Africa Risk Council is responsible for monitoring key risks and responses, setting expectations for quality assurance, and overseeing compliance with network standards and policies (and the compliance monitoring process), as well as considering legal and regulatory requirements.

The Africa Leadership Team provides strategic direction (including in the area of ERM). The Chief Risk Officer (CRO) is responsible for risk management, including ERM.

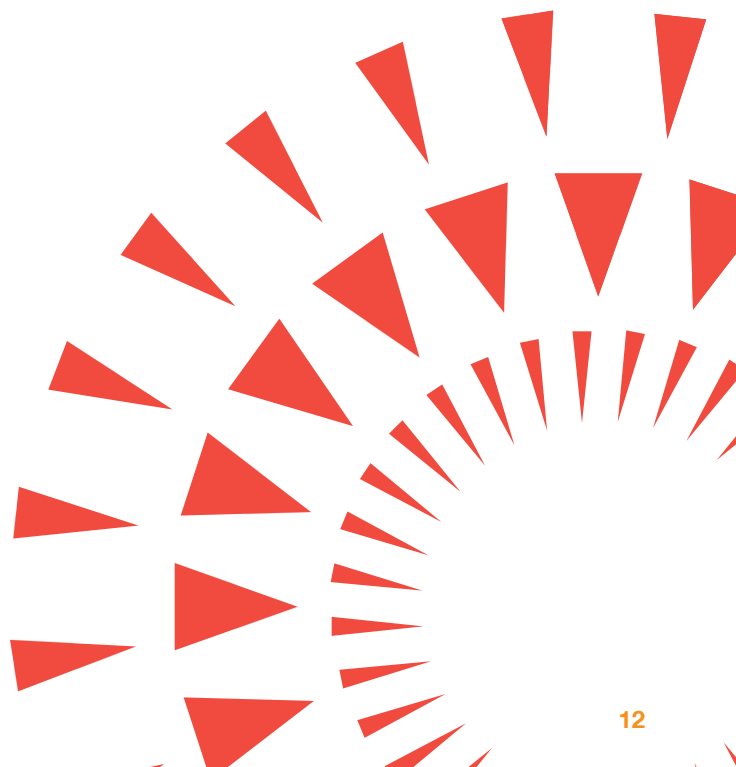
Members of the Africa Leadership Team work through and consider some of the most significant risks and set the guidelines for the compliance and monitoring associated with them. Line of service leaders are responsible for the monitoring and setting quality management systems within their own lines of service.

The PwC network and its member firms take a rigorous approach to ERM. The risks with the highest potential impact for the PwC network are identified on an annual basis. These key network risks (KNRs) and their related significant mitigation plans are reviewed by management and reported to the Africa Governance Board.

KNRs are risks which have the potential to either undermine the achievement of the network strategy and business objectives, or fundamentally damage the network and compromise its future.

In assessing the significance of risks, consideration is given to the impact on:

- Client and service quality, and the network's ability to fulfil its obligations to regulators, clients and stakeholders
- The confidence of clients and other key stakeholders (including regulators and governments) in PwC
- Legal and regulatory compliance across the network
- Achievement of the network strategy, including its purpose
- The ability of member firms to recruit and retain key talent
- Revenues across the network of firms.



PwC Africa's Key Network Risks

Societal trust and brand <p>Failure to anticipate, understand and respond to market and societal expectations and concerns, or to engage in the broader societal agenda, will erode trust in our profession and in our business and put the relevance and value of our brand at risk.</p>	ESG <p>Failure to review and consider the impact of climate change on the network and to prepare for its implications, including (i) the impact of physical risks and related disruption; (ii) the impact of transitional risks on certain clients, sectors, economies and on our services; and (iii) failure to meet network commitments related to climate.</p> <p>Failure to adequately respond to the growing importance of ESG within the corporate environment which negatively impacts perception of the firm, investment returns, brand strength and recognition.</p>	Geopolitical and macro-economic <p>Failure to adequately prepare and respond to risks relating to potential major shifts in the politics or the economy of the territory, downturn in global economic conditions, or uncertainty in future economic conditions and political destabilisation/geopolitical disruption within the territory and globally.</p>
Legal, compliance and regulatory <p>Failure to constructively engage wider stakeholder groups on our commitment to our purpose increases the risk of disruptive regulatory change. Such change could hamper our ability to deliver on our purpose and to operate in a sustainable way.</p>	People <p>Failure to attract, retain and develop diverse talent so that resources can be deployed rapidly in order to realise opportunities, meet clients' changing needs, make adequate plans for workforce-related changes such as automation, and train the talent to develop future leaders and deliver on The New Equation.</p>	Sustainable business (strategic execution and speed of response) <p>Failure to ensure relevance and meet client expectations due to incomplete implementation of core elements of our network strategy, including the inability to execute multiple priorities simultaneously.</p>
Investment needs and decisions <p>Failure to ensure sufficient investment in future growth areas and reinvestment in existing services.</p>	Purpose, values and behaviours <p>Failure to manage and comply with legal, ethical or professional requirements, including local policies and standards (including, where relevant, internal policies and standards) leading to regulatory action, litigation and/or significant conflicts of interest.</p> <p>Failure to embed our purpose in our strategy, and to ensure values and behaviours that support our purpose and our strategy are embedded consistently in our business model and in our decision-making will both prevent the achievement of our strategy and expose the network and our brand to reputational risk.</p>	Information and data <p>Failure to manage the security of firm or other client/customer information, causing legal, reputational or brand damage to the network.</p> <p>Failure to prepare for and respond to disruption, including bringing new services and solutions to the market with speed and agility.</p> <p>Failure to manage critical system availability, impacting the ability to service clients and manage the business.</p> <p>Failure to manage and maintain data in compliance with regulatory, legal and client requirements and in a manner that maintains the highest quality in order to drive value for PwC and its clients.</p>
BCM and physical security <p>Failure to withstand an economic, regulatory, operational or political shock, driven by inadequate contingency planning.</p>	Service quality <p>A significant failure in client acceptance or continuance, or management or service delivery quality in existing and new services with cross-border and network implications.</p>	Black and green swan events <p>Failure to prepare for events with network-wide implications in terms of immediate/disaster response, reputational damage or potential macroeconomic impact such as regulatory change, environmental events or macroeconomic disruption created by events such as a pandemic.</p>

As with most businesses, the most significant risks facing our network are relatively constant over time. They reflect risks that are inherent to the nature of our business and the external environment. The risks we face around ensuring the quality of our services, meeting our applicable legal obligations, and adhering to the professional regulations and standards under which we operate (including those related to auditor independence) remain as important as ever. The same goes for the security and resilience of our systems and technology infrastructure; the strength of the individual member firms that provide our global reach and capability; and our ability to recruit, retain and develop the staff both to service our existing clients and develop opportunities for growing the business.

The challenges we recognised in the [ADAPT framework](#) (increasing wealth disparity, technology disruption, demographic pressures, polarisation and a decrease in trust) continue to grow. They are increasingly changing the business context in which we operate and raising the impact and relevance of many of our KNRs.

We remain acutely aware of our impact on the world around us and the need to work with our stakeholders to manage those impacts more effectively. As a network, we recognise the existential threat posed by climate change, so we've added climate to our list of KNRs.

Material issues impacting stakeholders

The issues that are of concern to our key external stakeholders are assessed and taken into account as part of the process of identifying KNRs. These can be summarised as follows:

- The quality of work performed for clients and delivery of sustained outcomes.
- Our compliance with applicable laws, regulations, professional standards, rules, and internal policies. This includes our member firms' compliance with audit and assurance independence rules and regulations.
- Our ability to meet the evolving requirements of regulatory and public policy.
- Our member firms' compliance with applicable data management standards.
- Our member firms' ability to safeguard and manage data appropriately.
- The quality of our information and cybersecurity processes and procedures.
- The actions of our people and member firms aligning with our values and societal expectations.
- The resilience of member firms to withstand economic, regulatory and political shocks.
- The resilience of critical technology systems across our network and member firms.
- Our ability to attract, retain, train and deploy the right people to ensure high-quality delivery and innovation.
- The maintenance of the PwC brand and the confidence it gives to investors and clients in our work and deliverables.

Engaging with our stakeholders

PwC engages with stakeholders at both network and individual member firm levels.

Some examples of how PwC Africa engages are described below. These examples are by no means exhaustive. They are an indication of the many ways that we actively engage with our stakeholders on key issues throughout the course of the year.

- Our People: We engage with our people across the world, both locally and network-wide.
- Clients: We work with more than 10,000 organisations across the continent, ranging from individuals to the world's largest corporations.
- Standard setters: We actively participate in the process of commenting on both financial and nonfinancial reporting consultations.
- Regulators: We work closely with our regulators across the continent, particularly on efforts to enhance audit quality and support the effective operation of tax systems.
- Think tanks: Participating in discussions on key issues such as climate change and social inequality is a top priority for PwC and a key part of our work to fulfil our purpose.
- Investors: As the world's largest network of audit firms, we play a key role in the functioning of capital markets. Understanding the views and needs of investors is very important to us.
- Alumni: There are many thousands of PwC alumni across the world and they remain an important part of the PwC community.

PwC participates in public policy development in a variety of ways which are intended to complement the [PwC Purpose](#) to build trust and solve important problems. These include active participation in, for example:

- Standard-setter bodies such as the International Ethics Standards Board for Accountants (IESBA), and the International Auditing and Assurance Standards Board (IAASB)
- Regulatory and other standard setter consultations and comments on exposure drafts and draft regulations and standards
- Development of a wide variety of thought leadership

PwC supports policy development and thought leadership regarding important topical issues including climate, tax, financial reporting, accounting and auditing, broader business issues, the future of work, sustainability reporting and assurance, independence, inclusion and diversity, and use of emerging technologies.

All member firms are expected to follow global policies regarding conduct and compliance with regard to any public policy development or lobbying. By way of example, PwC has put in place a set of principles that our network expects to be followed by all firms when hiring a former government official or when someone from PwC takes a

senior post in government in order to avoid any potential for conflicts of interest. This covers not only organisations regarded as strictly governmental but also organisations that regulate or have public oversight of the professional services that we provide. The principles are intended to minimise potential conflicts and avoid the perception that confidences gained from one role could be used in another or for the advantage of a PwC firm.

Having a set of principles for use across the PwC network helps us take a consistent approach. In addition, member firms must follow any additional local laws or regulatory requirements with regard to participation in public policy development.

PwC's approach to client acceptance

We're implementing a new global, cloud-based technology to manage client and engagement acceptance and continuance across our network. This will help us make better decisions about who we choose to work for and the services we agree to provide. It will also help us to manage the risks associated with potential conflicts and, as a result, to continue to foster trust with our stakeholders.

The PwC ethics and compliance standards and policies set out how our member firms should mitigate the risk that they inadvertently become involved in actual or potential money-laundering activities. As most legislation on anti-money laundering is based on the Financial Action Task Force (FATF) recommendations, the PwC standard is consistent with these recommendations and the risk-based approach guidance for accountants.

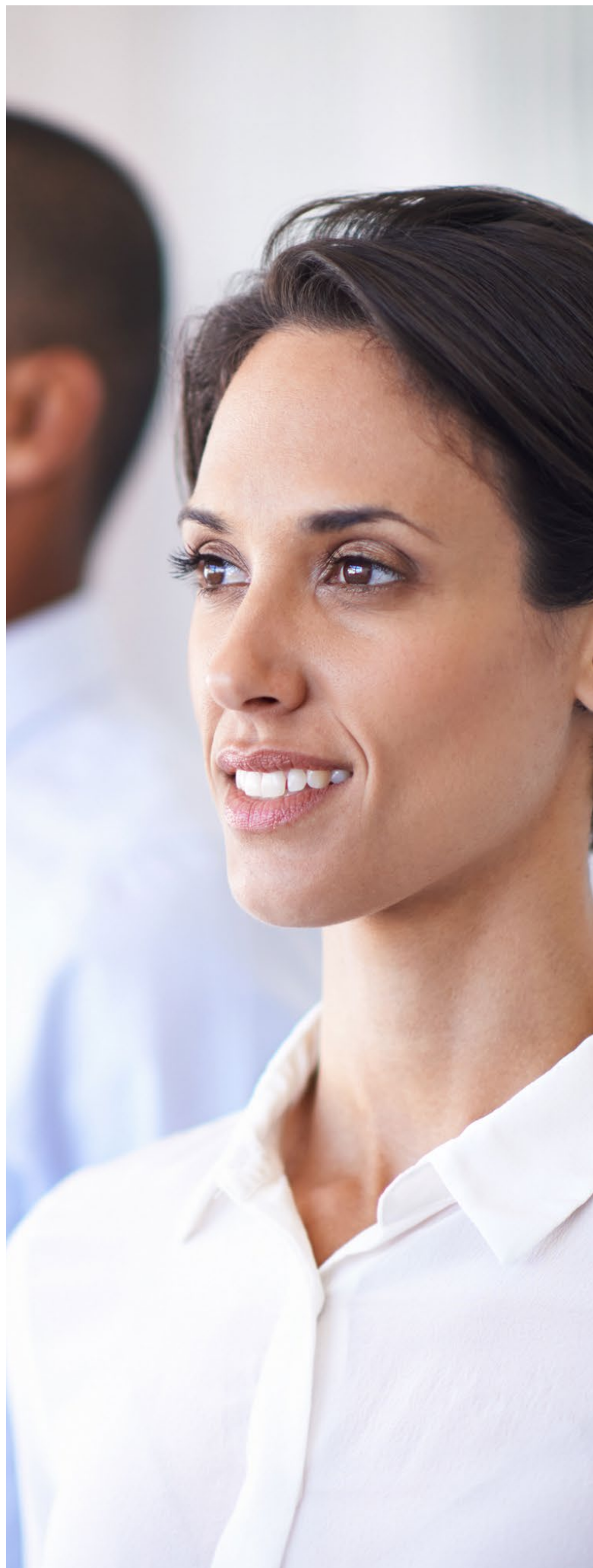
In addition to the PwC standards, member firms are required to comply with local laws and professional regulations.

The standards require each PwC member firm to establish systems, policies and procedures to mitigate the risk of being directly or indirectly involved in money laundering, terrorist financing, or financial crime more broadly. The specific standard requirements for each PwC member firm are described in the following section.

The standards also set out the core requirements and prohibitions for all PwC partners and staff. They make clear that engaging in money-laundering practices is illegal and unacceptable behaviour, and partners and staff have obligations to assist in the prevention of money laundering. Specifically, PwC partners and staff must:

- Establish their client's identity (including the identification of ultimate beneficial owners where required).
- Not provide any service, or enter into any business relationship, that could constitute them or a firm being directly or indirectly involved in money-laundering activities.

Our policy and guidance provide practical and detailed explanations that outline concepts such as when to do the checks and what to look for. Each member firm is required to establish a reporting procedure whereby any partner or staff member can report any knowledge or suspicion of money laundering.



Ethics and independence

Ethics codes and practices

At PwC, we adhere to the fundamental principles of ethics set out in the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), a standard-setting Board of the International Federation of Accountants. These are:



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



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



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



Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships. This includes not to disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, and not to use the information for the personal advantage of the professional accountant or third parties.



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

All member firms must also comply with our network standards, which cover a variety of areas related to ethics and compliance, including ethics and business conduct, independence, anti-money laundering, anti-trust and fair competition, anti-corruption, information protection, firms' and partners' taxes, sanctions laws, internal audit, and insider trading. We take compliance with these ethical concerns seriously, so we strive to embrace the spirit and not just the letter of these requirements. We expect all of our partners and staff to behave ethically. We require them to undertake annual mandatory training and submit annual confirmations of their individual compliance as part of our system to support appropriate understanding of the ethical requirements under which we operate.

Our partners and staff are expected to uphold and comply with our ethics standards. Each member firm is required to uphold the PwC values and PwC purpose. In addition, each member firm must adhere to the PwC network standards, including the [PwC Global Code of Conduct \(The Code\)](#) and related policies that clearly describe the behaviours expected of our partners and staff members. These behaviours enable us to build trust. Given the wide variety of situations that our professionals may face, our standards provide guidance for a broad range of circumstances - but all with a common goal: to do the right thing. All partners and staff are provided with the Code when they join PwC. They are expected to live by the values expressed in the Code over the course of their careers at PwC. They have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when they see any instances of behaviour inconsistent with the Code.

Each member firm has a confidential tier of the [PwC Ethics Helpline](#) and supporting case management system whereby any PwC partner, staff member or third party can report concerns

PwC's approach to anti-corruption

Corruption is at the centre of some of the world's most pressing problems. PwC is opposed to corruption in any form and recognises the importance of making smart choices when it comes to its business relationships. The PwC ethics and compliance standards and policies specifically set out how member firms are expected to identify and mitigate the risk of bribery and corruption in their activities. The standards require each member firm to establish systems, policies and procedures to prevent bribery and corruption. They set out specific requirements for each member firm, including:

- Appointing an experienced individual who, with appropriate leadership oversight, is responsible for implementing the standards' requirements.
- Annually preparing a risk assessment to evaluate (a) the level and type of risks the firm faces and (b) the policies and procedures the firm uses to comply with this standard and/or to respond to local risks.
- Training all personnel (including new joiners) annually on policies and guidance that apply locally and across our network.
- Taking steps to identify and resolve any departures from or violations of policies in place locally or across our network.
- Annually undertaking monitoring to assess compliance with these standards as well as policies and guidance that apply locally or across our network, and resolving any deficiencies, where identified.

Each year, all partners and staff at PwC member firms are required to sign a personal confirmation of their anti-corruption compliance.

Objectivity and independence

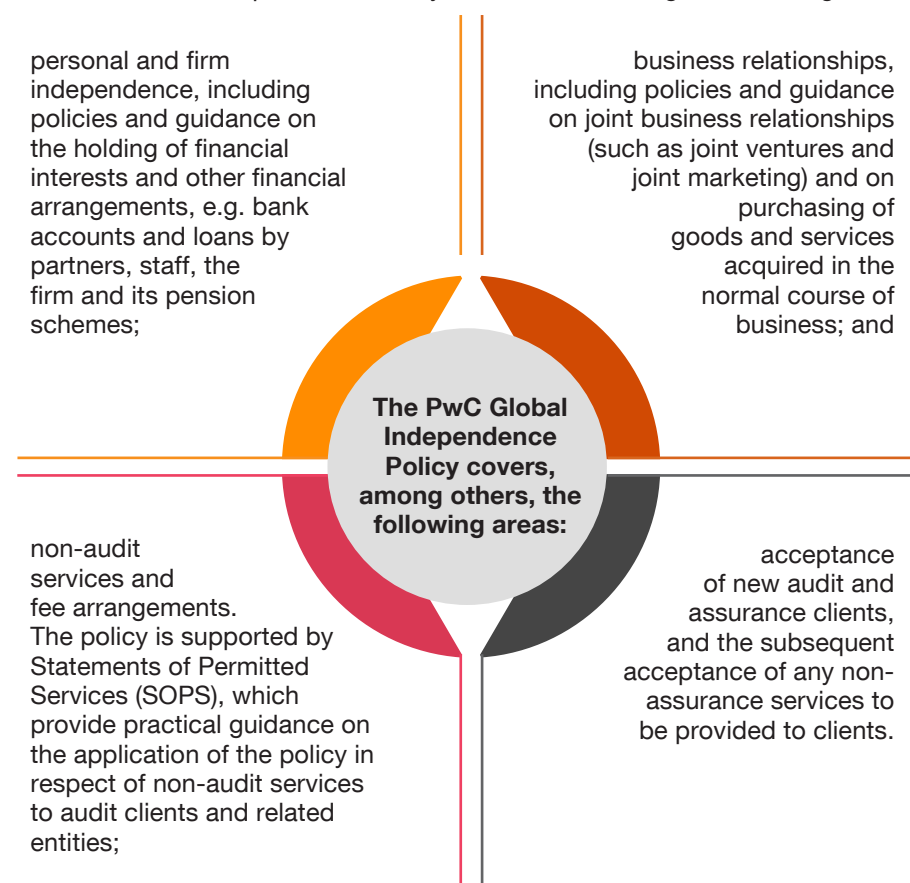
As auditors of financial statements and providers of other types of professional services, PwC member firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. Independence underpins these requirements in our work with assurance clients. Compliance with these principles is essential to serving the capital markets and our clients.

The PwC Global Independence Policy is based on the IESBA Code, supplemented by the independence requirements of the US Securities and Exchange Commission (SEC), the US Public Company Accounting Oversight Board (PCAOB), and the EU Audit Regulation of 16 April 2014. It contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients.

PwC Africa has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing. This partner is responsible for implementing the PwC Global Independence Policy, including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to the CRO, a member of the Africa Leadership Team.

Independence policies and practices

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



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

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

PwC Africa supplements the PwC Global Independence Policy as required by local regulations in cases where these requirements are more restrictive than the global policy.



Independence-related systems and tools

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

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC-restricted entities) as well as their related securities. The CES assists in determining the independence restriction status of clients of the member firm and those of other PwC member firms before entering into a new non-audit service or business relationship. This system also feeds the 'Independence Checkpoint' and Authorisation for Services.
- The Independence Checkpoint, which facilitates the pre-clearance of publicly traded securities by all partners and managerial practice staff before acquisition and is used to record their subsequent purchases and disposals. When a PwC member firm wins a new audit client, or a security otherwise becomes restricted (for example as the result of a corporate transaction), this system automatically informs any PwC partner or staff member holding securities in that client if they need to sell the security.
- Authorisation for Services (AFS), a global system that facilitates communication regarding a proposed non-audit service between a non-audit services engagement leader and the audit engagement leader, documents the analysis of any potential independence threats created by the service and proposed safeguards (where deemed necessary), and acts as a record of the audit partner's conclusion on the permissibility of the service.
- The Global Breaches Reporting System, which is used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code.
- The Global Joint Business Relationship system, which provides a standardised process and system for the assessment, approval and ongoing monitoring of joint business relationships.

We regularly update the systems and tools supporting compliance with our independence policies and procedures.

Independence training and confirmations

Consultation with independence specialists by engagement teams on independence issues is central to the PwC culture. Teams are encouraged to consult with independence specialists whenever a matter is complex or if there is any doubt about what to do.

PwC's processes are supported by comprehensive training of all partners and staff. Each member firm provides all partners and staff with annual or ongoing training in independence matters. This training is typically based around milestones related to a change in position or role, changes in policy or external regulation, and, as relevant, provision of services. Partners and staff receive computer-based training on independence policy and related topics. Additionally, training is delivered on an as-needed basis by independence specialists and risk and quality teams.

All partners and staff are required to complete an annual confirmation of their compliance with relevant aspects of the member firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships.

These annual confirmations are supplemented by periodic and ad-hoc engagement-level confirmations for certain clients.

Independence monitoring and disciplinary policy

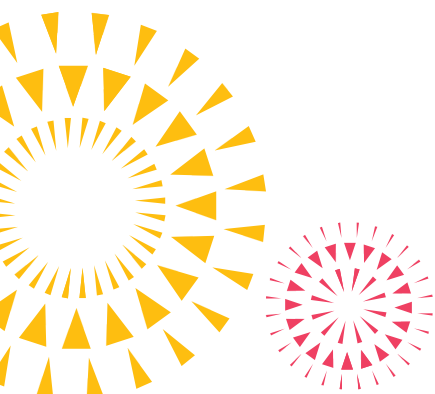
PwC Africa is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes.
- Personal independence compliance testing of a random selection of, at a minimum, partners, as a means of monitoring compliance with independence policies.
- An annual assessment of the firm's adherence to our network's standard on independence.

The results of PwC Africa's monitoring and testing are reported to the PwC Africa firm's management on a regular basis.

PwC Africa has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and require any breaches of independence requirements to be reported and addressed. This includes a discussion with the client's audit committee regarding the nature of a breach, an evaluation of the breach's impact on the independence of the firm and the engagement team, and the need for actions or safeguards to maintain objectivity.

Although most breaches do not adversely impact our objectivity and impartiality and may be attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for disciplinary measures, improvements in systems and processes, and for additional guidance and training.



Controls over non-audit services

Before providing non-audit services to entities that are subject to independence restrictions, all member firms are required to obtain authorisation from the group audit engagement partner responsible for services to that entity (or a related entity).

To promote understanding of the independence requirements that apply, PwC has developed a comprehensive set of policy and supplementary guidance documents that address the provision of non-audit services to audit clients and their related entities. These documents are based on the requirements of the IESBA Code, as well as the rules and standards issued by other regulatory authorities. Member firms supplement this with local Standards.

When our member firms are providing non-audit services to audit clients, they are allowed to provide only those non-audit services that are permissible under the applicable rules. In some instances, these non-audit services are required by law or regulations to be performed by the auditor. However, while we have controls in place regarding the provision of non-audit services to audit clients, we are also conscious of the threats to independence in appearance that can be created by providing non-audit services to our audit clients. So we assess this threat as part of our acceptance processes.

Our Network Risk Management Policy also requires that engagement teams who supply certain non-audit services for SEC-restricted entities obtain input from an independence specialist in our global Centre of Excellence (CoE).

Compliance review

PwC Africa has designed a system of quality management to ensure compliance with our network standards as well as local professional standards and regulations, including independence regulations. In accordance with the network standards, we also perform monitoring to assess our compliance. Additionally, the PwC network undertakes periodic reviews of compliance with professional standards and policies, including those relating to independence, through inspection activities. PwC Africa evaluates any departures from independence requirements in the PwC independence policies and/or external regulations to understand the root cause and impact of such exceptions, and undertakes any further remediation as appropriate.

Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high-quality culture. It holds partners accountable for quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC Network and our firm's standards and policies
- **Behaviours:** We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- **Interventions/recognition:** We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives



Confidentiality and information security

We know that it takes a lot of trust to share valuable information with us.

Trust starts with the individual: we train our staff in information security awareness and we educate them about data classification so that they know how to handle and protect data. At each PwC firm and at a network level, the necessary information security and access measures, including ongoing staff awareness programmes, are in place to ensure the safeguarding of our information against cyberthreats. At a leadership level, our Information Protection Leader is a member of the Africa Risk Council and is supported by the PwC Network Information Security Organisation which, together with the Information Protection Committee, provides oversight, policy and strategic direction on information risk and cybersecurity matters.

Our policies and procedures aim to ensure that:

- information is protected from internal and external threats,
- the confidentiality, availability and integrity of information is maintained,
- statutory regulatory and contractual obligations are met and
- access to confidential information is granted only for justified business needs.

All staff are required to complete an annual self-declaration of compliance with policies and procedures, and prior to client engagements, staff sign independence and code of conduct confirmations. Disciplinary action is taken in instances of non-compliance.

Our policies and standards are supported by ongoing compliance monitoring, carried out by PwC Africa's Internal Audit and Compliance teams and supplemented with checks by the PwC Network Information Security Organisation. To comply with local data privacy laws and the General Data Protection Regulation (GDPR), we developed a Privacy Information Management System which provides the standard for data privacy controls and is ISO 27701-certified. Our ISO/IEC 27001:2013 certification is subject to annual external independent assessment.

Our incident reporting and response procedures seek to minimise the impact of any potential data loss. These procedures include notifying clients when it is known that their data is at risk and, where appropriate and feasible, taking corrective action.





Sustained Outcomes

Sustained outcomes

Disruption is the new normal. Our clients need imaginative solutions to face this disruption and turn it into an opportunity. We are focused on investing in areas that will support our clients to transform their businesses so that they can build trust with — and deliver sustained outcomes for — their stakeholders. Transformation will help companies remain resilient and stable during turbulent times.

We are investing significantly in these areas of our business to support our clients in their transformation journeys:

- Value creation
- International development
- Cybersecurity
- Technology-enabled transformation
- ESG
- New world. New skills.

Whether clients plan to transform through value creation in deals or tech enablement, we have the right skills and expertise to support them in that journey. We not only focus on delivering the specific solution required; we also think about the solutions holistically. We are investing in the areas of environmental, social and governance (ESG) to ensure that we are helping clients transform their business while meeting heightened ESG expectations from stakeholders. We also apply risk considerations such as an increased investment in our cyber practice to help clients manage risk while they digitise their business.

Lastly, we wouldn't be supporting the transformation journey if we didn't consider the transformation of our continent as well. Many donors are looking to support Africa but require teams to support long-term projects. We are investing in our international development team so that we can continue to build trust in society and solve important problems.





Unlocking opportunities in Ethiopia

The global economic slowdown due to the COVID-19 pandemic did not spare the Horn of Africa's most populous nation. Ethiopia, with a population of 120 million, was also faced with internal political and security challenges which further impeded its decade-long rapid economic growth.

Recent developments in the predominantly state-controlled market show that the country is back on track to fulfil its homegrown economic reform agenda, a government-led action plan to ease macroeconomic constraints through robust structural and sectoral reforms. Recently, we were proud to witness the emergence of Ethiopia's newly-liberalised telecom sector and significant interest amongst investors. This year, efforts are underway to launch Africa's next securities exchange: the Ethiopian Securities Exchange (ESX).

The opportunities in the digitisation and technology transformation space are endless, as banks and mobile money operators look to modernise the country's financial systems. Financial reporting and transactions advisory will play a critical role as state-owned enterprises (SOEs) gear up for partial privatisation. On the horizon, more established SOEs such as Ethiopian Airlines and Ethiopian Shipping Lines will continue to lead in their respective industries even as sector restrictions are eased.

With a booming new market comes an invaluable opportunity to forge meaningful partnerships. Our approach remains to stay competitive while building trust with market drivers and industry leaders who share our common values and mutual interests. Our investment in relevant capabilities will increase our market coverage to bring sustained outcomes and innovative solutions to Ethiopia and beyond.

– **Anthony Murage, Partner and Capital Markets Leader, PwC Kenya**

– **Rebecca Araya, Manager, Clients and Markets Development, PwC Kenya**

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Delivering effective and sustainable impact in the communities in which we operate is fundamental to our firm. Zambia and society at large have experienced significant disruptions in the face of the COVID-19 pandemic. It was a great challenge to our economy and, by extension, to the quality of individual livelihoods.

We made it a priority to be available to stakeholders by providing advice and solutions relating to the most urgent issues affecting our communities. It's the least we could do to help our country navigate one of the greatest challenges of our time.

– **Andrew Chibuye, Country Senior Partner Zambia**

Value creation

As businesses around the world continue to adapt to new and unprecedented challenges, the traditional view of value is due for an overhaul. But in pursuing a holistic transformation, which levers of growth should businesses pull to achieve long-term, sustained outcomes?

As part of a potential acquisition or divestiture or to improve enterprise performance, a value creation mindset goes beyond the expected to reveal untapped sources of growth.

Value creation is not an offering or a solution. It is a mindset focussed on value creation, not value critique, of thinking about opportunities rather than downsides. With this mindset we encourage our Deals practitioners to focus their client discussions on things that really drive a company's value and on understanding the levers that can maximise these drivers of value.

The impact it can have

We help organisations *execute successful deals and create value* through mergers, acquisitions, disposals and restructuring. As a Deals team we have the opportunity to apply the value creation mindset in three key situations:

Enhance the value of the business in the 'hold' period

Bringing a robust Private Equity lens (Outside-in view)



Sell better

Enhance the value on exit and increase execution certainty by applying a buyer's lens early on



Buy better

Pay the right amount for the asset, supported by a comprehensive value creation plan pre-deal



Deals lens

During a deal or transaction

We help clients create new approaches to value creation by exploring financial, operational, and more unconventional angles. From bolstering ESG frameworks to making businesses more resilient, we deliver new approaches to value creation. We look holistically at all aspects of an organisation's performance to propose enterprise-wide transformation initiatives or smaller scale optimisation programmes and quick wins.

Driven by data, our tech-powered teams use cutting-edge analytics to build scenarios that hold the mirror to past business performance, offer new perspectives to existing challenges and test or challenge long-standing business practices. Our expertise in finance, operations, deals, strategy, tax and accounting enables us to go wide and take the long view to ensure your business is positioned to deliver sustained outcomes for the future.

[Read more](#) about how we create insights to inform strategic decision making.

What the future holds

For businesses looking for innovative growth solutions, it's no longer enough to focus on financial drivers of value alone. To create, protect and sustain enterprise value, executives must do more—and consider both a diverse set of stakeholders and a broad set of intangible considerations such as resilience, societal changes and ESG opportunities.

In these uncertain times value creation, whether in M&A or in the normal course of business, is now more important than ever before. Since the inception of the value creation framework, the value bridge has evolved to incorporate value preservation, an enhanced focus on capital allocation/portfolio strategy, and also the 'multiple impact' scenario, which includes ESG and non-traditional sources of value.





Value creation is not an offering or a solution.

It is a mindset. At PwC Africa, we look holistically at all aspects of an organisation's performance to propose enterprise-wide transformation initiatives or smaller scale optimisation programmes and quick wins.

To create, protect and sustain enterprise value, executives must do more—and consider both a diverse set of stakeholders and a broad set of intangible considerations such as resilience, societal changes and ESG opportunities.

– Robert Beighton, Deal Strategy Lead, PwC South Africa



Emerging from COVID-19 – An East African deals perspective

The world has gone through several unprecedented twists and turns since the COVID-19 pandemic first presented itself, and just as we began to recover, the Russia-Ukraine conflict emerged. The effects of the pandemic were truly global, unlike previous crises that had a delayed or limited impact on the African continent. East Africa was not spared, and the region has borne the full brunt of global supply chain challenges, inflation and an increase in energy costs.

The deals landscape has been buzzing since global travel and movement restrictions were lifted. Linked with the effects of the pandemic, investments in healthcare are trending, across the spectrum from primary healthcare to technology-enabled healthcare solutions and platforms. In fact, technology overall has attracted significant interest, with investments directed into ecommerce platforms and marketplaces, fintechs, and digital payments. Constrained lending from commercial banks led to growth in the digital lending market, which has also attracted its fair share of investments, coupled with increased regulatory scrutiny.

As governments balance their books and better understand their commitments to bilateral and multilateral partners, the infrastructure market has begun to reemerge, with renewed and increased interest in renewable energy and climate resilient infrastructure, also catalysed by the ESG agenda.

The region has begun to rise again and will certainly cement its reputation as one of Africa's most attractive investment destinations, underpinned by its stability, diversified economies and technology-literate population.

– Isaac Otolo, Deals Transaction Advisory Leader, PwC Kenya

International development

While significant strides have been made in recent years, Africa continues to face complex development challenges. The lasting impact of the COVID-19 health crisis, the compounding impacts of climate change and rising debt levels impose an urgency to address the economic, environmental and social risks faced by African populations today.

The international development community has a key role to play in supporting Africa's growth and strengthening its resilience for the future. Supporting growth and resilience is at the heart of PwC's societal purpose strategy and we are committed to helping donors and governments navigate these complexities:

- **Economic transformation:** Diversifying away from carbon-intensive industries, attracting investment, facilitating trade and creating inclusive and equitable opportunities.
- **Health:** Transforming the way healthcare is delivered to improve the quality, accessibility and affordability of healthcare services.
- **Climate change and resilience:** Supporting local actors in preparing for the impacts of climate change, ensuring their resilience to unforeseen events and mitigating the risk of biodiversity loss.
- **Infrastructure and cities:** Supporting our clients through every stage of their capital and infrastructure projects as enablers for economic growth, sustainability and peace.
- **Education:** Driving innovative and meaningful change for learners, teachers and their communities by enhancing access to basic services and quality education.

As a community of solvers, PwC Africa's International Development practice is uniquely placed to support international donors and African governments in achieving inclusive and sustainable development outcomes. In the spirit of building trust, we've designed world-class programme management capabilities that promote transparency and flexible delivery to improve the effectiveness of development assistance.



PwC South Africa supports water infrastructure as implementing agent

An example of a project which aimed to achieve social transformation through collaboration is the Municipal Water Project in Limpopo, South Africa. We were appointed as the implementing agent for bulk water resources infrastructure in the Limpopo province, supplying potable water to 380,000 people in the Sekhukhune district municipality and Mogalakwena local municipality.

Collaboration and strong relationships between the public and private sector have been and will continue to be key for the successful roll-out of the infrastructure and associated socio-economic development programmes as well as the future prosperity of the region.

– **Nino Manus, Advisory Partner, PwC South Africa**



CEOs across most industries, both globally and in Africa, view cybersecurity as a top ten business risk. Current and emerging cybersecurity threats have had devastating consequences for many organisations, resulting in multi-million dollar losses and reputational damage. In many cases, the risks are exacerbated by ransomware (particularly using current affairs as click bait), third party/vendor security, supply-chain attacks and phishing/impersonation and other social engineering techniques.

According to *PwC's 2022 Global Digital Trust Insights* survey, organisations with the most advanced practices are twice as likely to have made significant progress in cybersecurity over the last two years.

Companies can build trust and deliver sustained outcomes in cyber with these strategies:

- **Embracing digital transformation with confidence.** Securing new digital assets and the critical customer information they process without slowing down the pace of innovation.
- **Reducing risk.** Rapidly reducing the exposure to evolving cyber threats that can materially impact their client operations and damage their reputation.
- **Managing cost.** Securing their organisation and protecting their customers in an increasingly complex business ecosystem at an affordable cost.
- **Improving operational resilience.** Building a technology enterprise that can withstand cyber attacks or rapid shifts without compromising security.

PwC Africa's team of cybersecurity professionals have deep technical experience in helping clients navigate their most significant cybersecurity risks. What really sets our team apart is our depth of local capability, which is closely connected with our network capabilities, enabling us to bring leading practice and thinking to our clients. Our local presence means we respond with speed, understand local risks and regulations, can adapt global leading practices to local constraints (people, budgets, etc.) and drive the most value.

We offer a comprehensive suite of services, focused on collaboration and problem-solving:

- **Strategy and transformation** helps organisations define a cyber strategy that identifies security weaknesses, requiring controls to be embedded in the business to address cybersecurity threats.
- **Technology implementation** supports the deployment of cyber technologies to detect cyber attacks.
- **Managed services** provides constant cyber threat monitoring and protection services.
- **Privacy services** help clients improve their data privacy and security controls to comply with local and global privacy regulations.
- **Offensive security** helps clients identify technologies that are not secure and in turn vulnerable to being exploited. This capability also involves supporting our clients during a breach or crisis.



From value protection to value creation

A leading financial institution that operates in a hyper-connected environment wanted to enhance its resilience capabilities, notably with regard to emerging risks such as cyber threats. The institution engaged PwC to conduct a cyber offensive exercise to assess the extent to which the organisation could withstand a cyber attack from real-life adversaries. The exercise evolved from a tactical one-off service into a full-blown cyber strategic transformation programme over three years.

Working together with the institution, our focus was not only to reduce current cyber risks, but also to implement sustainable improvements, improve resilience and innovate the business securely for the digital future. Our approach included:

- establishing and enabling trust through risk-oriented solutions, while enabling growth and being compliant to regulations and leading standards;
- promoting technology and operational resilience to prepare for, respond to and emerge stronger from disruptive events and protect critical assets; and
- enabling the business' security by staying on top of threats and capturing the benefits of digital transformation.

We help clients like this financial institution to digitise, grow and secure their organisations, to build resilience and be cyber-ready for the unexpected.

– **Vikas Sharma, Cybersecurity and Privacy Leader, PwC Africa**

Technology-enabled transformation

Technology often drives and enables large-scale transformations. PwC's business technologists work with organisations to interpret and describe their transformational visions, ensuring that their overall strategy is fit for growth and future-proof. We help to enhance digital strategies, aligning them with business objectives and leveraging emerging technologies to deliver on these business objectives. We also support implementation journeys to ensure return on investment.

With a deep understanding of their application portfolio and a clear view of end-to-end IT and connected business services within the scope of transformation, we support sustained outcomes including greater enterprise agility.

We also assist organisations to manage their more complex systems integration challenges and their technology organisation and portfolio of technology assets. Our technology capabilities extend from open source development to large scale technology-enabled business transformations underpinned by our global alliances' infrastructure and solutions. Our global alliances include SAP, Microsoft, Salesforce, Workday, Oracle, Guidewire, AWS and Google.

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Technology strategy supports a South African insurer's transformation

PwC South Africa's Technology Consulting team assisted a leading South African insurer experiencing pervasive technology disruption issues, poor progress against technology transformation goals and continued reliance on manual processes. Change management had suffered from a lack of a consolidated roadmap and technology delivery was confined to silos in the business.

We designed and specified the target architecture and a transformation roadmap, providing the client with a consolidated view and delivering resolutions to stability issues and more clarity on the transformation journey.

Working with the client, we facilitated a strategy validation exercise and the development of the supporting technology strategy. We also facilitated the development of a set of target architecture options that enables the critical business capabilities and addresses known constraints and issues within the business. Additionally, we completed an exercise to rebase the IT costs to support the strategy and delivered the architecture transformation roadmap and supporting technology organisation transformation roadmap.

Ultimately, the architectural roadmap allowed the client to plan certain initiatives based on recommendations. The client selected a set of specific initiatives including the modernisation of their claims capability for which PwC was the implementation partner.

**– Riaan Singh, Partner, Digital Transformation Solutions,
PwC South Africa**



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Digital transformation drives value for PwC's clients in Nigeria

We helped one of the leading Nigerian financial services groups improve its use of technology to achieve its objectives. This group includes companies and brands across insurance, trusts, pensions, real estate, securities and financial advisory. We developed an enterprise and group-wide digital transformation strategy for the client.

We performed a digital maturity assessment across the corporate strategy, customer offering, information, people, technology and operations dimensions. This digital transformation strategy included detailed initiatives, roadmaps, technology solutions and recommendations.

Separately, one of the foremost law firms in Nigeria wanted to improve its use of digital technology to drive efficiency, improve client engagement and grow the firm. We implemented a digital transformation strategy and implementation roadmap to chart the use of technology to achieve organisational objectives for the present and into the future.

We understand the strength that comes from combining people and technology to help our clients realise greater value. Leveraging our Experience Centre in Lagos — a state-of-the-art, experiential, interactive and innovation adoption space — and living our purpose, we are actively enabling our clients and stakeholders to build trust and deliver sustainable outcomes in line with The New Equation.

– Femi Osinubi, Partner and West Africa Technology Leader, PwC Nigeria



Environmental, Social, Governance (ESG)

At PwC, we work with our clients to help transform their businesses. One of the ways that we do this is by embedding ESG aspects into their everyday operations, while guiding them to make the right choices for the operating context of the future. Our view is that African companies should integrate ESG considerations into their corporate and investment initiatives and activities, and internalise ESG holistically to build trust and ensure long-term sustainability, agility, and competitiveness. Our latest [Africa-focussed ESG report](#) outlines practical steps that African companies can take to address these and other challenges, and ensure their actions speak louder than words.

We actively advocate for globally aligned ESG reporting and performance standards to drive consistency, [trust and transparency](#), and help our clients to exceed those standards through integrated projects driven by their business strategies and operating models. Project outcomes and recommendations include practical steps clients can take, such as [building ESG targets into executive remuneration](#) and introducing modelling tools and metrics to measure [climate risk](#).

Organisations cannot succeed in a society that fails; similarly, addressing inequalities in society is central to achieving [sustainable economic growth](#). The imperative for a [social licence to operate](#) requires our clients to define and implement effective strategies to address stakeholder interest and expectations by taking into account the socio-economic context in which businesses operate. This calls for an [inclusive and just transition](#) to our net zero targets through cross-sectoral collaboration, and includes co-creating innovative and [sustainable finance](#) alternatives for energy transition and water infrastructure projects.

Our community of solvers has a broad range of skills required to address complex challenges, and we help clients to integrate ESG into their strategy, transform their businesses and reporting, and deliver trusted ESG performance. The team in Africa includes experienced specialists in environmental science, economics, energy, engineering, finance, law, assurance, tax and reporting. Industry experts throughout the organisation provide support and insight on strategy, planning and projects. Globally, we are investing in Centres of Excellence and have launched an ESG Academy to actively upskill all of our worldwide staff on ESG strategy, transformation, and reporting.





**Uyi Akpata, Regional Senior Partner,
PwC West Market Area**

We work with organisations to support their ESG, climate change, and diversity and inclusion transformation objectives. This support can involve tough conversations about how to do things differently, but we know that they're important for our clients. An ongoing investment into these transformation activities is a driver for great performance as much as it's a way to do business responsibly. Companies that are client-centric, develop their people and embrace new technologies will perform well.



**Peter Ngahu, Regional Senior
Partner, PwC East Market Area**

Businesses and organisations are much more than vehicles for economic growth, although that is certainly important. Their purpose is increasingly aligned to the environment, their societal impact, and good governance. By making ESG considerations central to their purpose, companies can build trust with their stakeholders. That's why we engage with our clients to support them in strengthening the impact of their ESG objectives.



Sustainable and climate-smart strategies contribute to Nigeria's development

In recent years, we have seen companies in Nigeria gravitate towards embedding sustainability into their business strategy and we are wholly committed to supporting them in their journeys, developing unique solutions that speak to their specific needs and stages of ESG maturity.

In response, we have leveraged the breadth and depth of our expertise to support clients with a variety of sustainability solutions including sustainability reporting and assurance, ESG strategy and transformation, climate change advisory and risk assessment, impact assessment, monitoring and evaluation, responsible supply chain management, sustainable finance support, ESG due diligence and net zero solutions.

We helped one client to drive the Nigerian government's artisanal gold mining initiative in the development of a responsible gold mining framework for Nigeria (which was launched by the President of the Federal Republic of Nigeria), and also developed responsible sourcing guidelines for gold buying centres and cooperatives, as well as a responsible sourcing toolkit for their suppliers.

We provided advisory support to a leading Nigerian infrastructure finance organisation for the successful implementation of their climate smart strategy and supported a leading non-profit organisation championing entrepreneurship in Africa in assessing the impact of its programme of advancing youth empowerment and entrepreneurship in all 54 African countries.

We also offered pro bono support when a group of concerned Northern Nigerians engaged us to help identify and define a roadmap for embedding 'funding for impact' into the overall development agenda for Northern Nigeria.

In these and other engagements and interactions, we endeavour to provide a platform for ESG conversations. By driving innovative solutions for government and businesses, we can support them as they navigate an evolving sustainability landscape.

– Rukaiya El-Rufai, Advisory Partner, PwC Nigeria and ESG Lead, West Market Area

Meridian Port Services Ltd: Ensuring safe getaways for Ghana's sea turtles

Biodiversity is set to become the next big ESG wave. Many companies have become transparent about how they depend on and impact biodiversity, and have started to integrate relevant nature-related considerations into their corporate social responsibility agendas.

Conservationists and marine biologists have spoken about the threat of extinction of Ghanaian turtles for many years. One business that is making significant changes in this area is PwC Ghana's client, Meridian Port Services Ltd (MPS). Over the last four years, MPS has protected the livelihood of thousands of sea turtles in Ghana through its Sea Turtle Conservation Programme.

Sea turtles are most vulnerable to predation as eggs, hatchlings, and juveniles. They are under threat from a variety of hazards; commercial fishing, loss of nesting habitat and climate change, are among the human-caused threats pushing sea turtles towards extinction.

MPS's environmental team became even more determined to rescue as many turtle nests as they could to hatch naturally and release into the wild. Within a few months, the hundreds of eggs that the team collected became thousands, the thousands became tens of thousands. This prompted MPS to look for a more sustainable set up that could accommodate all the hatchlings.

The hatcheries are now performing at a rate that even surpasses the company's expectations. What started off as an initiative to give back to nature now has a team of five people involved. The current hatcheries have two sea turtle species: Olive Ridley (88%) and the Green Turtle (12%).





New world. New skills.

Bridging the digital divide of a global skills gap is a complex problem that requires all stakeholders to work together to make the world a more resilient, capable and inclusive place. More must be done to ensure everyone has the opportunity to learn, work and participate in the digital world. Doing our part is fully aligned to our purpose at PwC and continues to inform our New world. New skills campaign globally.

New world. New skills is about *shaping the workforce of the future*, developing people and being a catalyst for dialogue and change. To remain relevant, every organisation, government, and person needs to prepare for the change ahead. That's why the three pillars within our New world. New skills campaign are Contribute, Call to action and Commercialise.

Contribute

Through our multi-year collaboration with UNICEF South Africa, and its Generation Unlimited initiative, we are contributing to the lives of people who need it most. In May 2022, the Mamelodi Business Hub was launched in collaboration with the University of Pretoria. The Hub is aimed at investing in future entrepreneurs by providing much needed support and development in local underprivileged communities, and developing women's leadership skills. [Read more here.](#)

This year, National Youth Day and Youth Month were celebrated under the theme 'The Year of Charlotte Maxeke: Growing youth employment for an inclusive and transformed society'. PwC South Africa celebrated Youth Day 2022 through our collaboration with UNICEF South Africa and their partner, Capacitate, by launching YoMobi, a youth empowerment platform that is positively impacting the lives of many South African youth in creating an inclusive and transformed society.

YoMobi is an ecosystem enabler, addressing the digital divide at a systemic level — ensuring that organisations are provided with the tools to empower the youth with whom they engage with. [Read more here.](#)

Our Youth Engagement Programme (YEP) ran from September 2021 until April 2022. This PwC South Africa-driven youth upskilling and mentorship programme focused on empowering and supporting youth development and employment in South Africa, through key mastery themes that enable young people to have a successful entry into business. Over the course of the programme, 36 youths (18 from SA Youth and 18 from Yes4Youth) successfully participated.



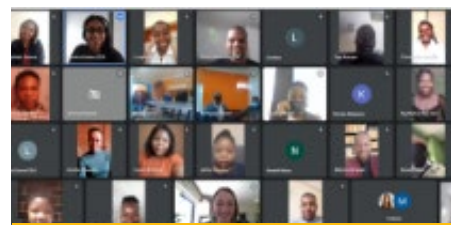
Generation Unlimited initiative



National Youth Day and Youth Month



YoMobi Event



Youth Engagement Programme (YEP)

Call to action

Our focus in FY22 was to shape and drive national debate with the intention to increase the focus on and urgency of developing solutions for upskilling. Our thought pieces, *The Relationship Manager of the Future, a new frame of reference* and *The Contact Centre Agent of the Future - An experience consultant* created an awareness of the shifts companies are required to make to successfully operate in a technology-enabled, human-led world of work. Together with our flagship *Global Workforce Hopes and Fears Survey*, we contributed as a thought leader on upskilling and digital transformation.

Commercialise

Co-creating solutions with our clients in preparing their workforce for the future has positioned PwC Africa as a leader in assisting our clients to take action today to adapt and prepare for the future. In FY22, our teams have delivered transformative solutions that directly address client needs in sectors including consumer markets, financial services, and energy, utilities and resources.

People and Organisation Nigeria – Upskilling

One of Nigeria's longest-standing financial institutions currently offers a portfolio of banking services to individuals, SMEs, commercial and corporate clients. Several years ago, the bank received the approval of the Central Bank of Nigeria to start its transformation project.

A major part of this transformation was to deepen the capabilities of the organisation's leadership talent. As such, the bank sought the support of PwC to design a leadership talent development programme to support leadership capacity development across the business.

To bridge the leadership capacity gap, we designed a bespoke leadership talent development programme. This programme facilitates capacity development at professional and business levels and is designed to instil leadership discipline and behaviours.

This modular programme focuses on upskilling the next generation of leaders. The focus areas are self, technical/digital, team, ethical, and strategic leadership. It is delivered over a 12-month period and involves a blended learning experience facilitated by a very experienced faculty, drawn from across our network's financial services industry practice.

The programme, now in its fourth year, has been very successful, evident by the quality of leaders in the bank's succession pool. Over 80% of the bank's current executive management are alumni of the programme. The bank is now better prepared to deal with the constantly evolving business landscape. Finally, some of the alumni of the programme are now leaders at other financial services companies.

Transformation

Inspiring our people

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Across PwC Africa, nearly 9,000 talented people in 17 countries are the reason for our success. Without them, we can't deliver on our strategy, The New Equation. We offer exciting opportunities for our people to achieve their potential, build rewarding and sustainable careers and become inclusive leaders.

– **Corlia Volschenk, PwC Africa People Leader**

This past year's challenges brought an unprecedented demand for our professional skills. As part of our commitment to our new strategy, The New Equation, we planned to grow our intellectual footprint and saw a 68% increase in our talent acquisition numbers across Africa.

Our “people first” approach continues to guide our actions. We remain focused on keeping our people safe, supporting their wellbeing, providing them with the flexibility to manage the often-competing demands of their professional and personal lives, offering them opportunities to develop new skills, and building a diverse and inclusive workforce.

To deliver The New Equation, we are focusing on three key areas:

1. Enabling our workforce for today's realities and tomorrow's possibilities
2. Creating a resilient foundation for times of change
3. Maintaining a positive, healthy, and engaging workplace.

These goals are deeply rooted in our shared values, our purpose and our behaviours, which guide everything we do.



Enabling our workforce for today's realities and tomorrow's possibilities

While remote working clearly has many benefits, we also recognise the importance of coming together in person to build relationships and share ideas. That is why PwC Africa moved towards a hybrid working model. We enhanced our flexible working practices for more choice over how, where and when people work. We call it **'How you're empowered'** and it is one of four cornerstones to the PwC Africa "Deal" for our people .

We also recognise that extended periods of remote working can lead to feelings of isolation and lack of growth and development. To combat this, PwC Africa invested in improved Talent Development tools and programmes to ensure a pipeline of future leaders for both our traditional business offerings and our investment areas linked to our New Equation strategy. Our world-class tools and globally recognised programmes deliver leaders and specialists to solve our own and our clients' important problems. This links to the second cornerstone of 'Our Deal' - namely, **'How you grow'**.

The evolving workforce and increasing employment opportunities emerging from the pandemic emphasised the importance of fair and equitable reward and recognition for our people. Apart from significant increases in guaranteed remuneration, we rewarded our people through other incentive schemes and retention initiatives unprecedented in the history of our African firm. This supports the third cornerstone of 'Our Deal' - namely, **'How you're valued'**.

To make The New Equation a reality, we plan to increase our workforce in the next five years, with a clear emphasis on hiring and developing specialists in critical areas such as technology, digital, climate, strategic deals, leadership and change, strategy, brand building and supply chain. This commitment forms the last cornerstone of 'Our Deal' - namely, **'How you make a difference'**.



Creating a resilient foundation for times of change

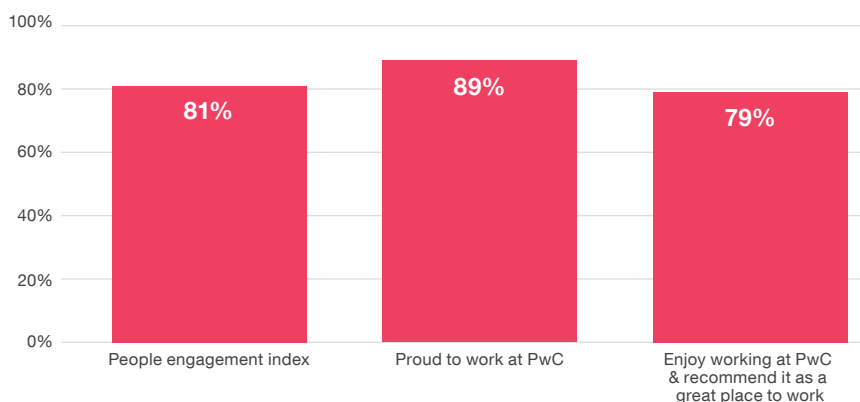
We want to build a strong and flexible foundation for our people and network through the values, systems and healthy habits that enable them to confidently navigate the evolution of our business and live up to our ambition of The New Equation.

2022 Global People Survey – Africa results

Our annual Global People Survey is a great indicator of how our people feel about working at PwC. It reveals insights that help our leaders understand where we're doing well and identify areas that need more work. Eighty-eight percent of our people participated in 2022.

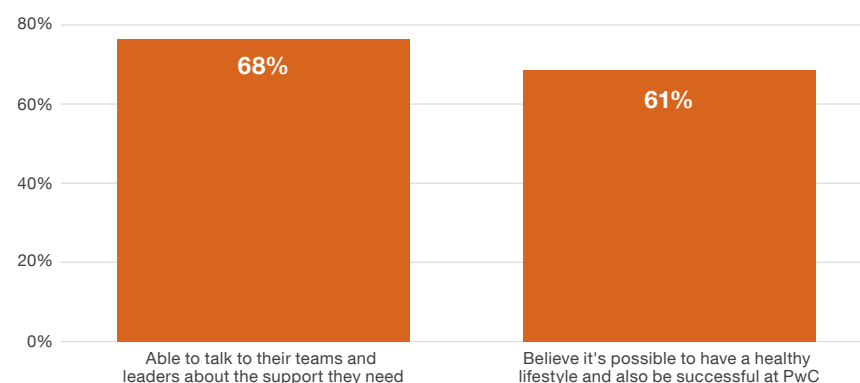
Our People Engagement Index is an overall litmus test for how our people feel about PwC. Their pride in working for PwC and willingness to recommend it as a great place to work are also strong indicators.

Positive indicators



While we are proud of our people's engagement results, we know we can always do better. We need to remain focused on improving employee wellbeing, especially as the pandemic and socio-economic factors continue to impact our lives. We also need to reinforce a positive culture whereby our people can talk to their teams and leaders about the support they need and maintain a healthy lifestyle whilst being successful at PwC. These are focus areas for us going forward.

Focus Areas



Actions to enhance the wellbeing of our people included 57 wellbeing sessions with 6,730 people participating across Africa — an increase of more than 25% compared to the prior year. But wellbeing extends further than the traditional elements. For example, PwC South Africa has a gender-neutral domestic violence policy. It provides support to people experiencing or recovering from domestic and/or gender-based violence, which rose as lockdown measures were set. The policy offers emotional and legal counselling, additional leave, and an advance on salary should the victim have to move home. Many of our other offices in PwC Africa have other policies and programmes to support the holistic wellbeing of our people.

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PwC Africa brings together unique combinations of people to build trust and deliver sustained outcomes on a diverse continent. Recognising our potential as a community of solvers is the first important step; growing it through our shared purpose, values and behaviours is the next.

We invest in talent by focusing on skills development, improving diversity and inclusion in the workplace, and adapting to the new world of work. In this new world, we can continue to attract talent by supporting expanded flexible and remote working. We can help our workforce to solve important problems by keeping our talented people engaged and upskilled and helping them to feel valued. And we can solidify this deal with our people with a commitment to quality in all that we do.

– **Shirley Machaba, Regional Senior Partner, South Market Area**

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When it comes to building trust and delivering sustained outcomes, our greatest differentiator lies in our people — particularly how we bring together diverse and engaged teams with the ability to have deep, ongoing problem-solving relationships with our clients.

It all starts with the experience we strive to co-create within PwC and the part we all play to foster an environment that inspires us along this exciting growth journey. The difference lies in the commitment each of us makes to develop our capabilities and to remain curious and open to learn every day, and in all situations. It's in how we strive to be a business that leads with the heart and the part each of us plays to make the other feel respected and appreciated for their contribution. It's in the everyday coaching, the conversations and the way we connect. It's in how we show up every day to deliver meaningful and impactful work that makes a difference.

– **Bernice Kimacia, Human Capital Leader, East Market Area**



Our vision is to be a leading organisation for inclusion and belonging. Among our people, clients and external stakeholders, we aspire to be a destination for diverse talent. We continue to accelerate inclusion and diversity both within and beyond PwC.

– **Ayesha Bedwei, Inclusion and Diversity Leader, PwC Africa**

As a people-led organisation, it is essential that we create an environment where all of our people can realise their full potential. The more our people feel they belong at PwC, the more likely they are to contribute in ways they never thought possible. After all, diverse backgrounds and experiences support better decision making through diversity of thinking, which is absolutely essential to solve the complex problems of today and tomorrow. In line with our global PwC policies, we assess the progress we are making with regard to equality and inclusion by measuring performance ratings and proportionality in promotions and through recruitment analysis.

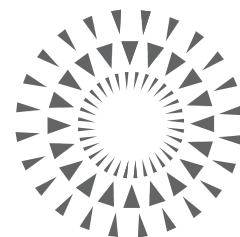
Developing inclusive leaders for a changing world

Real inclusion underpins diversity and transformation and requires inclusive leadership. Our global upskilling journey in this area took a major step forward in September 2021 with the launch of our Inclusive Mindset curriculum, championed by our PwC Africa Territory Senior Partner, Dion Shango. The ten-hour self-paced digital programme helps learners explore the key skills essential to practising more inclusive behaviours and leadership skills.

Supporting and advancing women in our business

Achieving balanced gender representation across all grades and lines of service remains a priority for PwC Africa. We are focusing on promoting and hiring women proportionally and at a rate that will generate a strong pipeline of women who are well prepared for partner admissions and key leadership roles. We continue to focus on this area of our business and a few indicators of our progress include:

- Anastacia Tshesane was appointed as the Chairman of the Africa Governance Board, effective 1 July 2022
- PwC Africa's leadership team is 33% female
- Our Regional Senior Partner in PwC Africa's South Market Area is Shirley Machaba



Africa gender statistics (30 June 2022)

Grade	Female %
Partner	25%
Associate Director	47%
Senior Manager	53%
Manager	57%
Senior Associate	58%
Associate	55%
Administrator	67%



PwC EMA Women in Leadership Coaching Experience programme

PwC Africa's East Market Area has launched a new programme focused on supporting the development of women to higher levels of leadership in the firm. Through this programme and ongoing senior-level support, the firms in this region will maintain sustained momentum in supporting the career potential of our female colleagues. The initial leadership coaching experience will be targeted at senior managers and associate directors in the firm and expand to other grades in due course.

The programme launched on 26 August 2022 at a hybrid in-person/virtual event in Nairobi with participation by PwC women from all six firms in the region.

– **Peter Ngahu, Regional Senior Partner, PwC East Market Area**

– **Bernice Kimacia, Partner, Assurance, PwC Kenya**

Transformation (South Africa)

Transformation in a South Africa context requires working to support equity of opportunity in a multi-faceted way. Our focus is intentional, deliberate and measured, where responsibility lies not with one team or person, but with all of our people. In alignment with our purpose, we are focusing on ownership and skills development to progress our transformation journey:

- We work with black-owned professional services firms to advance the transformation of the industry, specifically by collaborating on a number of engagements. These engagements, which pertain to both listed and large conglomerates, provide opportunities for exposure and experience.
- To progress with more inclusive ownership of our business, we focus on the recruitment, promotion and retention of our African, Coloured and Indian (ACI) employees, with a number of programmes and initiatives in place to support these objectives.
- Our vision is to grow our ACI employee numbers from graduate level right through to partnership, investing in this strategy across the board, while also actively recruiting senior ACI individuals from the external market where the need arises.
- We continue to adequately invest in our ACI partners, ensuring they are at the forefront of our succession planning for leadership roles.
- We use data to drive targets and to measure progress.

ACI statistics (South Africa) – at 30 June 2022

Grade	ACI %
Partner	35%
Associate Director	33%
Senior Manager	38%
Manager	50%
Senior Associate	63%
Associate	68%
Administrator	86%

Digitising our business

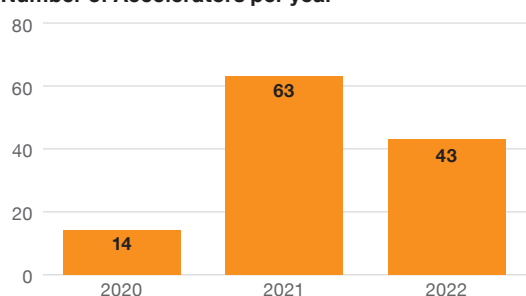
Our inside-out approach to digital transformation started in 2016 with the introduction of cloud-based operating solutions, or Business Operating Solutions (BOS). Set against the backdrop of the fourth industrial revolution, the ground-breaking BOS interventions continue to underpin our digital transformation journey, prompting the launch of the Our Tomorrow programme in 2019.

Since then, we have invested diligently in digital upskilling, providing our workforce with best-in-class tools and innovative technology solutions.

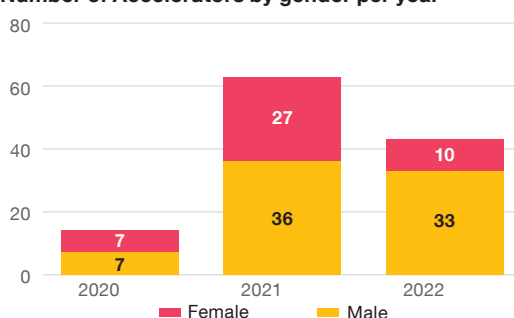
Our Tomorrow also served as the foundation for growing PwC Africa as a data business. We remain steadfast in our commitment to various upskilling initiatives:

- **Digital Academies:** eLearns and virtual classrooms for Data and Analytics (D&A) on Alteryx (data processing and analysis) and Power BI (data visualisation) saw 100% of our staff complete this basic training.
- **Digital Accelerator Programme:** Since its inception, this bespoke programme continues to be an incubator for selected digital change agents who bring innovative solutions to life.

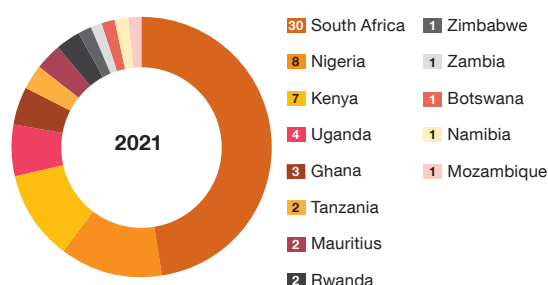
Number of Accelerators per year



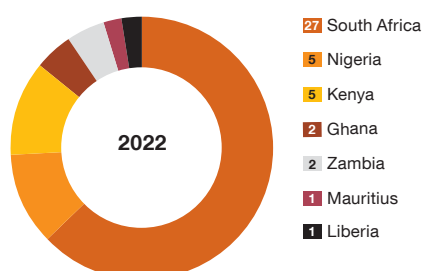
Number of Accelerators by gender per year



Accelerators by country for 2021

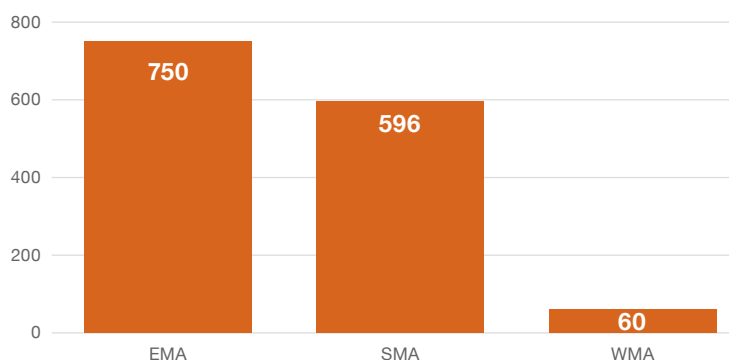


Accelerators by country for 2022



- **Badge Programme:** Our network Badge Programme builds on our culture of achievement and recognition. Each badge allows us to acquire, apply and be recognised for new knowledge and skills that the digital world demands. Badges range from understanding emerging technologies (Digital Acumen) through to specialised D&A skills that include data extraction, transformation and visualisation.

FY22 Badges Earned by Market Area



The past year has seen significant growth in the creation of digital assets on PwC's Digital Lab. These digital assets (primarily Alteryx workflows and Power BI visualisations developed on Workbench, but also other automations) are made available for finding, running and sharing across PwC Africa.

Our Digital Accelerator Programme has inspired the development of certain assets; others have been purpose-built by the business and continue to drive value through use and adoption.

Through the adoption of cloud-based platforms, like PwC's Workbench, the front-end to our Data Platform and D&A services, our teams work smarter. We use the business tools and services on this platform to uncover deeper insights through data analytics, to provide a unique digital experience, and to add true value for our clients.

As we continue our digital transformation journey to become a digital asset-backed professional services firm, PwC Africa looks forward to bringing our human-led and tech-powered approach to creating new opportunities and new solutions that deepen trust and build sustained outcomes.

Societal Purpose

Living our societal purpose

Measuring and communicating an organisation's societal purpose must take into account the totality of its core outputs – not only its products or services but also its contribution to society. We value our societal purpose and the impact that we have in all of the countries and communities where we operate.

We have aligned our societal purpose strategy with the United Nations' Sustainable Development Goals (SDGs). To make a meaningful impact, we are focusing our efforts on the SDGs where we can contribute the most based on our expertise, skills, and resources.

PwC Africa is focusing on seven SDGs, which we activate directly through specific projects and our corporate sustainability commitment to our communities, our clients and our firm:



In line with our purpose and strategy, we're committed to corporate sustainability as well as the quality and value of our services to clients. Our purpose articulates this commitment and our people demonstrate how we are reimagining Africa, together.





Community

Corporate sustainability initiatives can make a meaningful contribution to socio-economic development. We aim to honour our values — act with integrity, make a difference, care, work together and reimagine the possible — by creating sustainable value in our communities and by being a responsible corporate citizen.

We invested over \$200,000 in social sustainability initiatives in FY22, but the most significant contribution we can make is through our people's time; during the year, our people dedicated over 22,000 hours of their time towards these and many other initiatives.

Our payroll-giving initiatives give employees opportunities to initiate and support charitable projects through donations deducted directly from their salaries. Other staff donations and projects are supported with matched contributions by the firm.

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Advisory's #BeyondCSR strategy helps to connect our staff and clients with initiatives that support our societal purpose. We plan to expand these initiatives in FY23 and beyond, including the Youth Engage Programme, Sustainable Innovation Hackathon and quarterly CSR days.

– **Mark O'Flaherty, Partner, Advisory Leader Africa and Southern Africa**

Clients

We incorporate good corporate practices in all of our services and throughout our business, which builds a culture of trust, problem-solving and societal purpose among our people. Through them, we communicate our values to our clients including the importance of quality. Part of our societal purpose is to work with our clients to value and account for their own societal impact.

The trust-building projects that we're involved in include conversations about ESG strategies, gender diversity and executive remuneration. We know it is our responsibility to step in and share our views with our clients.

We care for our people and support inclusion and diversity. We remain focused on minimising our environmental impact, not least by progressing towards our 2030 net zero commitment. We recognise and value our economic contribution to the countries and communities where we operate such as by creating meaningful employment, contributing to public revenue coffers through our tax obligations, supporting quality education, and investing in our capital and operational expenditure among other efforts.

“

Society demands that we stay true to our core values, serve the public interest, and contribute to the growth and development of our country and continent. At no time has this been more pertinent than during the pandemic.

We're a values-driven organisation with a vested interest in a thriving economy and society at large. Generating financial value - for our business and through our work with clients - is exceptionally important, and we are proud of our contribution to growth, development and employment. This is only part of the story, however.

By putting our societal purpose at the heart of our commercial strategy, we also attract and inspire talent. Our talented people contribute in numerous ways to the alignment between business and society on common shared values. By helping other organisations to thrive, and by making a difference in our communities and society at large, we are living our societal purpose every day.

– Shirley Machaba, Regional Senior Partner, PwC South Market Area





Citizen-centric approach informs a Sub-Saharan city's evolution

A multidisciplinary PwC Africa team helped a large metropolitan city in sub-Saharan Africa to draft a long-term capital expenditure plan that aligned with the future requirements of all their other major departments, as well as pertinent strategies such as their digital and data strategy, broadband improvement, and applications review.

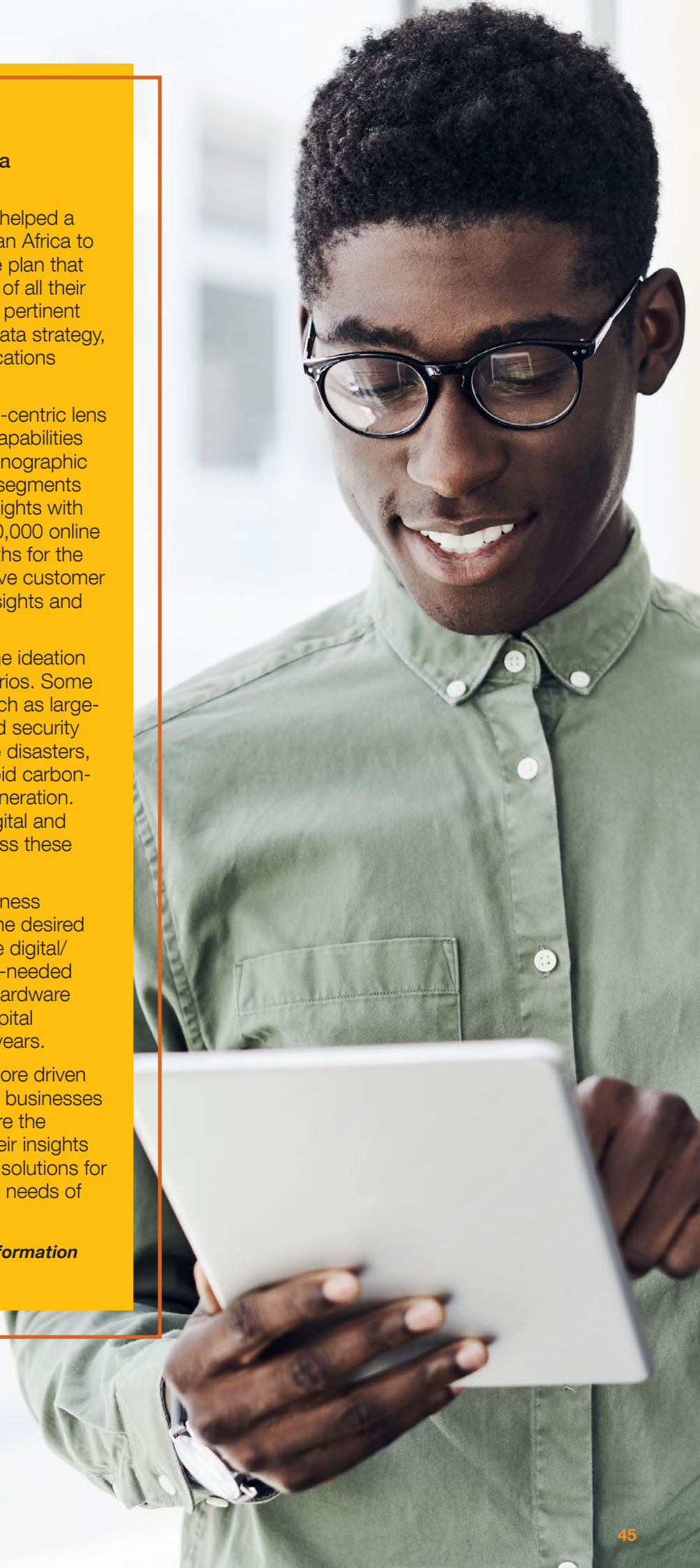
Our approach was to apply a citizen-centric lens to defining the target services and capabilities required. We conducted primary ethnographic research across multiple residential segments and then cross-referenced those insights with social media sentiment analysis (250,000 online mentions over the previous six months for the city) and the city's existing quantitative customer survey data to define core citizen insights and needs.

The citizen insights contributed to the ideation of various complex future city scenarios. Some of those scenarios included risks such as large-scale cyber attacks, other safety and security concerns specific to the city, climate disasters, mass migration of people, and a rapid carbon-to-renewables move in electricity generation. Practical thinking informed future digital and technological requirements to address these potential scenarios.

In helping the city to unearth its business capabilities, we could better relate the desired journey or future state to incorporate digital/technology alignment and the much-needed lens for its long-term software and hardware infrastructure plans — and those capital expenditure plans over the next 20 years.

Cities across Africa are becoming more driven by what citizens, residents and local businesses determine to be valuable. Citizens are the customers and users of services; their insights are fundamental to designing better solutions for today and the exponentially growing needs of our African cities.

– Riaan Singh, Partner, Digital Transformation Solutions, PwC South Africa



Sanitary towel drive at PwC South Africa's Waterfall office

Far too many young girls face a range of challenges that may compromise their chances of attending or even completing school, depriving them of receiving the education and exposure they so rightfully deserve. These challenges can be even further exacerbated by a lack of sanitary products to help them manage menstruation.

As part of our core values to care and make a difference, many of our PwC staff in our Waterfall, South Africa office heeded the call from the Umbono team and made a great contribution of sanitary pads which will assist young girls in our communities.

Our Africa Territory Senior Partner, Dion Shango, took up the challenge posed by Shirley Machaba, Regional Senior Partner and made a donation himself. Shirley attended the ceremony at Eqinisiweni Secondary School on 2 September 2022.



Sanitary towel drive at PwC South Africa's Waterfall office

Net zero

PwC's net zero by 2030 commitment

At a global level, PwC has committed to achieving net zero greenhouse gas (GHG) emissions by 2030. Our net zero commitment will require us to transform our business to decarbonise our value chain, increase transparency, and support the development of robust ESG reporting frameworks and standards. We have already implemented a number of initiatives that are having an impact, and we continue to engage with clients and our suppliers on their emissions reduction strategies.

PwC's net zero commitment involves four key areas:

- **Operations:** We will reduce our greenhouse gas emissions in line with what is required to limit warming to 1.5°C above the pre-industrial level, limiting the worst impacts of climate change. This includes a 50% reduction in scope 1 and 2 emissions and a 50% absolute reduction in business travel emissions from a 2019 base by 2030. In addition, we will accelerate our transition to 100% renewable electricity. To mitigate our impacts today, we will continue to offset our emissions through high-quality carbon credits.
- **Clients:** We will work with our clients to support their efforts to make a net zero future a reality for all. This will involve building on our existing client work in sustainability and net zero transformation.
- **Suppliers:** We will engage with key suppliers, encouraging and supporting their efforts to achieve net zero. We commit that at least 50% of our purchased goods and services suppliers by emissions will have set science-based targets to reduce their own climate impact by 2025.
- **Climate agenda:** We will continue our long-standing programme of research and collaboration with business, policymakers and NGOs to accelerate the transition to a net zero economy.

PwC received validation for our global climate targets from the Science Based Targets initiative (SBTi). We were proud to receive the SBTi's validation, which affirms our approach and timeline to achieve our emissions reduction targets in line with a 1.5° Celsius scenario. SBTi is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

More information on how we are responding to these areas as a global firm [is available here](#).

In FY22, we have delivered:

- workstreams in core areas to support our implementation of net zero-related initiatives and provide a consistent framework for action;
- governance structures across the three market areas with dedicated teams working on each workstream and reporting directly to our Africa leadership;
- baseline calculations for FY19 emissions and subsequent years' calculations, subjected to assurance;
- energy audits across our offices across Africa to identify those with the largest energy impact (Johannesburg, Durban and Cape Town);
- offsets through high-quality carbon credits, specifically associated with South African air travel emissions from 2019 and residual scope 1, 2 and business travel emissions in 2022 across Africa;
- renewable energy certificates (RECs) to offset our scope 2 (electricity) emissions in South Africa in 2022;
- engagement with energy suppliers and landlords to develop longer term options for direct purchase of renewable electricity across the continent;
- behavioural change strategies, incentives and disincentives to mitigate the bounce back in our business travel emissions as travel restrictions started changing;
- procurement categorisation for approximately 13,000 suppliers to PwC Africa firms from 2019 - 2022 which identified suppliers producing the most significant emissions;
- engagement with suppliers to implement SBTs and reduce their emissions;
- employee engagement through the 'Count Us In' initiative. Count Us In is a web-based platform allowing all PwC Africa employees to make a personal pledge to take climate action from a range of 21 steps. These steps add up to a measurable carbon impact at an individual, territory and network-wide level.



PwC Africa's East Market Area has fully committed to our net zero journey under the leadership of our Regional Senior Partner, Peter Ngahu, with overall coordination by Simon Mutinda and direct involvement by each firm's Country Senior Partner.

We began by setting up a governance structure and assigning roles and responsibilities to the team representing all six firms. We specifically included internal firm services and client-facing staff to bring along the best expertise from an outside-in perspective. The first milestone was to establish a baseline for FY19 and then to submit data for FY22. This was a significantly complex task, considering the six firms in this market area. Our firms are different sizes, with different environments, suppliers and local considerations.

Efforts are currently underway to drive and align various work streams within our net zero strategy in areas such as renewable energy, business travel and the use of owned car fleets. This is a challenging, worthwhile and impactful journey and we are proud to participate in PwC Africa's net zero programme.

– **Simon Mutinda, Partner and East Africa Public Sector Consulting Leader, PwC Kenya**

– **Anish Chandra, Director - ESG and Sustainability, PwC Mauritius**



About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 155 countries with over 327,000 people who are committed to solving important problems and delivering sustainable outcomes through quality assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.



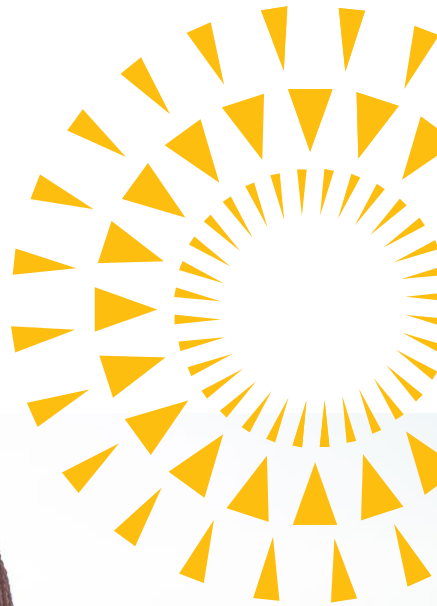
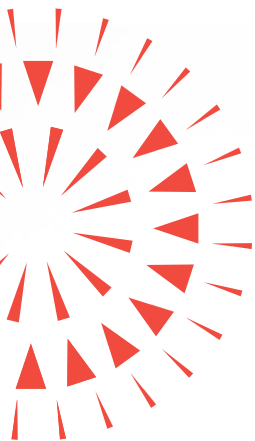
In Africa, we're the largest provider of professional services with over 450 partners and over 10 000 people in 32 countries. This means that we're able to provide our clients with seamless and consistent Tax, Assurance and Advisory solutions, wherever they do business on the continent.

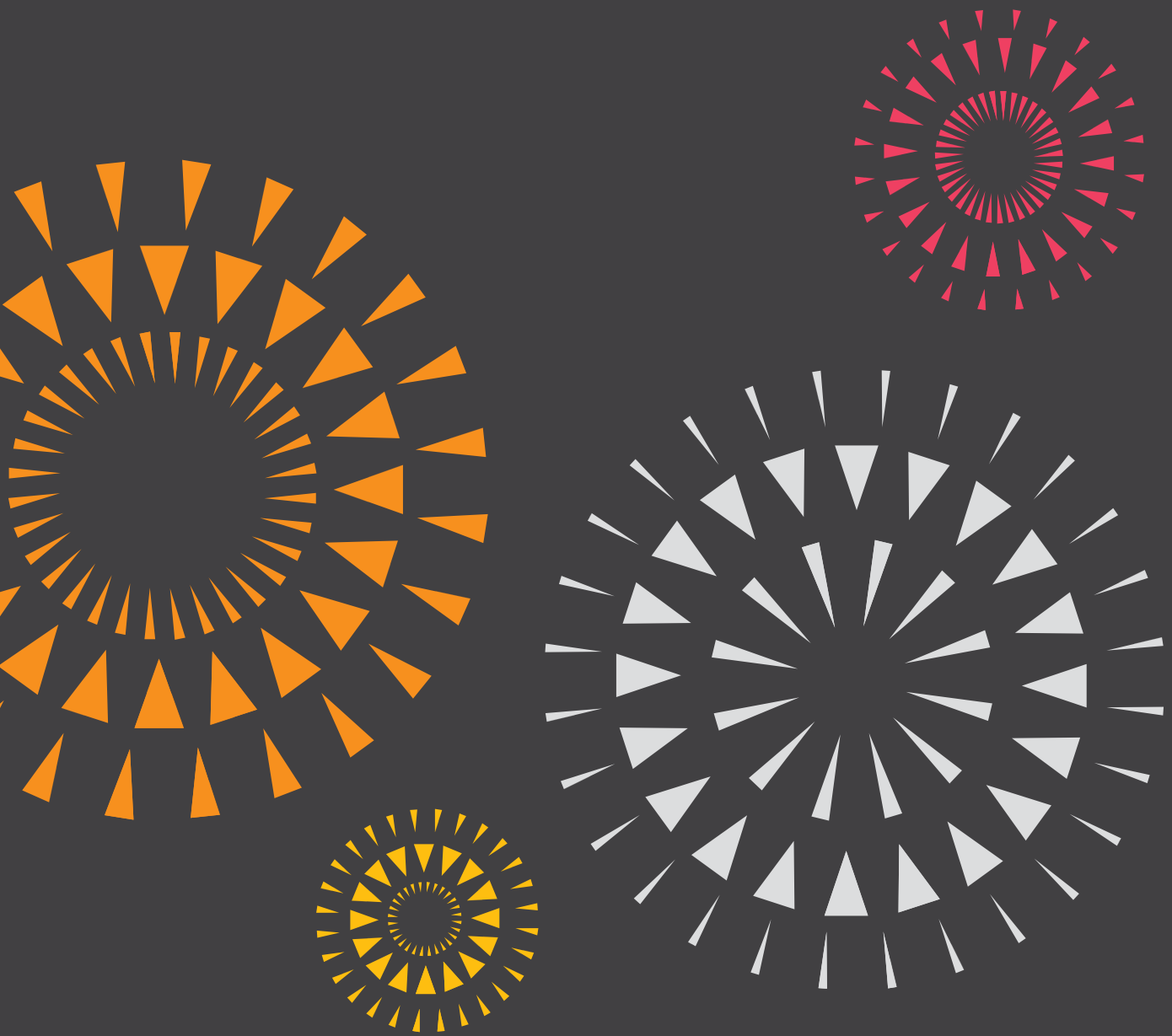
The New Equation, PwC's landmark global strategy, is a response to the fundamental changes affecting organisations and society. The guiding principles that used to make sense have shifted — and opportunities and challenges can now also shift in the blink of an eye. The rules of the game are no longer obvious, and we are looking beyond today to deliver outcomes that continue to create value for our stakeholders: our people, our clients, and the communities where we live and work. Disruption is here to stay.

The New Equation is built on two interconnected needs: trust and sustained outcomes. To help our clients and stakeholders address these needs, we have committed to invest significantly in our community of solvers, a diverse team that is human-led, tech-enabled and prepared to solve complex problems today and tomorrow.

Our investment focuses on five main themes:

- **Trust and quality** – In order to build and maintain trust with our clients and other stakeholders, quality must continue to underpin everything that we do. We invest consistently in our teams, methodology, tools and technologies that support quality.
- **People** – Our people are our most valuable asset. Our strategy focuses on being human-led first. We remain committed to investing in PwC people and their careers, as well as the diversity that makes our community of solvers so vibrant and innovative.
- **Digital** – Our strategy is human-led and tech-powered. Technology supports us in our work and the value we deliver to our clients. We inspire our people to help identify new ways of working through technology and innovation.
- **Sustained outcomes** – Disruption is the new normal. We are investing significantly in people, technologies and skills in areas where we know we can help clients transform their organisations. These areas include tech-enabled transformation, ESG, value creation, cyber and international development.
- **Societal purpose** – Building trust in society and solving important problems requires a holistic focus on the society and communities in which we operate. Our responsibility entails serving clients, strengthening bonds of trust with all stakeholders and contributing to society as a whole. Our societal purpose strategy ensures that we make a difference consistently.





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