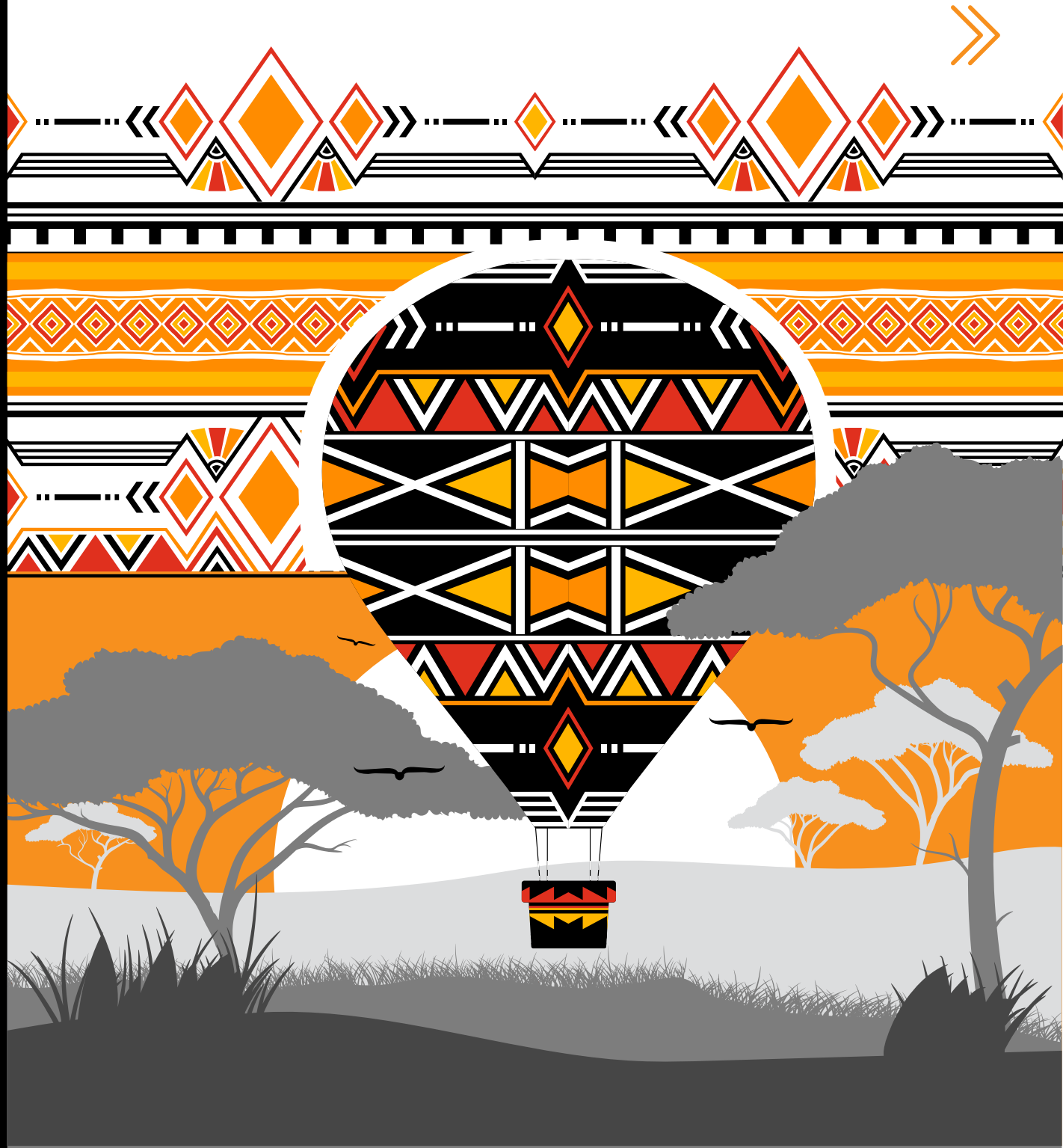




Africa Annual Review 2024

Impact of key growth priorities

www.pwc.co.za





Impact of key growth priorities

Business model reinvention

Today's pace of change and the influence of converging megatrends, from technological disruption to climate change, means that how businesses create, deliver and capture value will need to change fundamentally. It is clear that over the next decade, organisations will face industry reconfiguration, blurred sector boundaries and intensified competition. This requires adjustments or fundamental changes to the way in which organisations operate.

PwC's Annual CEO Survey 2024 highlighted that 45% of CEOs believe that to remain competitive, they will have to reinvent their business models to compete and be sustainable in the next ten years.

How PwC Africa has reinvented its business model

Given the challenges and opportunities our clients face, combined with the dynamic landscape of mandatory audit firm rotation, we recognised that structuring our business as Audit, Tax and Legal Services and Advisory did not allow us to leverage our capabilities to serve our clients optimally.

As a result, we reconfigured our business model by restructuring PwC Africa into Assurance, Consulting and Risk Services (C&RS); Tax and Legal Services (TLS); and Deals.



We recognise that our core strength lies in our audit capability. Still, we have invested significantly in modernising our working methods by incorporating various technologies, including AI, as part of our 'next-generation audit' mindset, with a key focus on quality and technical insight.

With this change in our operating model, we are also signalling to our non-audit/advisory clients that we hold distinct capabilities across Consulting and Risk Services, Deals and Tax and Legal Services. This is underpinned by an end-to-end approach to delivering services across our key platforms: Transformation, Deals, Sustainability and Risk Services, all powered by emerging technologies (including AI).

Furthermore, the need for cost-effective and agile delivery models has become an essential factor in remaining competitive. As such, we have established a Technology and Innovation Delivery Centre in South Africa. This change to our operating model means we can deploy skills and capabilities based on the African continent, which are not exposed to changes in currency and other external factors.

We are readying ourselves for the next decade of growth and see the mindset of business model reinvention as a critical part of the African growth story, as well as our purpose to build trust in society and solve important problems.





Artificial intelligence, data and technology

The business landscape stands at a pivotal point of technological disruption, with over three-quarters of executives and **82%¹** of CEOs affirming the need for fundamental changes to business models within the coming decade. As organisations navigate this complex transformation, the stakes are high—**74%²** of executives identify technological disruption as their primary business risk, and **92%³** of CIOs anticipate widespread AI implementation by 2025. Through strategic collaboration with clients, we observe how this technological shift demands a comprehensive approach, balancing visionary goals with practical implementation.

Building a solid foundation in technology and data architecture

For successful transformation, a robust foundation in technology and data architecture is paramount. With **79%⁴** of CIOs planning to leverage genAI to reshape business models, organisations must establish sustainable frameworks for innovation. Success hinges on a clear data strategy, scalable data architecture and the alignment of technology investments with business objectives. A well-constructed roadmap addresses these areas, allowing organisations to evolve their digital capabilities whilst maintaining operational stability.

Achieving data and operational excellence as a catalyst for change

Data and operational excellence is a cornerstone of business transformation. Organisations need effective data governance frameworks, sophisticated data capabilities and integrated, scalable data architecture. These elements are essential for delivering actionable insights, enabling innovation and driving consistent value across the enterprise. By prioritising data quality and governance, companies can better navigate the complexities of digital transformation and create lasting impact.

Embedding security from the outset

In a landscape where **78%⁵** of CIOs see cyber risks as critical, embedding security within every architectural and operational decision is crucial. Comprehensive security policies, standards and processes protect key assets while fostering a secure environment for innovation. Successful organisations integrate these security considerations within their data governance framework, ensuring that risk management and technological advancement remain aligned.

Fostering C-suite alignment and leadership

Leadership alignment is a decisive factor in transformation success. Whilst **42%⁶** of CIOs report strong C-suite consensus on business model changes, realising this alignment often requires strategic communication and shared vision. Technology leaders play a crucial role in building strong partnerships across the C-suite, underscoring the strategic importance of transformation initiatives. Notably, **74%⁷** of CEOs now rate their CIOs as highly effective in driving change, underscoring the impact of cohesive leadership.

Balancing innovation with operational stability

At PwC, we are committed to empowering our clients by positioning data as a strategic asset. Our Data-as-a-Service model enables organisations to unlock the full potential of their data by establishing robust data foundations, governance structures and best practices that drive accessibility, reliability and actionable insights. This approach supports scalable and agile solutions that establish business intelligence, advanced analytics, data science and artificial intelligence automation for long-term success.

Central to our strategy is fostering a digital organisation and a data-driven culture that empowers teams to make informed decisions and innovate confidently. Designed for rapid, cost-effective experimentation, our framework—built on proper data architecture and a foundation of data as an asset—enables clients to explore exponential use cases without significant overhead as the asset grows.

Recently, we supported a client’s finance team by developing an AI-powered chatbot to simplify document interaction. For another client, we developed a comprehensive data governance framework, embedding AI considerations to future-proof their processes and enable more intelligent data management. Additionally, we built a fully-fledged data architecture solution for ESG reporting automation that, by following best practices, is positioned to support future AI-driven innovation. These examples demonstrate how we bring sophisticated, practical AI and data solutions to real-world business challenges.

As technological disruption reshapes the business world, we remain committed to empowering organisations to build resilient capabilities, turning challenges into growth opportunities. Organisations that harmonise technology advancements with operational excellence and strategic leadership will be best positioned to lead in a dynamic environment, driving sustainable success through innovation.

¹<https://www.pwc.com/us/en/library/pulse-survey/finding-opportunity-in-business-reinvention.html>

²⁻⁷<https://www.pwc.com/us/en/library/pulse-survey/finding-opportunity-in-business-reinvention/technology-leaders.html>



Sustainability

PwC has the expertise and experience to help clients implement successful sustainability strategies

At PwC, sustainability is more than a buzzword—it’s a core principle guiding our operations and strategies across Africa. In the past financial year, our sustainability team has guided clients at various stages of their sustainability journey. We have also kept our clients informed about global and local changes that will impact them.

Building success: Leveraging global expertise, centres of excellence and local impact

By leveraging our extensive global network of experts and centres of excellence, advanced technology solutions, data insights and years of experience, PwC is well-positioned to assist clients in identifying the most effective actions relating to sustainability and climate. This approach not only protects their bottom line but also maximises value creation.

Driving change with tech-enabled solutions

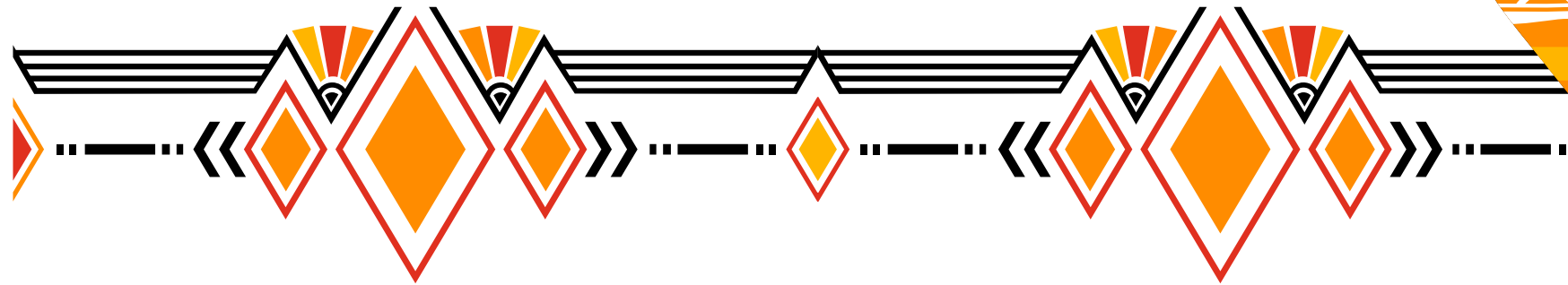
PwC has developed digital tools and accelerators to help deliver efficient, reliable, impactful outcomes. Our human-led, tech-powered approach addresses all stages of the sustainability journey: net zero and decarbonisation strategies, sustainability reporting and disclosures, climate risk assessments and more. Harnessing technology and AI for sustainability is revolutionising our approach to environmental challenges.

Customised sustainability solutions with precision strategies

Our clients often face a challenging balance between economic pressures and sustainability goals. While some companies are leading the way with innovative sustainable practices, many others struggle due to financial constraints, a lack of resources and expertise to implement strategic sustainability goals, and a lack of regulatory incentives.

PwC offers a range of services to help clients prepare for the impacts of climate disruption. These services are designed to help businesses not only mitigate the effects of climate change but also capitalise on new opportunities for innovation and growth.

We understand that there is no one-size-fits-all solution. So, we offer targeted, tailored strategies that are practical, measurable and sustainable. PwC in Africa is well positioned to co-create cohesive and impactful strategies for clients to succeed despite their unique business challenges.





The impact of climate change cannot be overstated

Climate change poses significant challenges for our clients in Africa, affecting many industries, including agriculture, mining and energy. Rising temperatures, shifting rainfall patterns and the increased frequency of extreme weather events, such as droughts and floods, disrupt operations and supply chains.

The energy sector faces pressure to transition to renewable sources as countries reduce their reliance on coal, while companies across all sectors are increasingly required to adopt sustainable practices. Additionally, insurance premiums are rising due to heightened climate risks, and companies risk losing access to international markets that prioritise sustainability.

To mitigate these risks, businesses in Africa must adapt through resilience strategies, invest in sustainable technologies, reduce their carbon footprint and position themselves for long-term growth.


These environmental factors are rapidly transforming how we live and work, compelling organisations to rethink their business models while transparently reporting their progress. PwC’s sustainability efforts centre around two main areas:

- **Stakeholder engagement through SDGs:** We prioritise the seven SDGs most relevant to our organisation. This focus guides our interactions with stakeholders and drives our impact assessments, including job creation, economic contributions and fiscal impacts. We also analyse the effects of our bursary programme and community projects.
- **Climate impact through our net zero journey:** Our commitment to reducing our climate impact is dynamic. We continuously adapt and expand our initiatives to address emerging challenges and leverage new opportunities. This ensures our strategies and projects are regularly updated to reflect the latest advancements and insights in sustainable development. By staying flexible and responsive, we ensure our actions remain effective and impactful.

We set new goals each year, form new partnerships and develop innovative solutions to empower our clients and communities.

Value Chain Sustainability Insights application

Organisations, including PwC, are facing increasing pressure to measure and manage their environmental impact, particularly with supply chain emissions (Scope 3) accounting for a significant portion of a company’s carbon footprint. To address this, PwC Africa’s Net Zero team developed an application that quantifies and manages emissions, called Value Chain Sustainability Insights, which is aimed at helping our clients. This application measures Scope 1, 2 and 3 emissions, enabling informed decisions and policy changes, such as the travel carbon charge, aligning with sustainability goals. As a result, PwC Africa is on track with its global net zero commitments extending to 2030. The application offers a streamlined, cost-effective and accessible solution for managing full value chain emissions.



We are committed to achieving net zero

Achieving net zero is crucial as it aligns with our strategic intent of positively impacting the environment and society. By prioritising these goals, we are not only reducing our carbon footprint but also helping our clients and communities transition to more sustainable practices. We continue implementing various initiatives to integrate environmentally responsible practices within the organisation. This dedication enhances our brand value, fosters trust and loyalty among stakeholders and ensures that we contribute to creating a healthier planet for future generations. By integrating these initiatives, PwC aims to create an organisation that inspires others to follow.

Our global net zero commitment:

 <p>Switch to 100% renewable electricity in all PwC firms</p>	 <p>Drive energy efficiency improvements in all our offices</p>	 <p>Reduce air travel, which accounts for a third of our global carbon emissions</p>
 <p>Reshape our client-service model to balance remote and on-site working</p>	 <p>Engage with our suppliers to tackle their climate impact</p>	 <p>From 2030, invest in carbon removal projects to eliminate our remaining operational emissions</p>



Achieving our net zero commitment

We have made progress towards our global commitment of reaching net zero by 2030 with some notable initiatives:

Category	Details
Overall reduction	We have achieved a 37% reduction in combined overall carbon footprint from our baseline year.
Renewable energy transition	<p>PwC Mauritius: Installing a 115 kWp solar PV system.</p> <p>PwC Nigeria: Migrated to the cloud, decommissioned most servers and installed a solar inverter system in Port Harcourt, with plans to expand to other offices.</p> <p>PwC South Africa: Evaluating advanced energy optimisation technologies to reduce energy consumption by 10%.</p>
Travel management	We implemented a carbon recharge policy to manage travel and maintain a 50% reduction in travel emissions from our baseline.
Supply chain engagement	We are engaging suppliers in carbon reduction programmes, with 70 suppliers signed up to science-based targets (SBTs), representing around 15,000 tCO ₂ e and 50% of our target.



Trust in what matters

Build trust to protect what matters

Disruption is all around us. Change is the only constant. Companies, including PwC, should build trust to protect what matters. From protecting a company's purpose to its vision, across the use of technologies and even how it engages with employees and broader stakeholders, trust is non-negotiable.

PwC's commitment to trust

Our approach to building trust in what matters begins with listening so we understand what's most important to our clients and their stakeholders. This trust, which protects and powers businesses, is what our clients and their stakeholders look for—and we deliver by focusing on what matters.

Trusted leadership means also going beyond the scope of the audit to provide valuable insights and recommendations for improvement. Our leaders use their expertise and industry knowledge to help clients identify risks, streamline processes and enhance internal controls, ultimately adding value to the organisation.

What matters is ever-expanding and varied for every country, society, industry and company. Whatever a client's focus—be it regulation, reputation, financial or non-financial information—we strive to bring trust and quality to the table through tailored multidisciplinary perspectives, deep technical expertise and next-level technology. This helps give clients the confidence to govern, the readiness to act, and the resilience to lead through constant disruption and transformation.

Ethics

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).

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 disclosing 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 using 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 PwC 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, antitrust and fair competition, anti-corruption, information protection, firms' and partners' taxes, sanctions laws, internal audit and insider trading. We require all partners and people to complete 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 people are expected to uphold and comply with our ethics and compliance network standards.

Each PwC firm is required to uphold the [PwC purpose and values](#). In addition, we have implemented the [PwC Global Code of Conduct \(the Code\)](#), which sets out the behaviours and expectations for our partners and people.



Accountability framework

PwC Africa has an Accountability Framework so that there is a consistent application of consequences for behaviour that is inconsistent with our policies and procedures. The framework covers:

- Ethics and Conduct — This includes the Code and PwC values and behaviours, ethics and business conduct and behaviour identified in complaints, investigations and/or litigation.
- Compliance requirements — Network and territory policies and compliance requirements (e.g. appropriate and timely completion of required training, Annual Compliance Confirmation, maintaining credentials).
- Independence — This includes personal, services and business relationships.

PwC Africa has a confidential [PwC Ethics Helpline](#) where any PwC partner or person or third party can raise questions or report concerns.


PwC's approach to anti-corruption

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 firms are expected to identify and mitigate the risk of bribery and corruption in their activities. They are consistent with the principles of the UK Bribery Act of 2010 and the US Foreign Corrupt Practices Act of 1977. The standards require each firm to establish systems, policies and procedures to prevent bribery and corruption. They set out specific requirements for each 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 undertake 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 people at PwC firms are required to sign a personal confirmation of their anti-corruption compliance.



Contacts



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



Shirley Machaba
Regional Senior Partner,
PwC South Market Area



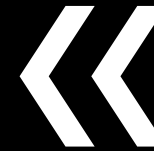
Sam Abu
Regional Senior Partner,
PwC West Market Area



Peter Ngahu
Regional Senior Partner,
PwC East Market Area



Verena Koobair
Head of Communications
and Societal Purpose
Firm Pillar Lead,
PwC South Africa



pwc

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with more than 370,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

© 2024 PwC. All rights reserved (2024-069-94)