

# Transforming Quality Shaping Futures

EY South Africa  
Transparency Report 2025



The better the question.  
The better the answer.  
The better the world works.



Shape the future  
with confidence

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# Foreword

As we reflect on the past year, South Africa and the broader African continent have continued to navigate a complex and rapidly changing global landscape.

Despite these challenges, EY South Africa remains steadfast in our commitment to building trust and driving innovation. Our focus on client service is unwavering - we strive to anticipate our clients' needs, provide actionable insights, and support their growth in an environment defined by transformation and opportunity.

I am proud to present our 2025 Transparency Report - a testament to the dedication of our people and the strength of our partnerships. It highlights not only our achievements, but also our ongoing journey to uphold the highest standards of quality, integrity, and impact for our clients, our people, and society.

Thank you for your continued trust in EY.



Ajen Sita

**Ajen Sita**  
CEO, EY South Africa

## Welcome to the EY South Africa Transparency Report 2025

Over the past year, we have operated in a complex and fast-changing business environment. Despite these challenges, EY South Africa has remained resilient and forward-looking.

We are proud of the progress we've made—maintaining our Level 1 B-BBEE status, strengthening audit quality, delivering strong client experience results, and advancing transformation through initiatives such as EY Ripples and our NextGen programme. These achievements reflect the commitment of our people and our continued focus on supporting clients, colleagues, and communities.

At EY, our purpose is to build a better working world. We do this by creating long-term value for clients, people, society, and the planet, while reinforcing trust in capital markets. This report is a key channel for engaging with Audit Committees, regulators, and other stakeholders. It outlines our investment in quality, our values-driven culture, and our commitment to continuous improvement in audit and assurance.

### Our Commitment to Quality and Integrity

Delivering high-quality, independent audit and assurance services is central to our role in supporting public trust and economic growth. Our work is grounded in independence, objectivity, integrity, and professional scepticism. We use insights from internal and external inspections, supported by root cause analysis, to strengthen our System of Quality Management.

Having implemented ISQM 1 several years ago, we continue to refine our quality processes. These include enhanced monitoring of quality indicators and a strong focus on governance, leadership, and culture.

**Our latest evaluation, as at 30 June 2025, confirmed that our System of Quality Management (SQM) provides reasonable assurance that its objectives are being met. Further detail is provided in the relevant section of this report.**

### Investing in the Future

We remain steadfast in our commitment to audit quality by continually investing in our people, technology, and processes. This report draws on insights from both the April 2025 Employee Listening Survey and the 2025 Global Quality Survey—comprehensive, globally distributed assessments that help shape our priorities.

The Global Quality Survey provides valuable feedback on our culture of quality, leadership tone, and the day-to-day realities of our teams. Meanwhile, the Employee Listening Survey highlights the experiences



Stephen Ntsoane

**Stephen Ntsoane**  
Assurance Leader

of our people and identifies opportunities for further investment to enhance their work environment and professional growth.

Our technology platforms are designed to promote trust, transparency, and transformation. They enable the integration of advanced data analytics and artificial intelligence, helping our teams deliver deeper insights and greater value to clients.

We are also focused on developing the next generation of audit professionals. Through targeted recruitment, training, and support, we equip our people with the skills needed for today's complex audit environment, while fostering a culture of integrity, accountability, and inclusion.

### Navigating a Changing World

Geopolitical shifts, regulatory developments, and sustainability challenges continue to shape the business landscape. We are closely monitoring the introduction of the International Sustainability Standards Board (ISSB) standards, which are reshaping sustainability reporting and assurance. EY is committed to helping clients navigate these changes and contribute to a more sustainable future.

### Looking Ahead

As we look forward, we remain focused on adapting to change, investing in innovation and sustainability, and upholding the highest standards of quality and integrity. This report reflects our progress, our priorities, and our ongoing commitment to transparency.

Thank you for your continued trust and collaboration.



Roger Hillen

**Roger Hillen**  
Professional Practice Leader

December 2025

# Executive Summary



## Purpose & Commitment

EY South Africa is unwavering in its commitment to audit quality, integrity, and public trust. In a market where products and services are increasingly similar, exceptional client service and stakeholder engagement have become key differentiators.

This commitment was recognized in 2025 with “no further action required” firm rating from the IRBA, affirming EY’s trusted leadership in the profession.



## Quality Management

EY South Africa’s SQM is robust and fully aligned with ISQM 1.

Our pursuit of excellence is more than a promise. The latest annual evaluation confirmed that EY South Africa’s SQM provides reasonable assurance that its objectives are being met.



## Governance & Independence

A clear governance framework, supported by rigorous policies and ethical standards, ensures effective oversight. Independence is fundamental to EY’s audit practice.

In 2025, external and internal inspections reported no firm-level findings, reinforcing our reputation for objectivity and professionalism.

EY South Africa’s 2025 Transparency Report demonstrates a strong, forward-looking commitment to quality, innovation, transformation, and social responsibility. The firm’s achievements and ongoing initiatives position it as a leader in audit quality and public trust.



## Innovation & Technology

EY South Africa is shaping the future of audit through bold investment in technology and innovation. By harnessing AI, advanced analytics, and local solutions, we deliver deeper insights and smarter outcomes—setting new standards for the profession and empowering our clients to thrive in a rapidly changing world.

In 2025, the firm leveraged a global \$1 billion investment in assurance technology, introducing over 30 new and enhanced capabilities—bringing the total to more than 100 since the start of the four-year programme.



## Talent & Inclusion

EY South Africa is committed to developing diverse talent and advancing professional growth.

In FY25, audit professionals averaged 92 hours of learning each, surpassing minimum requirements. The firm’s focus on inclusion is reflected in its leadership pipeline—50% of new audit partners promoted and 58% of all audit hires were women.

Initiatives such as the Audit Academy and EY Badges continue to provide ongoing opportunities for skill development and future readiness.



## Transparency & Accountability

EY South Africa is committed to transparent reporting and continuous improvement in audit quality. The firm openly shares Audit Quality Indicators and inspection results, with regular leadership reviews and robust internal controls to track key risks.

In 2025, 90% of engagements achieved the highest internal review rating, and IRBA inspections showed improvement with no firm-level findings.

# Snapshot of EY South Africa in 2025

**5-star**

Level 1 B-BBEE

**45**

Bursaries to Thuthuka students

**92**

Average learning hours per auditor

**11.2%**

Audit revenue invested in audit quality and risk management

**3,393**

Employees across all service lines

**408**

Women participating in our flagship women's development programme: Nextgen

**138**

South African beneficiaries of bursaries for accounting degrees

**1,079**

Trainee audit accountants

**1 078**

EY South Africa employees who participated in our Ripples (social development) programme

**2.2%**

Non-audit fees from all clients

**R 9,900,000**

Total accounting degree bursary investment

**1,336,885**

South African lives impacted through our Ripples programme

**1.9%**

Non-audit fees from our top 25 clients

**14**

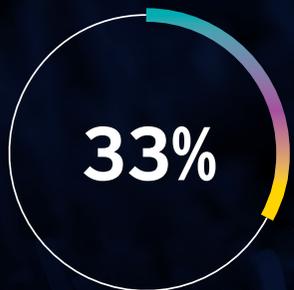
Candidates registered on the Audit Development Programme

**318**

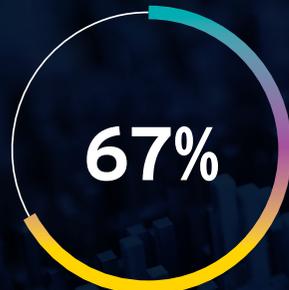
Number of Nextgen women currently at university or in the workplace

# Unpacking our ownership and economic interest

## Ownership



Female



Male



Black



White



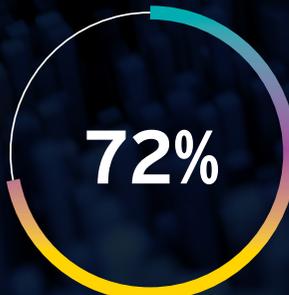
Other

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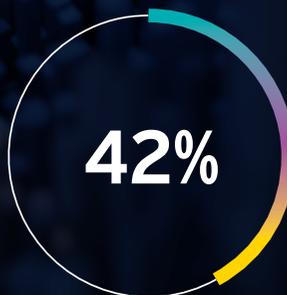
## Economic interest



Female



Male



Black



White



Other



**Who**  
we are

EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, nearly 400,000 EY people in over 145 countries and territories share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional scepticism. In today's global market, the seamless integrated EY approach is particularly important in providing high-quality multinational audits, which can span nearly every country in the world.

This approach supports EY member firms to develop and draw upon the range and depth of knowledge and experience required to perform such diverse and complex audits.

EYG coordinates the various activities of the EY member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by EY member firms worldwide. Each EY member firm is a separate legal entity. Each EY member firm's obligations and responsibilities, as a member of EYG, are governed by the regulations of EYG and various other agreements.

As part of the All in strategy, EY streamlined its structure, moving from 18 regions to 10 as of June 2025. The new structure will help enable future focused investments, including those related to EY's audit transformation journey. For EY South Africa's audit clients, we believe that the new structure will further support the multidisciplinary approach that their audits require, with access to the same high-quality, consistent, and connected range of services across Assurance and other EY service lines. For EY South Africa's people, the new structure means more mobility and enhanced career opportunities across a bigger geographic footprint, which we believe will help EY South Africa retain top talent and attract new talent.

The structure and principal bodies of the global EY organisation, described below, reflect the principle that EY, as a global organisation, has a common shared strategy.

At the same time, the EY network operates on a Regional level within the Areas. This operating model allows for greater focus on stakeholders in the Regions, permitting EY member firms to build stronger relationships with clients and others in each country, and be more responsive to local needs.

EY member firms are grouped into three geographic areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA) (Areas). The Areas comprise multiple regions (Regions). Regions are groupings of member firms along geographical lines. As of 1 July 2025, EY reorganised its Region structure and now has 10 Regions, reflecting the combination of certain previously existing Regions.

EY South Africa is part of the EMEIA Area. Within the EMEIA Area, there were eight Regions and, as of 1 July 2025, that number was reduced to five through a combination of Regions. EY South Africa was part of the Africa Region and since 1 July 2025 is part of the India Africa Region.

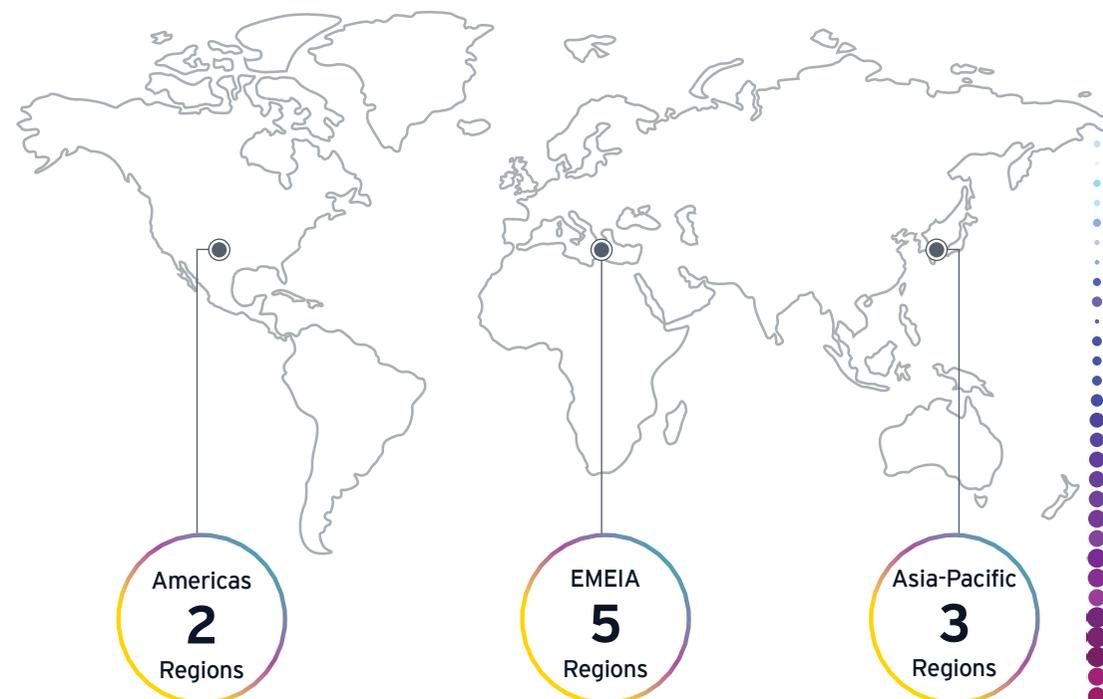
Ernst & Young EMEIA Limited (EMEIA Limited), an English company limited by guarantee, is the principal coordinating entity for the EY member firms in the EMEIA Area. EMEIA Limited facilitates the coordination of these firms and cooperation between them, but it does not control them. EMEIA Limited is a member firm of EYG, has no financial operations and does not provide any professional services.

In South Africa, EY Incorporated is a company registered in South Africa and is a member firm of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). In this report, we refer to ourselves as "EY South Africa," "we," "us" or "our." EY refers collectively to the global organisation of the member firms of EYG.

**EY South Africa includes the following entities, which are EYG member firms:**

- ▶ Ernst & Young Services (Pty) Ltd
- ▶ Ernst & Young Incorporated
- ▶ Ernst & Young Advisory Services (Pty) Ltd
- ▶ Parity Software (JHB) (Pty) Ltd (a wholly owned subsidiary of Ernst & Young Advisory Services)
- ▶ EY Africa Foundation NP

**EY Areas, and Regions\***



\*Figures are as of 1 July 2025

# Global Governance structure

## Global Governance Council (GGC)

The GGC is a key governance body of EYG. It comprises one or more representative(s) from each Region, other at-large representatives from EY member firms and independent non-executives (INEs).

The Regional representatives, who otherwise do not hold senior management roles, are elected by their Regional Partner Forums (RPF) for a three-year term, with the ability to be reappointed for one additional three-year term. The GGC representatives of EY US are members of its elected governing Board.

## Independent Non-Executives

Up to six global INEs are appointed from outside EY. They are senior leaders, either from the public or the private sector, and reflect diverse geographic and professional backgrounds.

They bring to the global organisation, and the GGC, the significant benefit of their varied perspectives and depth of knowledge. The global INEs also form a majority of the Public Interest Sub-Committee of the GGC.

The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the recommendation of the Global Executive (GE), certain matters that could affect EY.

The role of the Public Interest Sub-Committee includes advising on public interest aspects of decision-making and dialogue with stakeholders, issues raised under whistleblowing policies and procedures, and engagement in quality and risk management discussions.

The global INEs are nominated by a dedicated committee, approved by the GE and ratified by the GGC.

## Global Executive (GE)

The GE brings together EY leadership functions, service lines and geographies. It is chaired by the Chair and Chief Executive Officer (CEO) of EYG and includes:

- ▶ Global Managing Partners of Client Service, Business Enablement, Growth & Innovation, and Business Administration & Risk
- ▶ Area Managing Partners
- ▶ Global Vice Chair - Talent
- ▶ Global Vice Chair - Clients & Industries
- ▶ Global Vice Chair – Strategy
- ▶ Global Vice Chair - Alliance & Ecosystems
- ▶ Global service line leaders – Assurance, Consulting, Strategy and Transactions, and Tax
- ▶ Chair of the Growth Markets Council

The GE and the GGC approve nominations for the Chairman and CEO of EYG and appointments of the Global Managing Partners and Area Managing Partners. The GGC also ratifies appointments of all other persons who are members of the GE. The GE's responsibilities include the promotion of global objectives and the development, approval and, where relevant, implementation of:

- ▶ Global strategies and plans
- ▶ Common standards, methodologies and policies to be promoted within EY member firms
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, and reward and retirement of partners
- ▶ Quality improvement and protection programmes
- ▶ Proposals regarding regulatory matters and public policy
- ▶ Policies and guidance relating to member firms' service of international clients, business development, and markets and branding
- ▶ EY development funds and investment priorities
- ▶ EYG's annual financial reports and budgets
- ▶ GGC recommendations on certain matters

The GE is also updated regularly on priorities related to the System of Quality Management and on issues that may require their attention. Further, the GE has the power to mediate and adjudicate disputes between EY member firms.

## Global Practice Group

The Global Practice Group brings together the members of the GE and leaders from service lines, geographies, sectors and functions. It seeks to ensure a

common understanding of EY's strategic objectives and to drive global connectivity and consistent execution across the organisation.

## EY member firms

Under the regulations of EYG, EY member firms commit themselves to pursue EY objectives, such as the provision of high-quality services worldwide. To that end, they undertake the implementation of global strategies and plans, and work to maintain the prescribed scope of service capability. They are required to comply with common standards, methodologies and policies, including those regarding audit methodology, System of Quality Management, risk management, independence, knowledge sharing, talent and technology.

Above all, EY member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, and all applicable requirements of law.

This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 16).

Besides agreeing to comply with the regulations of EYG, EY member firms enter into several other agreements covering aspects of their membership in the EY organisation, such as the right and obligation to use the EY name and share knowledge among EY member firms.

EY member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, risk management, audit methodology and talent. EY member firms unable to meet quality commitments and other EYG membership requirements may be subject to termination from the EY organisation.

# South Africa Governance structure

EY South Africa is governed by the EY South Africa Executive Committee (Exco), which also oversees its strategy and operations.

The Exco comprises the following members:



Chief Executive Officer (CEO)



Leaders of each service line: Assurance, Consulting, Tax, and Strategy and Transactions



Function leaders for Risk Management, Client and Industries, Talent



Geographical leaders for KwaZulu-Natal and Western Cape

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



Key Accounts and Risk Committee



Markets Resolution Committee



Litigation Risk Committee



Social and Ethics Committee



Risk and Quality Board

These sub-committees are chaired by the Risk Management Leader.

# Our Leadership team

# Oversight

Each Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board to Regional leadership. The partner elected as Presiding Partner of the RPF also serves as the Region's representative on the Global Governance Council (see page 9).

## Africa RPF members - as at 30 June 2025



**Ajen Sita**  
Chief Executive Officer



**Lance Tomlinson**  
Chief Operating Officer



**Roderick Wolfenden**  
Client and Industries



**Jabulile Kubheka**  
Talent



**Vince Paino**  
Risk Management



**Tina Rookledge**  
Western Cape Region



**Vinesh Moodley**  
KwaZulu-Natal Region



**Stephen Ntsoane**  
Assurance



**Hennie Human**  
Consulting



**Quintin Hobbs**  
Strategy & Transactions



**Ekow Eghan**  
Tax



**Shailen Ramgoolam**  
ARPF Presiding Partner &  
Southern Representative  
Ebene, Mauritius



**Alwina Brand**  
Tax Representative  
Johannesburg,  
South Africa



**Hadijah Nannyomo**  
East Africa  
Representative  
Nairobi, Kenya



**Priscilla Koranteng-Gyasi**  
West Africa Representative  
Accra, Ghana



**Sajag Arora**  
Consulting Representative  
Johannesburg, South Africa



**Allister Carshagen**  
Assurance Representative  
Johannesburg, South Africa



**Sarel Strydom**  
SAT Representative  
Johannesburg, South Africa



# System of Quality Management (SQM)

## EY member firms completed their third annual evaluation conclusion of their SQM as of 30 June 2025 in line with the requirements of the International Standard on Quality Management (ISQM 1).

The SQM emphasises EY's dedication to transparency, continuous improvement and adherence to rigorous standards in the performance of audits.

The SQM also reinforces the culture of quality and tone at the top, clearly defining leadership responsibilities and accountabilities related to quality.

The Global SQM Operations Function, led by the Global SQM Operational Leader, develops and continually enhances the SQM for EY member firms to adopt and customise based on local considerations. While EY member firms are ultimately responsible for establishing and maintaining a SQM, the Global SQM Operations Function provides active support to EY member firms by:

- ▶ Developing policies and procedures in accordance with current quality management regulations
- ▶ Updating baseline quality objectives, risks and responses (e.g., controls)
- ▶ Providing a comprehensive annual risk assessment framework to use in identifying supplemental member firm specific quality objectives, risks, and responses

### Our role as auditors

EY member firms' commitment to providing high-quality audits is foundational to the EY Global All in strategy and vital to our role as auditors to build trust and transparency in financial reporting and serve the public interest. EY South Africa's reputation for providing high-quality professional audit services independently and objectively is

- ▶ Defining the methodology to conclude on the effectiveness of EY member firms' SQM
- ▶ Developing and updating tools, guidance, and training to facilitate the execution of key SQM activities

The Global SQM Monitoring and Analysis Function, led by the Global SQM Monitoring and Analysis Leader, also plays a key role through evaluating themes and learnings from monitoring activities to help EY member firms proactively address risks. The Global SQM Leaders have been actively focused on adherence to international quality standards, most recently preparing for the implementation of Public Company Accounting Oversight Board (PCAOB) Quality Control (QC) 1000, which has an effective date of 15 December 2026.

In the context of ISQM 1 and the annual evaluation of our System of Quality Management, EY South Africa refers to the following EY member firms performing audits or reviews of financial statements, or other assurance or related services engagements:

- ▶ Ernst & Young Incorporated

a priority, and fundamental to our success as independent auditors. We continue to invest in our SQM and to promote enhanced objectivity, independence, and professional scepticism. These are fundamental to the execution of high-quality audits. Designing, implementing and operating an effective SQM is essential to these efforts.

At EY South Africa, our role as auditors is to obtain assurance on the fair presentation of the financial statements of the companies audited. We bring together qualified teams to provide audit services, drawing on our broad knowledge and experience across industry sectors and services. We continually strive to improve quality and risk management processes, so that the quality of our service is at a consistently high level.

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient way to provide audit services.

## Designing, implementing and operating a System of Quality Management

ISQM 1 requires a proactive and risk-based approach to managing quality by requiring EY member firms to design, implement and operate a SQM. ISQM 1 also requires evaluating, at least annually, the SQM.

ISQM 1 includes requirements for the governance, leadership and culture of professional accountancy firms, and requires a risk assessment process to focus the firm's attention on mitigating risks that may have an impact on engagement quality. It also requires extensive monitoring of the SQM to identify deficiencies that require implementation of corrective actions and to provide the basis for evaluating the overall effectiveness of the SQM.

ISQM 1 outlines an integrated and iterative approach to the SQM based on the nature and circumstances of the firm and the engagements it performs. It also takes into consideration the changes in the practice and the different operating models of the firms (e.g., use of technology, network and multidisciplinary firms).

EY continues to look for ways to improve the effectiveness and efficiency of its audit methodology and processes, while improving audit quality.

EYG works to understand where EY member firms audit quality may not be up to its own expectations and those of stakeholders, including audit regulators. This includes seeking to learn from external inspections, internal inspections and other monitoring activities, and to identify the root causes of quality occurrences and positive quality outcomes to enable a continual improvement of audit quality.

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

To achieve this purpose, EY member firms have access to certain policies, technologies, strategies and programmes to be used in the design, implementation and operation of the EY member firm's SQM. The purpose of these resources is to support EY member firms and their people.

For example, the EY approach to the required risk assessment process includes input and feedback from across EY service lines, functions, and geographic areas to develop global baseline minimums, including quality objectives (based on ISQM 1 requirements), quality risks and responses (including SQM key controls) assumed to be applicable to EY member firms. In addition, global tools have been developed to support the SQM processes.

EY South Africa is ultimately responsible for the design, implementation, and operation of their SQM, and have the responsibility to:

- ▶ Evaluate policies, technologies, strategies, programmes and baseline quality objectives, quality risks and responses provided to them
- ▶ Determine if they need to be supplemented by the member firm to be appropriate for use (e.g., if the policy needs to be amended to comply with local laws and regulations or if it is necessary to translate the content into local language).

## System of Quality Management roles

To enable the design, implementation, and operation of the EY South Africa's SQM, individuals are assigned to SQM roles. These individuals have the appropriate experience, knowledge, influence and authority, and sufficient time to fulfill their SQM roles and are accountable for fulfilling their responsibilities.

SQM roles and responsibilities are defined in the Global SQM policies to drive consistency in the execution of EY South Africa's System of Quality Management. For those individuals in EY member firm or regional leadership roles, there are accountability frameworks that outline how they will be held accountable for their System of Quality Management related responsibilities as well as other quality focused activities and how the responsibilities link to their performance ratings.

**Key roles within the SQM include:**

Role	Responsibility	Accountability/Committee
CEO	Ultimate responsibility and accountability for the SQM, including evaluating and concluding on its effectiveness.	Final decision-maker on SQM effectiveness.
Assurance Leader	Operational responsibility for the SQM, overseeing remediation and recommending annual evaluation conclusion to the CEO.	Chairs SQM Operational Committee; assigns SQM Operational Leader.
SQM Operational Leader	Assists Assurance Leader in fulfilling SQM-related responsibilities.	Member of SQM Operational Committee.
SQM Operational Committee	Oversees operational responsibility for the SQM.	Includes SQM Operational Leader, Service Line Leaders, Function Leaders; chaired by Assurance Leader.
South Africa Independence Leader	Operational responsibility for compliance with independence requirements.	Reports on independence compliance.

Role	Responsibility	Accountability/Committee
South Africa Professional Practice Director (PPD)	Operational responsibility for monitoring the SQM, overseeing monitoring process and concurring with or proposing changes to annual evaluation conclusion.	Chairs SQM Oversight Committee; assigns SQM Monitoring Leader.
SQM Monitoring Leader	Assists PPD in fulfilling SQM-related monitoring responsibilities.	Member of SQM Oversight Committee.
SQM Oversight Committee	Oversees monitoring processes and activities of the SQM.	Includes SQM Monitoring Leader, Service Line Quality Leaders, Assurance Quality Leader, Independence Leader, Risk Management Leader; chaired by PPD.

## Effectiveness: Annual evaluation conclusion as of 30 June 2025

The CEO, on behalf of EY South Africa, is required to evaluate the SQM on an annual basis, as of 30 June, and conclude on its effectiveness. The evaluation process is executed annually based on the Global SQM Annual Evaluation policy.

This evaluation is based on whether EY South Africa's SQM provides reasonable assurance that:

- ▶ EY South Africa and its people are fulfilling their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and engagements are being conducted in accordance with such standards and requirements.
- ▶ Reports being issued by the member firm and Partners in Charge (PICs) are appropriate in the circumstances.

This evaluation is based on whether EY South Africa's SQM provides reasonable assurance that:

- ▶ Tests of System of Quality Management key controls
- ▶ Internal and external engagement inspections

- ▶ Other monitoring activities (e.g., tests of EY South Africa and its people's compliance with ethical requirements related to independence, issues reported through the Ethics hotline, results of internal audit relevant to the System of Quality Management, learning compliance rates and internally defined audit quality indicators)

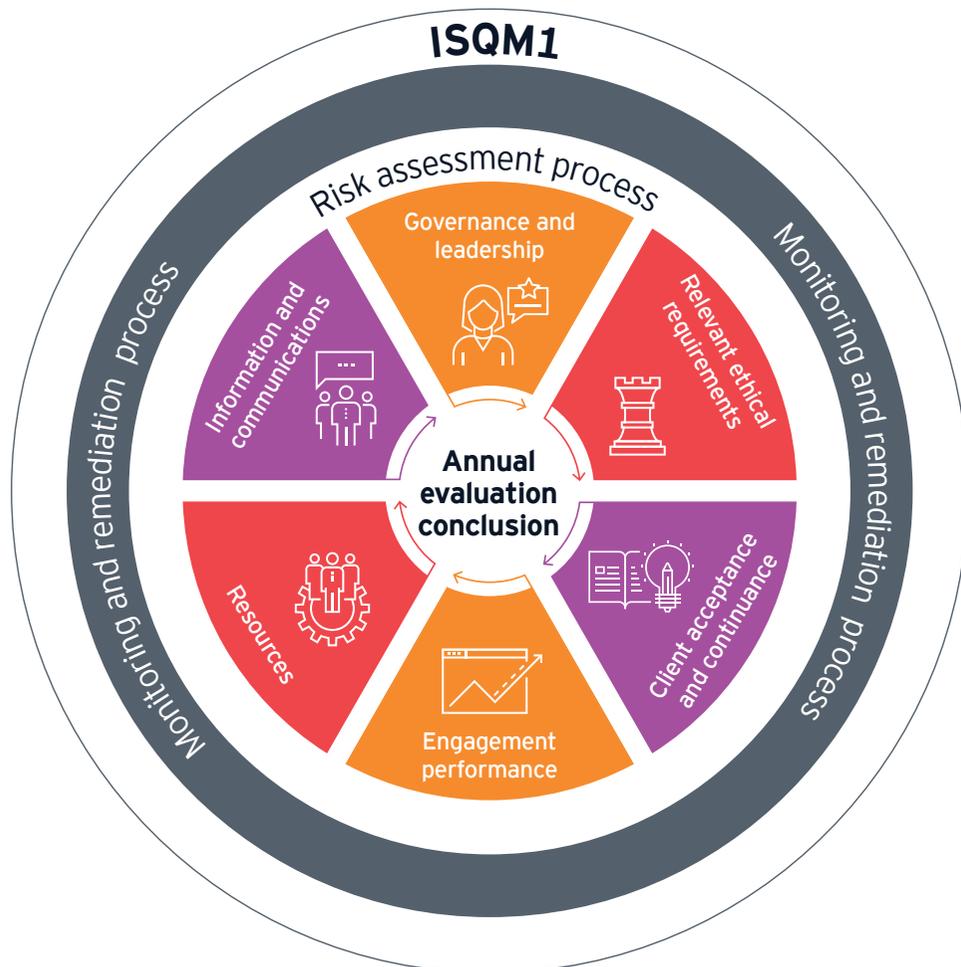
Professional judgment is used in evaluating the results of monitoring activities, including in determining whether findings, individually or in combination with other findings, rise to the level of a deficiency. Any deficiencies identified require a root cause analysis to be performed and a remediation plan to be developed.

Further, deficiencies are evaluated to determine the severity and pervasiveness of the deficiency. If a severe deficiency was identified, a member firm would need to assess whether the effect of the deficiency was corrected, and the actions taken by 30 June 2025 were effective, in determining its SQM annual evaluation conclusion.

**Conclusion:** The annual evaluation conclusion for EY South Africa as of 30 June 2025 is that the System of Quality Management provides reasonable assurance that the objectives of the System of Quality Management are being achieved.

# Components of our System of Quality Management

In the following sections, we describe the components of the System of Quality Management at EY South Africa:



## System of Quality Management risk assessment process

EY South Africa has designed and implemented a risk assessment process to establish quality objectives, identify and assess quality risks, and design and implement responses to address the quality risks as required by ISQM 1. The risk assessment process is executed annually based on Global SQM policies.

To drive consistency while providing EY member firms with an approach that is scalable and adaptable based on the facts and circumstances of the member firm, Global SQM baseline Quality Objectives, Quality Risks and Responses have been developed by representatives of EY Global Leadership (including Global Assurance Leadership) based on input from functional and service line groups at the Global, Area and Region level. Global System of Quality baselines include:

- ▶ SQM baseline Quality Objectives
- ▶ SQM baseline Quality Risks
- ▶ SQM baseline Responses
  - ▶ SQM baseline Resources (e.g., Global policies or technologies that mitigate an EY SQM baseline Quality Risk)
  - ▶ SQM baseline Key Controls to be designed and implemented to mitigate an EY SQM baseline Quality Risk

Global SQM baselines are presumed to be applicable to every member firm performing engagements in scope of ISQM 1. EY member firms have the responsibility to evaluate the Global SQM baselines and determine if the Global SQM baselines need to be supplemented or adapted by the EY member firm to be appropriate for use (e.g., additional quality risks, customisation of responses).

### EY South Africa reviewed the Global SQM baselines and performed the following:



Accepted or rejected Global baseline Resources and Key Controls after appropriate analysis of our facts and circumstances. In the case of rejection of Global baseline Resources and Key Controls, preliminary discussion and agreement with the Area SQM Leadership is required.



Together with the Area SQM Leadership, identified the level of execution of Global baseline Key Controls.



Customised accepted Global, Area and Region baseline Key Controls.

The review of the Global SQM baselines considered the facts and circumstances of EY South Africa, including, the nature and operating characteristics of EY South Africa, the types of engagements performed and systemic trends from monitoring activities within the SQM.

In addition to reviewing the Global SQM baselines, EY South Africa determined if additional quality objectives, quality risks or responses were necessary. Based on the review of these baselines, no additional quality risks or objectives were identified for FY25. Several responses were customised or added to address specific local constructs and related to archiving of engagement files, client acceptance due diligence and talent management. Where appropriate, quality risk and Global baselines responses that were not relevant to EY South Africa were rejected.

# Governance and leadership

## Tone at the top

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

While the tone at the top is vital, EY people also understand that quality and professional responsibility start with them, and that, within their teams and communities, they are leaders too. EY shared values, which inspire EY people and guide them to do the right thing, and the EY commitment to quality are embedded in who we are and in everything we do.

EY culture strongly supports collaboration and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies and is embedded in the EY culture of consultation, training and internal communications. Senior leadership reinforces the importance of performing quality work, complying with professional standards, adhering to EY policies and leading by example. In addition, EY member firms assess the quality of professional services provided as a key metric in evaluating and rewarding EY professionals.

To measure the culture of quality across EY member firms and provide EY South Africa with valuable insights into the perceptions of the culture of quality, including tone at the top, collaboration, workload management and ethical behaviour, a Global Quality Survey is undertaken annually.

The results of the 2025 Global Audit Quality Survey rendered a positive outcome and demonstrate the fruition of our continuous efforts to enhance audit quality.

The 2025 Global Audit Quality Survey results indicate that EY people recognise how the tone at the top set by leadership demonstrates a commitment to quality; as well as the personal responsibility for delivering high quality audits. Yet, the results also indicate that more can be done to ensure people are comfortable to ask for help where they experience workload pressures; as well as on-the-job feedback and coaching.

## Global code of conduct

We promote a culture of integrity among EY professionals as well as those working with EY. The EY Global Code of Conduct provides a clear set of principles for all EY people to guide our actions and our business conduct.

The EY Global Code of Conduct is divided into five categories:



Through EY policies and procedures designed to support compliance with the EY Global Code of Conduct, and through frequent communications, we strive to create an environment that encourages all EY people to act responsibly, including reporting misconduct without fear of retaliation.

In the 2025 Global Quality Survey, 98% of EY South Africa respondents indicated that if they were asked to do something they believe would compromise professional or ethical standards, they would raise concerns to their team, those in leadership roles, or through the EY Ethics Hotline.

## Accountability frameworks

The accountability frameworks of EY are a set of policies and frameworks that put quality into action and outline how EY partners, principals, associate partners, executive directors, managing directors, directors and leaders will be held accountable for their SQM related responsibilities as well as other quality focused activities and how the responsibilities link to their performance ratings.

The Global Accountability Framework is applicable to all EY member firm partners, principals, associate partners, executive directors, managing directors, directors, no matter their role, service line or location.

Supplementing this framework are two additional frameworks:

An Assurance specific framework

A framework covering individuals in leadership roles at the member firm and regional level, which is applicable for all service lines and functional leadership roles.

Collectively, these three accountability frameworks set clear expectations for quality to maintain the confidence that external stakeholders place in EY. The frameworks outline criteria validate whether an individual's quality rating is appropriately considered in their performance rating.

# Relevant ethical and legal requirements

The EY Global Code of Conduct provides guidance on people's actions and business conduct. EY South Africa is committed to complying with applicable laws and regulations, and EY's values underpin the commitment to doing the right thing. This important commitment is supported by several policies and procedures, explained in the paragraphs below.

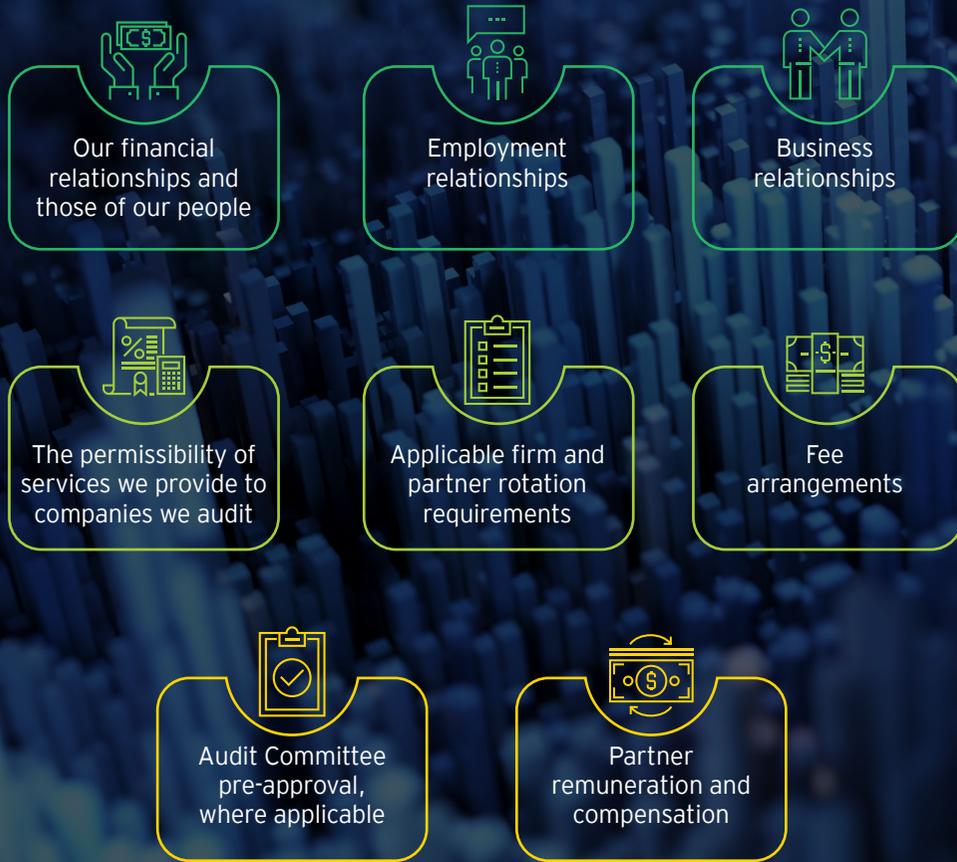
## Independence

Compliance with relevant ethical requirements, including independence, is a key element of the SQM. It involves determining that we are independent in both fact and appearance.

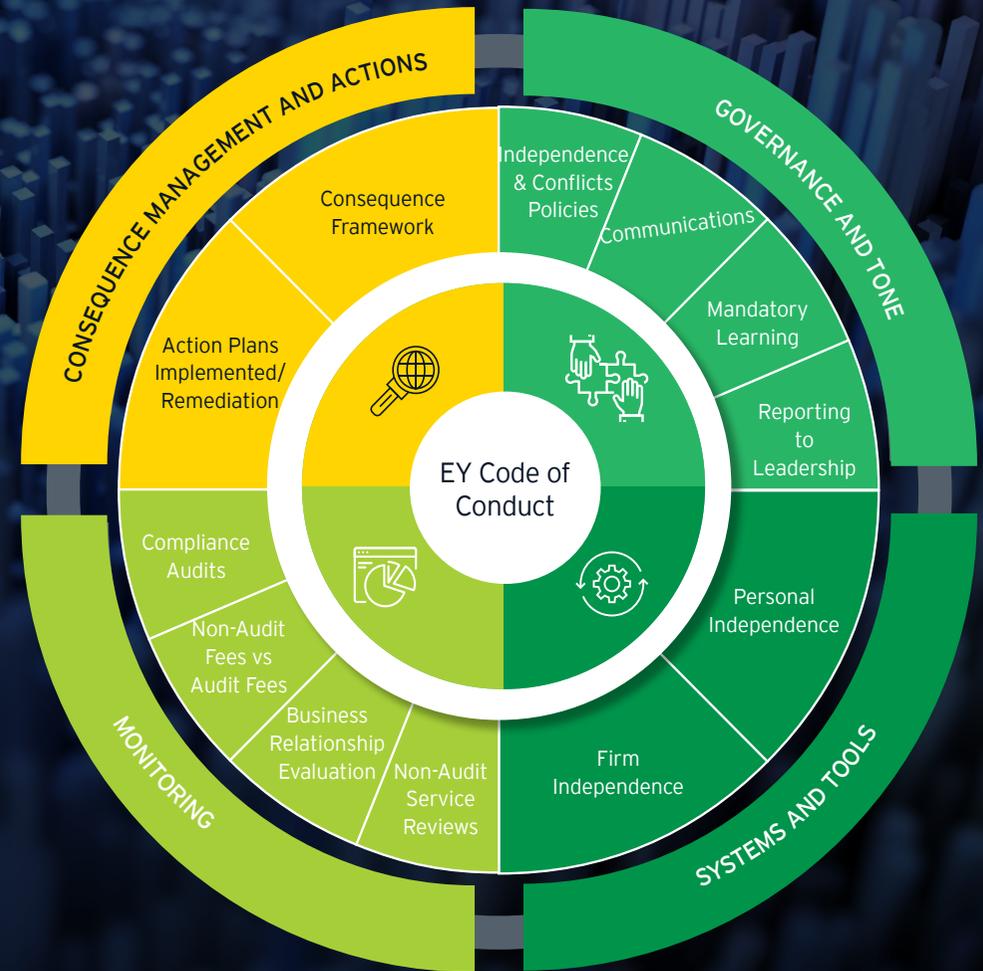
The ethical and independence requirements relevant to EY's audits and professional services are included in the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (the IRBA code) along with (and consistent with) the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code).

Refer to the Independence Practices section for information on policies, tools and processes relating to maintaining independence.

We consider and evaluate independence with regard to various aspects, including:



The below represents our system to manage our independence.



## Non-compliance with laws and regulations (NOCLAR)

In accordance with the IESBA Code, EY has adopted a policy designed to meet its obligations with respect to NOCLAR. The policy covers obligations with respect to non-compliant activity by clients or EY people, as relevant to their respective business activities.

In addition to the NOCLAR reporting obligations, EY may be required to make certain reports to relevant authorities regarding possible misconduct by clients – actual or suspected. Where such obligations exist, reports are made in accordance with local laws.

## Global Compliance Office

While specific legal and regulatory compliance requirements are managed by specialists and EY member firms, given the local applicability of laws and regulations, EY has a Global Compliance Office that oversees the design and implementation of compliance programmes responsive to EY's legal and regulatory environment.

The Global Compliance Office has identified the following current areas of focus: Artificial Intelligence (AI) compliance, data compliance, conflicts of interest, financial crime, independence, and Corporate Social Responsibility and Sustainability (CSR) compliance. These topics have been identified based on the common issues they present to the member firms within the EY network.

The Global Compliance Office has a role in coordinating and monitoring compliance with the laws, regulations and EY policies related to the key global compliance areas of focus.

### The three objectives of monitoring are to:

- 1 Provide assurance of the operational effectiveness of controls tested.
- 2 Identify opportunities for continuous improvement.
- 3 Identify instances of non-compliance for referral to risk management.

The Global Compliance Office is led by the Global Chief Compliance Officer, a role that reports to the Global Managing Partner - Business Administration and Risk.

In EY South Africa, Compliance responsibilities are included within the remit of the Risk Management function which is responsible for understanding the compliance requirements at the member firm level, and for working with compliance specialists to design and implement compliance programmes that are responsive to those requirements and for reporting to Exco or designated sub-committee on the compliance performance at the local level.

## Whistleblowing

The EY Ethics Hotline provides EY people, clients and others outside of the organisation with a means to confidentially report activity that may involve unethical or improper behaviour, and that may be in violation of professional standards or otherwise inconsistent with EY shared values or the Global Code of Conduct. Globally, the hotline is hosted by an external organisation that provides confidential and, if desired, anonymous hotline reporting.

When a report is submitted to the EY Ethics Hotline, it receives prompt attention from the Risk Management Leader. Depending on the content of the report, appropriate individuals from Risk Management, Talent or other functions may also be involved in addressing concerns raised by the report.

## Anti-bribery

The EY Global Anti-Bribery Policy provides EY people with direction on certain unethical and illegal activities. It emphasises the obligation to comply with anti-bribery laws and provides a definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered. In recognition of the growing global impact of bribery and corruption, efforts have been sustained to continue to embed anti-bribery measures across EY.

## Insider trading

Local laws and regulations prohibit trading securities or other financial instruments when in possession of material non-public information and EY is committed to acting with professional integrity and to comply with these laws, regulations and standards. EY people are obliged to comply with these requirements and are prohibited from trading while in possession of material non-public information.

The EY Global Insider Trading Policy reaffirms the obligation of EY people not to trade in securities or other financial instruments when in possession of material non-public information, provides detail on what constitutes insider information and identifies with whom EY people should consult if they have questions regarding their responsibilities.

## Economic and Trade Sanctions

It is important that EY member firms and EY people comply with the ever-changing rules on international economic and trade sanctions. EY makes available processes to support the identification of sanctions issued in multiple geographies both prior to business relationships being accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.

## Anti-money laundering

EY Advisory Services (Pty) Ltd, one of the legal entities that form part of EY South Africa, is registered as an Accountable Institution under the Financial Intelligence Centre Act (FICA), 2001 (Act No.38 of 2001). Consistent with the EY global guidance on AML, and as required by FICA as may be applicable, EY South Africa has implemented appropriate policies

and procedures designed to meet our AML obligations, including Know Your Client (KYC) procedures, risk assessments and suspicious activity reporting. Due to the interconnectivity of the various service lines and legal entities that make up EY South Africa, EY incorporated applies similar AML policies and guidance even though not an Accountable Institution itself.

EY people are trained on their responsibilities under the regulations and provided with guidance on who to consult when they have questions.

## Data protection and confidentiality

The EY Data Protection & Confidentiality Global Policy, EY Binding Corporate Rules (BCR) Programme and related EY policies set out principles and minimum standards to be applied to the collection, use and protection of all information that EY has responsibility for, including personal data relating to current, past and prospective EY professionals, clients, suppliers and business associates, as well as other information considered confidential to clients, third parties or the EY organisation.

This policy is consistent with the requirements of the European Union's General Data Protection Regulation (GDPR), and other applicable laws and regulations concerning data protection and privacy in addition to relevant professional standards providing a framework for confidentiality. EY South Africa has supplemented the EY BCR Programme and global policies with local policy and processes which further strengthen applicable protections as required by our local law, the Protection of Personal Information Act (POPIA).

In addition, The EY BCR are approved by UK and EU regulators and overseen by EY Global Chief Privacy Officer. They further provide a legal mechanism facilitating the movement of personal data within the EY network. In addition, EY teams are committed to the responsible use of personal and confidential data in AI technologies in accordance with applicable laws, regulations, and professional standards that apply to the use and management of AI systems and associated data.

## Data Stewardship Office

EY recognises that data not only requires stringent protection but is also a valuable resource that can help drive innovation and create value. The EY Data Stewardship Office (DSO) is a response to the need for enhanced data governance and alignment across EY member firms, service lines, and accounts.

The purpose of the DSO is to coordinate first-line risk and control functions, as well as to serve as a centralised resource to enable business accountability for managing and governing data throughout its life cycle and consistent implementation of, and adherence to the EY Global Data Protection (DP) and Information Security Policies and Guidance, through integration with EY member firms, service lines and account teams.

To enhance EY data risk governance, the DSO is embarking on an assessment of EY data related policies and standard landscape. The framework leveraged to perform the current- state assessment is focused on key components that make up a data governance programme, including policies and standards, data stewardship, metadata and linkage, data quality, risks and controls, monitoring, and reporting.

## Rotation and long association

EY South Africa complies with the audit partner rotation requirements of the IESBA Code, the IRBA code, the Companies Act of South Africa, 2008, as well as the U.S. Securities and Exchange Commission (SEC), where required. EY South Africa supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining experience and knowledge of the business. Audit partner rotation, combined with independence requirements and independent audit oversight, helps strengthen independence and objectivity, and is an important safeguard of audit quality.

For public interest entities (PIEs), the EY Global Independence Policy requires the lead engagement partner, the engagement quality reviewer and other audit partners who make key decisions or judgments on matters significant to the audit, (together, the key audit partners), to be rotated in accordance with the applicable regulatory maximum service period. In South Africa, the Companies Act requires the lead engagement partner to rotate every five years for all registered companies. Similarly, in terms of the Banks Act, 1990, the lead engagement partner must also rotate after a five-year period.

In addition to the key audit partner rotation requirements applicable to PIE companies we audit, EY has established a long association safeguards framework. This is consistent with the requirements of the IESBA and IRBA Code and includes consideration of the threats to independence created by the involvement of EY professionals over a long period of time and a safeguards framework to address such threats.

EY South Africa employs processes to monitor compliance with internal rotation, and requirements for audit partners and other EY professionals who have had a long association with the audited entity.

# Client and engagement acceptance and continuance

## Global policy on client and engagement acceptance and continuance

The EY global policy on client and engagement acceptance and continuance sets out principles for EY member firms to determine whether to accept a new client, a new engagement with an existing client, or to continue with an existing client or engagement.

The objectives of the policy are to:



In addition, the EY global policy on conflicts of interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions aimed at mitigating potential conflicts of interest as quickly and efficiently as possible, using appropriate safeguards. Such safeguards may include obtaining client consent to act for another party where a conflict of interest may exist, establishing separate engagement teams to act for two or

more parties, implementing appropriate separations between engagement teams or declining an engagement to avoid an identified conflict.

The EY global policy on conflicts of interest and associated guidance considers the increasing complexity of engagements and client relationships, and the need for speed and accuracy in responding to clients. They also align with the requirements of the IRBA Code and IESBA Code.

**EY South Africa has established additional local governance processes to oversee decisions made in respect of client and engagement acceptance and continuance which include the:**

- 1 Assurance Deal Review Committee
- 2 Government and Public Sector Due Diligence Process, and
- 3 Markets Resolution Committee.

## Putting policy into practice

We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for coordinating client and engagement acceptance and continuance activities in line with global, service line and EY member firm policies. PACE takes users through the acceptance and continuance requirements for both audit and non-audit engagements and identifies the policies and references to professional standards, including independence, needed to assess both business opportunities and associated risks. PACE is an example of technological resources made available to EY member firms across the globe intended to drive consistency.

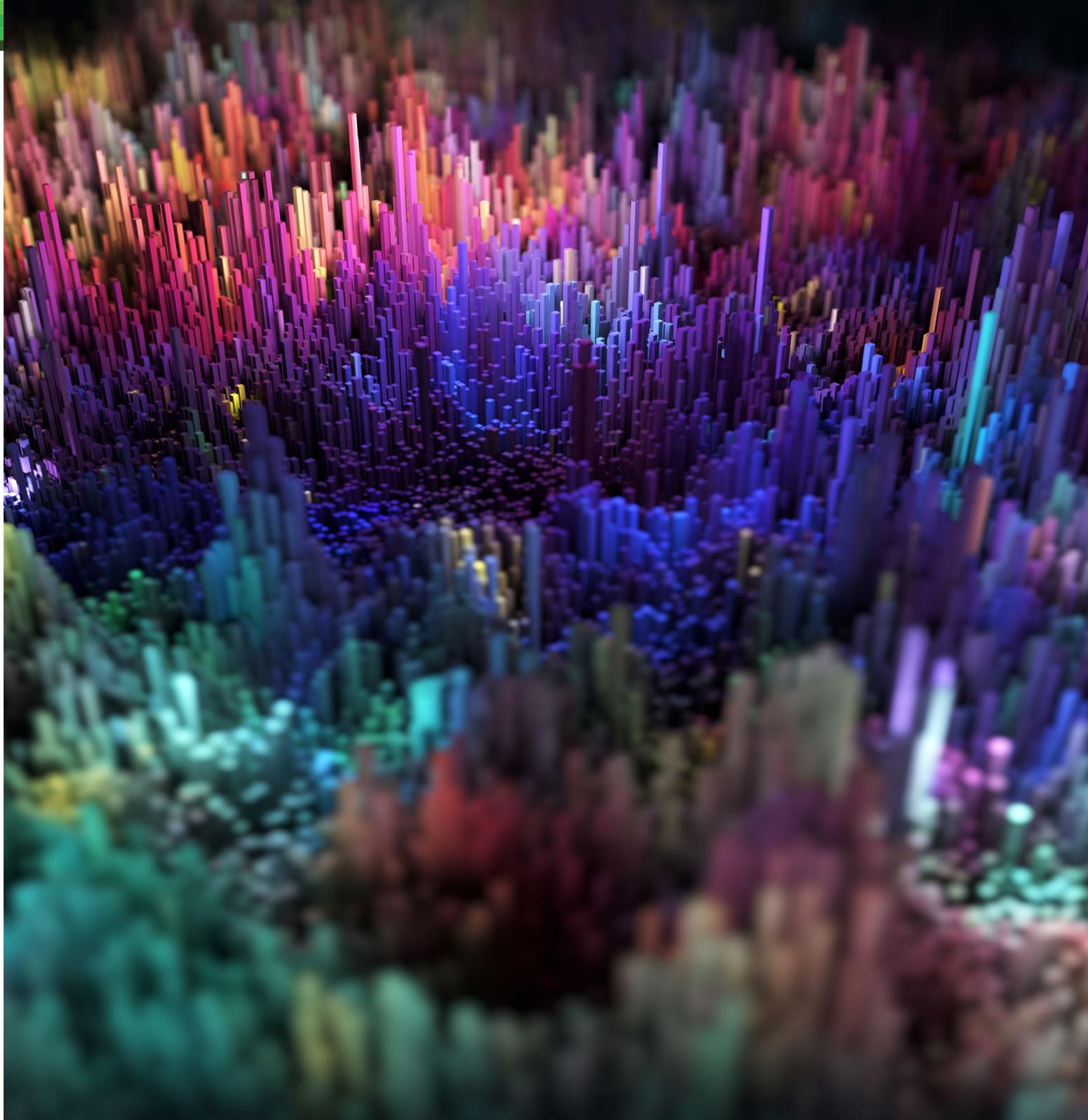
The process for acceptance or continuance of clients and engagements includes consideration of the engagement team's assessment of risk factors across a broad range of categories such as industry, management's attitude, internal controls, audit complexity and related parties. As part of this process, we consider the risk characteristics of a prospective client or engagement, and the results of due diligence procedures. Before taking on a new client or engagement, we also determine whether we can commit sufficient and appropriate resources to provide quality services, especially in highly technical areas, and if the services the client is requesting are



appropriate for us to provide. The approval process provides that new audit engagements may not be accepted without approval by representatives from Professional Practice Director (PPD) and Assurance Managing Partner (AMP) teams at a Country Region and Area level, as applicable.

In the EY annual client and engagement continuance process, we evaluate our services and ability to continue providing quality service. The engagement partner, together with our Assurance leadership, annually evaluates the relationship with the entities to which we provide assurance services to, to determine whether continuance is appropriate.

As a result of this evaluation, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit relationships are discontinued. Engagement continuance decisions are approved in line with the established audit approvals framework.



# Our PIE audit clients

## PIE clients accepted, but which will be audited in the next financial year

- ▶ Bank of China
- ▶ South African Reserve Bank

## PIE clients audited for the first time in FY25

- ▶ Liberty Holdings Ltd
- ▶ Libstar Holdings Ltd
- ▶ Quantum Foods Holdings Ltd
- ▶ Standard Bank Group Ltd

## PIE clients audited for the last time in FY25

- ▶ Allan Gray Group (Pty) Ltd
- ▶ Astoria Investments Ltd
- ▶ Gem Diamonds Ltd
- ▶ Sibanye Stillwater Ltd
- ▶ University of Stellenbosch

## Other PIE clients

- ▶ AdvTech Ltd
- ▶ Amber House Fund 2 (RF) Ltd - Listed Ambers
- ▶ ArcelorMittal South Africa Ltd
- ▶ Aspen Pharmacare Ltd
- ▶ ATTACQ Ltd
- ▶ AVI Ltd
- ▶ Barloworld Ltd
- ▶ Brimstone Investment Corporation Ltd
- ▶ China Construction Bank Corporation (Incorporated in China) -Johannesburg Branch
- ▶ Deutsche Bank AG Johannesburg Branch
- ▶ FirstRand Ltd
- ▶ Growthpoint Properties Ltd
- ▶ Harmony Gold Mining Company Ltd
- ▶ Hulamin Ltd
- ▶ Invicta Holdings Ltd
- ▶ JSE Ltd
- ▶ Lewis Group Ltd
- ▶ Metair Investment Ltd
- ▶ Momentum Group Ltd (excluding funds)
- ▶ Momentum Collective Investments (RF) (Pty) Ltd (Unit Trust funds)
- ▶ Momentum Pension Preservation Fund
- ▶ Momentum Provident Preservation Fund
- ▶ Momentum Retirement Annuity Fund
- ▶ MTN Group Ltd
- ▶ Multichoice Group Ltd
- ▶ Munich Reinsurance of Africa
- ▶ Nedbank Group Ltd
- ▶ NEPI Rockcastle NV
- ▶ Octodec Investments Ltd
- ▶ Old Mutual Ltd
- ▶ Pick n Pay Stores Ltd
- ▶ Professional Provident Society Holdings Trust
- ▶ Remgro Ltd
- ▶ RFG Holdings Ltd
- ▶ SAHL Insurance Company Ltd - Insurance
- ▶ SAHL Investment Holdings (Pty) Ltd - Group
- ▶ Sea Harvest International Ltd
- ▶ Shoprite Holdings Ltd
- ▶ Southchester (RF) Ltd
- ▶ Standard Chartered Bank - Johannesburg Branch
- ▶ Strate (Pty) Ltd
- ▶ The Thekwini Funds
- ▶ University of Pretoria
- ▶ Vodacom Group Ltd
- ▶ YeboYethu Ltd



## Quality at the core of technology development

The efforts of EY to provide this next-generation Assurance technology platform are consolidated under a global transformation programme. This programme includes standardised protocols that are adhered to with regard to technology concept creation, development and deployment. Multiple stakeholders are involved in this effort, including global and Area representatives from Professional Practice, the Global Assurance Quality Network and EY Technology.

New assurance technology concepts are presented to a global committee of these stakeholders for evaluation based on several benefit criteria including quality, value for EY professionals and value for EY clients. If the committee believes that a concept lacks sufficient attributes under these and other criteria, it is rejected, or adjustments are made and is re-presented to the committee.

Stringent testing throughout the development cycle, including with end users, is a prerequisite for the release of any audit technology. The Assurance technology is then presented for release to global Assurance service line leadership once this extensive testing, including piloting, is completed, feedback is evaluated and incorporated, and the necessary certification is complete.

Tools and other technology enabled solutions developed by EY South Africa are subject to the prescribed certification process and only released once all processes are complete. These solutions supplement those provided by the network and are designed to address needs identified by the local leadership team. Local tools were deployed by EY South Africa to assist engagement teams to identify possible conflict of interest in the supplier database of the client and automations in compiling the auditor's report.

## Technology-enabled methodology

Companies are leveraging technology to develop new systems and processes for business management, as well as analysing more data to inform business decisions. This trend is facilitating a more data analysis-driven and risk-based approach to the audit, which means that full populations of data can be analysed focusing the auditor's attention on the complete transaction flow and process.

The embedded data-driven approach of EY Global Audit Methodology (EY GAM) enhances the auditor's preliminary risk assessment and helps the auditor to challenge those conclusions throughout the various phases of the audit. The auditor can reassess risk based on what is identified in the data, which creates an audit flow that is iterative in nature.

## Addressing the risk of technology over-reliance

EY has procedures, policies, and enablement in place to encourage the responsible use of audit tools and technology, including AI-powered technologies, and to mitigate the risk of over-reliance by the audit professional. In addition, EY GAM emphasises applying appropriate professional scepticism, supervision and review in the execution of audit procedures. EY audit tools and technology, including AI-powered technology, are designed to provide support for the audit team's procedures to address risks of material misstatement, but not replace the important role of the professional in applying their experience and judgment to reach a conclusion.

## Assessing Fraud risks in the audit

As organisations become increasingly complex and more digital dependent, there is a need to evolve the auditor's efforts to identify and respond to risks of material misstatement due to fraud, as well as the auditor's response to identified or suspected fraud.

EY leverages data to identify and respond to the risk of fraudulent financial reporting. For example, auditors can utilise advanced data analytics capabilities of EY Helix to identify unusual transactions and their patterns that could indicate a heightened risk of fraud.

**In addition to access to Forensic specialists, EY tools and processes are available to help EY teams identify and respond to specific risks of fraud, which include:**

**The Document Authenticity Tool**, which tests alterations to selected electronic documents using a variety of techniques and helps to identify when a document provided as audit evidence may have been altered, tampered with or modified.

**The Journal Entry Fraud Risk Analyser (JEFRA)**, which evaluates each journal entry selected for characteristics associated with an elevated risk of management override and identifies entries for incremental consideration.

**The Short seller report alert process**, which monitors and distributes reports globally to audit teams and leadership.

## Reviews of audit work

EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed and the requirements for documenting the work performed and conclusions reached. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for technical accuracy and completeness. Senior audit executives and engagement partners perform a second-level review to determine the adequacy of the audit work as a whole and the related accounting and financial statement presentation.

Where appropriate, and based on risk, a tax professional reviews the significant tax and other relevant working papers. For listed and PIEs and certain other companies, an engagement quality reviewer (described below in the Engagement quality reviews section) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the audited entity and the auditor's report.

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



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



The ability and experience of audit engagement team members preparing the audit documentation



The level of the reviewer's direct participation in the audit work



The extent of consultation employed

EY policies also describe the critically important role of the Partner in charge (PIC) in managing and achieving quality on the audit and reinforcing the importance of quality to all members of the audit team, including component auditors.

## Consultation requirements

EY consultation policies are built upon a culture whereby EY audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting matters. In the 2025 Global Quality Survey, **83% of EY South Africa** respondents said the EY culture of consultation encourages them to seek advice and support.

As the environment in which EY member firms work has become more complex and connected around the globe, the EY culture of consultation has become even more important to help EY member firms reach the appropriate conclusions about entities that they audit on a timely basis. Consultation requirements and related policies are designed to involve the right resources, so that EY audit teams reach appropriate conclusions.

**The EY culture of consultation supports Audit teams to provide seamless, consistent, and high-quality services that meet the needs of audited entities, their governance bodies and all stakeholders.**

For complex and sensitive matters, there is a formal process requiring consultation outside of the audit team with other EY professionals who have more relevant experience, primarily Professional Practice and Independence professionals. In the interests of objectivity and professional scepticism, EY policies require members of Professional Practice, Independence and certain others to recuse themselves from the consultation if they currently serve, or have recently served, the entity to which the consultation relates. In these circumstances, other appropriately qualified individuals would be assigned.

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

## Engagement quality reviews

EY engagement quality review policies, which are in accordance with ISQM 2, Engagement Quality Reviews, address the audits that are subject to engagement quality reviews and the qualifications of engagement quality reviewers. Engagement quality reviewers are provided with training and enablement to support the execution of the engagement quality review. Engagement quality reviewers are experienced EY professionals with significant subject-matter knowledge. They are independent of the engagement team and provide an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached thereon. The performance of an engagement quality review, however, does not reduce the responsibilities of the PIC for the engagement and its performance. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed, and the required documentation evidencing their completion. In all circumstances, the engagement quality review is completed before the auditor's report is dated.

Engagement quality reviews are performed in compliance with professional standards for audits of all listed companies, all PIEs and those considered to need close monitoring. The Country AMP (or Country Audit Leader) and Country PPD approve the assignment of the engagement quality reviewer to each applicable engagement.

## Engagement team resolution process for differences of professional opinion

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

The nature of the EY culture is made clear to people as they join an EY member firm, and EY member firms continue to promote a culture that reinforces a person's responsibility and authority to make their own views heard and seek out the views of others.

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

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

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

## Records retention

The Records and Information Retention and Disposition Global Policy supports and builds upon provisions within the EY Global Code of Conduct regarding acting with professional integrity in terms of documenting work and respecting intellectual capital. This policy and the Global Retention Schedule (GRS) establish records and information management (RIM) requirements for the management of records and information and documents ("records and information") throughout their life cycle including the requirement to securely discard or delete records for which the retention period has expired, unless special and acceptable circumstances apply.

This policy, and the GRS and RIM requirements are in accordance with applicable professional standards and are based on regulatory, legal, and business requirements and obligations. They apply to all engagements and EY people and address EY South Africa legal requirements, are applicable to the creation and maintenance of working papers, and relevant to the work performed.

# Resources

There is continued EY investment in resources. Resources defined by ISQM 1 include intellectual, technological and human resources.

## Audit methodology

The EY Global Audit Methodology (EY GAM) provides a global framework for providing high-quality audit services through the consistent application of thought processes, judgments and procedures in all audit engagements, regardless of the size. EY GAM also requires compliance with relevant ethical requirements, including independence from the audited entity. Making risk assessments; reconsidering and modifying them as appropriate; and using these assessments to determine the nature, timing and extent of audit procedures are fundamental to EY GAM. The methodology also emphasises applying appropriate professional scepticism in the execution of audit procedures. EY GAM is based on International Standards on Auditing (ISAs) and is supplemented in EY South Africa to comply with the local South African auditing standards and regulatory or statutory requirements. EY GAM is one example of an intellectual resource made available to EY member firms to drive consistency in the execution of audit engagements.

Using EY Atlas, an EY auditor is presented with EY GAM, which is organised by topic and designed to focus the audit strategy on the financial statement risks, and the design and execution of the appropriate audit response to those risks. EY GAM consists of two key components: requirements and guidance; and supporting forms and examples. The requirements and guidance

reflect both auditing standards and EY policies. Examples in EY GAM supplement the requirements and guidance with leading practice illustrations.

EY GAM specifically distinguishes the requirements and guidance that apply to audits of listed entities and public interest entities.

The results of internal and external inspections, engagement team coaching activities, and other sources, provide insight into the quality of EY audits. This feedback loop is critical to understanding what quality-driven activities are most important to drive our future success, and whether those initiatives are proving effective in remediating prior deficiencies.

Specific consideration is given to whether changes in audit methodology are warranted to address challenges occurring in practice that are observed through these activities. EY continues to develop the methodology to address changes and revisions in auditing and other professional standards and changes within entities' financial reporting processes, and to enhance guidance related to matters that are important to entities' stakeholders, such as climate-related risks, cybersecurity risk and the entity's use of emerging technologies within their operations or financial reporting processes (e.g., automation, AI, blockchain).

## Non-financial reporting

EY member firms provide assurance services on a wide range of non-financial information and reporting-related information.

The EY Sustainability Assurance Methodology (EY SAM) provides a global framework for the application of a consistent approach to all assurance engagements on sustainability information. EY SAM provides for the delivery of high-quality assurance services through the consistent application of thought processes, judgments and procedures in all engagements, regardless of the level of assurance required. EY SAM is also adaptable to the nature of both the sustainability reporting, and the criteria applied by the reporting entity in producing that report.

The methodology emphasises applying appropriate professional scepticism in the execution of procedures taking into consideration the changing landscape in sustainability reporting and criteria. EY SAM is based on the International Standards on Assurance Engagements (ISAEs) and is supplemented in South Africa to comply with local assurance standards and regulatory or statutory requirements.

EY has developed guidance, training and monitoring programmes and processes used by EY member firm professionals to execute such services consistently and effectively. This includes the EY Climate Change and Sustainability Services – a dedicated team of sustainability professionals.

Guidance has also been developed for EY audit teams to assess the impact of

climate risk on financial reporting under International Financial Reporting Standards (IFRS)<sup>®</sup> Accounting Standards or other financial reporting frameworks. The Global, Area, Regional and Country PPDs, EY quality functions and IFRS desks, together with other finance and sustainability professionals, who work with teams in each member firm, are knowledgeable about the changing regulatory non-financial reporting landscape, EY people, clients and processes. They are readily accessible to support Assurance engagement teams.

There is continued EY investment in resources (human, intellectual and technological) for assurance engagements on sustainability reporting prepared in compliance with IFRS Sustainability Disclosure Standards.

Additionally, the EY quality management-related processes aim to address such aspects as the engagement acceptance process, training and accreditation requirements, and resource assignments specifically related to assurance services over non financial reporting matters.

EY provides input to a number of public and private initiatives to improve the quality, comparability and consistency of non financial reporting, including climate risk. These activities take place at a global, regional and national level.

## Certification of technology

EY has a stringent certification process to verify that automated tools and techniques used in audit engagements are fit-for-purpose and EY people have the appropriate competencies and support to use the solution.

Certification addresses a range of aspects, including that the solution has a clear audit evidence objective, was appropriately tested, that methodology, enablement and learning are available to support its application and relevant legal and regulatory requirements have been managed (e.g., data privacy).

## Employee value proposition (EVP)

### The EY EVP is the promise we make to our employees in return for working at EY South Africa.

The composition of EY people is changing continually, and we are in a dynamic and competitive talent market, where EY people now want different things from their workplace. What we promise in an EVP matters more than ever.

As part of the new EY strategy, the EVP has been updated to reflect that every employee can “shape your future with confidence.” This signals a step change from enabling an exceptional EY experience to providing the opportunities to develop, empower and fuel extraordinary EY people.

EY South Africa is committed to investing in our most valuable asset – our people – to help ensure we keep our promise to them. Delivering on the EVP in turn helps us to drive further advances in audit quality, creating real value and insights for entities that are audited by us.

In FY25, EY is focused on activating the new EVP primarily through two globally consistent signal commitments: Career Agility and Thrive Time.

Career Agility is about empowering employees to shape their future with confidence, leveraging the full extent of our reach and resources to achieve their career goals. This means supporting EY employees exploring a personalised, flexible career path encompassing a range of different roles and experiences across geographies, assignments, industries and service lines.

Thrive Time is focused on personal growth. We are committed to building a culture where employees are enabled and supported to carve out dedicated time for personalised growth activities including learning new skills, focusing on connection, wellbeing, and engaging with the communities in which we live and work.

## Attracting and recruiting talent

### With the number of young people pursuing careers in accounting and audit declining globally, competition for talent with the optimal skill set has never been higher.

Attracting the next generation of high-quality auditors remains a top priority for EY. This is also an industry-wide priority.

In response to this challenge, the Global Public Policy Committee (GPPC), which brings together leaders from the six largest international accounting networks (BDO, Deloitte, EY, Grant Thornton, KPMG, and PwC) to focus on public policy issues facing the global multidisciplinary accounting profession, launched the Attractiveness of the Profession (AotP) workstream. One of the AotP initiatives seeks to develop narratives about the positive attributes of the profession – with the goal of driving long-term sector strength by developing an early-stage talent pipeline that benefits the entire profession.

To expand the early careers pipeline and reach broad and diverse audiences globally, EY launched the audit virtual work experience programme for university and college students who are at early stages of their studies and are looking to explore future career paths. The purpose is to connect with students and showcase the audit work that EY teams carry out across the globe, in a direct and informal way, with the aim of building a network with our future talent from the early stages in their academic journey. Students taking this virtual job simulation are more likely to apply, have an interview and be successful in securing an opportunity in EY audit teams.

EY South Africa retains a strong network of recruiters and continues to educate and upskill them in the key areas of focus for EY businesses, current trends and hot topics in assurance so that they are armed with the information to talk to candidates. EY South Africa also continues to work on talent attraction initiatives with the purpose of networking with new and diverse audiences that we didn't have the opportunity to connect with via the traditional channels and innovate in the ways we communicate with and attract our future talent.

EY is using AI to help screen CVs (in line with EY AI principles and always with humans as decision makers), enabling recruiters to accelerate the review and interview process offering an overall better candidate experience, and better-quality candidates to fill the vacancies faster.

To recruit people who fit with the EY culture, it is important to consider not only technical excellence, but also other attributes and skills, such as communication skills, high ethical standards and the ability to collaborate in high-performing teams. All joiners are expected to live up to high standards of integrity, and to have strong business acumen and leadership potential.

## Retention and focus on wellbeing

**Retaining talent is a key factor in providing high-quality audits. Retention can vary based on external drivers, such as market conditions, but as of 30 June 2025, this was at 71% in the audit sub-service line for EY South Africa.**

EY people have always wanted to achieve the right balance between their professional and personal lives, but the younger workforce generations are much quicker to take action if their desired level of flexibility or wellbeing is not met. Currently, 28% of EY South Africa auditors work remotely two or more days per week, a figure that is stabilising as a working norm.

An increasingly important talent priority has been a focus on wellbeing and improving the day-to-day experience of EY people. The overarching goal is to embed a wellbeing culture through the commitment of leadership to provide the financial, physical, emotional and social support that enables EY people to be the best they can be. This can manifest in the provision of flexible working arrangements, recognition programmes, mental health awareness and wellbeing, learning and development, plus much more.

## The Audit Academy

**Changing environments mean that investments in exceptional talent need to be agile. EY audit teams already bring together an increasingly diverse set of skills and this trend will only accelerate as new technologies are adopted, and the role of the audit professional continues to evolve.**

This year, activation of the Thrive Time signal commitment has put additional focus on personalised growth activities, including dedicating time to connection, improving wellbeing and personal growth.

In practice, this also includes equitably balancing work allocations and breaking down barriers that have previously prevented EY professionals from setting and adhering to healthy boundaries. There is a stronger focus on experience management, scheduling auditors onto engagements, where they can find opportunities to expand their knowledge as part of longer-term career progression.

The better the organisation can support EY people's wellbeing, the more likely it is to provide them with compelling reasons to continue their career journey within the EY network.

Skill sets will need to be further enhanced to encompass new competencies, such as appropriate use of AI, and new areas, such as the analysis of non-financial information (e.g. rapidly changing sustainability standards).

EY audit professionals also need to understand and assess the risks and considerations associated with these technologies, particularly as companies implement new systems and generate new data that impact financial and non-financial reporting, such as processes dealing with cryptocurrencies or greenhouse gas emissions.

This is addressed through the Audit Academy, the EY global learning programme for auditors, together with Global and Local Learning Requirements. It builds auditors' core skill sets and evolves over time.

Every year, the content and focus of the Audit Academy, Global and Local Learning Requirements is adjusted to address new technologies and strategic priorities that promote audit quality. In addition, inspection and quality review findings are reviewed regularly to assess and address root causes, and the conclusions are then fed into the Audit Academy, Global and Local curricula as part of the annual maintenance.

Teams can be sure that they are receiving leading-class and globally consistent core learning. The Audit Academy, Global and Local Learning Requirements encourages and empowers individuals to apply professional scepticism, think critically and provide exceptional client service. It creates an agile skillset that allows learners to adjust to changes in regulation, or the adoption

of emerging technologies such as new data analytics tools and techniques or the appropriate use of AI.

The Audit Academy, Global and Local Learning Requirements are designed to provide flexibility in deployment, through a blend of on-demand content and simulation or case study-based learning that can be deployed either physically or virtually.

EY South Africa requires audit professionals to obtain at least 20 hours of continuing professional education each year and at least 120 hours over a three-year period. Of these hours, 40% [(8 hours each year and 48 hours over a three-year period)] must cover technical subjects related to accounting and auditing. In addition, EY South Africa monitors completion of CPD reflective plans as required by the South African Institute of Chartered Accountants (SAICA), as well as the Independent Regulatory Board for Auditors (IRBA).

In total, during the financial year to 30 June 2025, EY audit professionals in South Africa undertook 162 437 hours of learning, averaging 92 hours each, also exceeding the minimum requirements.

While some of these incremental hours relate to technical accounting and auditing subject matter, others support the development of broader skills, such as those described in the next section. In the 2025 Audit Quality Survey, 86% of EY South Africa respondents said they received sufficient training and development to enable them to provide quality audits or other assurance engagements, up 2% from 2024 (84%).

## EY Badges and Partner Learning

In addition to audit specific learning, EY provides a broad curriculum of content that covers legal, ethical and compliance related topics (such as Independence, Values and Information Security) as well as other skills such as Wellbeing, Coaching, Counselling, Teaming, and Business Development.

To encourage the building of new skills, the EY Badges programme enables EY professionals to gain future-focused skills including robotic process automation, teaming, innovation and cybersecurity, as well as other capabilities that are in high demand, such as artificial intelligence and sustainability. EY Badges is a self-directed learning initiative that supplements a substantial programme of core structured training for auditors.

Allied to EY Badges is the EY Tech MBA and Masters in both Business Analytics and Sustainability. These are online qualifications awarded by Hult International Business School, a triple-accredited university, that are available free of charge to all EY people.

As of 30 June 2025, **over 107,934** EY Badges had been awarded to current EY audit professionals, including 32,030 in analytics and data strategy alone. In addition, more than 47,785 EY Badges have been awarded to people who have since left EY.

**For the financial year ended 30 June 2025, EY South Africa professionals earned 1 865 badges:**



There are also a variety of learning programmes that have been developed specifically for EY member firm partners. These are available to all EY member firm partners worldwide and cover topics including AI, inspirational leadership, disruptive technology, and sustainability. These are supplemented by high-touch, immersive programmes for selected groups of partners on topics such as client leadership and disruptive technology, and there are also regular learning programmes on audit-specific topics such as risk assessment and fraud.

## Academic integrity

EY provides EY people with a comprehensive programme of learning to support quality and professional development. Academic integrity is foundational to that programme. EY South Africa supports our people to meaningfully engage with the learning programme and makes clear that there will be consequences for any breach of academic integrity.

## Personalised careers with diverse experiences

**As the workforce becomes more diverse in terms of background, skill sets, experiences and education, EY member firms are implementing more flexible career paths for all EY professionals.**

Offering an agile and flexible career path that includes acceleration for the highest performers is vital in attracting new, diverse talent and in helping to develop and retain the existing workforce.

Promotions aim to focus on EY people's skills, not the number of years in a post. For example, promotion decisions are moving away from a traditional annual cycle as EY introduces more "agile promotions," where career progression takes place when an individual is ready, and there is a business need, rather than at set times in the year.

Recognising, however, that individuals often have different career expectations, EY people are provided with the necessary tools and processes to manage their own progression their way. As evidence, in the 2025 Quality Survey, 92% of EY South Africa participants said that any relevant learning is encouraged as part of their career development to enable them to provide quality audits and other assurance services.

This year's activation of the Career Agility signal commitment also represents our ambition to create a dynamic and equitable career environment where EY people can explore more varied roles and opportunities within the organisation, leading to a more engaged and versatile workforce. This will be enabled by more transparency of EY internal opportunities as well as structured programmes for rotational roles.

In South Africa we launched a programme that allows employees to explore opportunities in other parts of the business while they still work in their current role. The opportunities range from short-term to permanent and provide the diversity of experiences and skills which people need and in turn contribute to engagement and retention strategy.

## Mobility

**One of the most powerful experiences EY member firms can offer their people is to work across cultures and borders. Mobility gives EY people the confidence to shape their future – and in turn, help EY clients and communities shape their future. We know that people join EY for exceptional and diverse experiences, with opportunities for international work and travel being among the top five most influential factors for new hires in EY Assurance to accept an EY offer.**

Through mobility, EY people can take their career anywhere and explore diverse cultures and world-class experiences, enhance their career agility and deepen their relationships with our globally connected teams. Every cross-service line experience fuels professional growth and personal fulfilment.

EY member firms provide a variety of on-demand mobility solutions. The global mobility programme Mobility4U, makes international mobility accessible to EY professionals across all service lines and ranks up to and including senior managers

with a focus on developmental opportunities for our people. Mobility can also be prompted by specific needs in a region, service line or sector, and for member firm partners and future leaders to support key business objectives.

A recent mobility return on investment analysis conducted by EY Global showed that international experience positively impacted career opportunities. Seventy-six percent of mobility assignees reported a positive impact on career one year after an assignment, 92% of assignees said their international assignment

## Performance management

**The EY performance management framework, LEAD, supports EY people's careers, inspires their growth and recognises the value they bring to EY South Africa.**

Through defined global and local key performance indicators (KPIs), ongoing feedback, counsellor insights and conversations, LEAD helps align individuals with the EY strategy and enables a focus on the future. An individual's dashboard provides a view of their year-to-date feedback and comments about their engagement performance,

including feedback related to quality, risk management and technical excellence.

At the year end, individuals receive an outcome, called a category, based on aggregated feedback, progress against KPIs and contributions to EY via counsellor and leader insights. The category serves as one input to compensation and reward programmes.

At the centre of the framework are conversations between counselee and counsellor, covering topics such as feedback, career aspirations, creating an inclusive and equitable environment and pursuing learning and new experiences. These conversations help to identify opportunities for further development and to build future-focused skills.

The performance management framework extends to partners, principals, executive directors and directors (PPEDDs), and applies to all EY member firms around the

world. It reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and an annual performance review, all tied to partners' recognition and reward. Documenting PPEDD's goals and performance are the cornerstone of the evaluation process.

An EY member firm partner's goals are required to reflect various global and local priorities across six metrics, with a key focus on quality.

## Engagement

**Employee engagement is a vital sign of success in building the right culture. Understanding the ambitions, concerns and pressures faced by EY people makes it possible to provide a better environment in which they can flourish.**

Listening to the views and concerns of EY people is a key element in increasing engagement. The EY employee listening strategy gives EY people a voice at every step of their EY experience, so that we know what they need and what EY South Africa can do to help build exceptional experiences. Understanding the evolving perspectives and experiences of EY people is essential to delivering our EVP.

The Employee Listening Survey is run two times per year to gather feedback on key elements that drive engagement and retention. Each survey focuses on different strategic drivers (e.g., careers, learning and skills) and includes other relevant topics.

The EY Team Experience Survey is another critical element of the employee listening strategy, aimed at improving and unifying the day-to-day experience for engagement teams. Eligible team members provide feedback on their experience of an

engagement across a variety of questions, rated on a five-point scale. This feedback provides actionable insights and pathways for tangible change at the engagement team level.

EY Assurance runs an initiative known as "Global Voices" which unites up to 200 high-performing junior assurance professionals from across the world and all sub-service lines. Its purpose is to empower and engage the EY member firms' workforces by seeking their feedback on a wide range of topics of strategic importance, to broaden leadership perspectives. Leadership teams are increasingly engaged and motivated to understand the group's perspectives on business-critical challenges such as talent retention, technology, AI and innovation.

## Knowledge and internal communications

In addition to professional development and performance management, EY understands the importance of providing EY audit teams with up-to-date information to help them perform their professional responsibilities. There is significant EY investment in knowledge and communication networks to enable the rapid dissemination of information to help EY people collaborate and share best practices.

### Some EY resources and tools include:



## Formation of audit engagement teams

The assignment of EY professionals to an audit engagement is made under the direction of our EY South African Assurance leadership.

The factors considered when assigning EY people to audit engagement teams include engagement size and complexity; engagement risk; specialised industry knowledge and experience; timing of work; continuity; and opportunities for on-the-job training.

For more complex engagements, consideration is given to whether specialised or additional knowledge is needed to supplement or enhance the audit engagement team.

In many situations, EY professionals with experience in a specialised area of accounting or auditing, such as tax or information technology, are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining sufficient appropriate audit evidence.

Additionally, EY internal specialists who have knowledge outside of accounting or auditing, such as forensics, asset valuation, actuarial analysis and sustainability, may perform work in their field that is used by the audit engagement team to assist in obtaining sufficient appropriate audit evidence.



■ Technology Risk (e.g. Financial Audit IT) ■ Tax ■ Other\*\* ■ Strategy and transactions

\*As of 30 June 2025 (EY Global statistic)

\*\*Included within Other are valuation specialists, actuaries and forensics specialists.

EY South Africa's policies require the approval of the assignment of individuals to specific audit roles by our South African Assurance leadership and South Africa PPD. This is carried out, among other things, to make sure that the EY professionals leading audits possess the appropriate competencies (e.g., the knowledge, skills, abilities) and licences to fulfil their engagement responsibilities, and, when applicable, are in compliance with auditor rotation regulations.

## Service delivery centres

Global Delivery Services (GDS) is an integrated network of EY service delivery centres that provide services to support EY member firms. GDS continues to support other EY member firms and their evolving needs.

GDS teams combine broad technical knowledge with a focus on innovation, automation and process improvement to create customised and scalable services that provide greater value for the EY organisation. As part of its audit transformation journey, EY Assurance services plan to increase their use of specialised teams to drive higher-quality outcomes, including GDS.

In addition to the GDS, we make use of a Region service delivery centre in Mauritius: EY RDS. The South African firm has a work arrangement with RDS for support services, under which employees of EY RDS are

assigned to perform procedures based on engagement-specific instructions provided by the South Africa Engagement team, which is responsible for the planning and supervision of Assurance engagements, and the performance of Audit procedures.

Additionally, we have created an Assurance Delivery Network (ADN), a specialised hub focused on the efficient execution of routine, non-complex, and non-judgmental Audit procedures. This team supports the Audit teams, which retain overall responsibility for concluding on the respective Audit procedures.

## Information and communication

The information and communication component focuses on obtaining, generating or using information and communicating relevant and reliable information, to enable the design, implementation and operation of the SQM.

The quality objectives within the component address the effective two-way communication between:



Effective two-way communication is essential to the operation of the SQM and the performance of audit engagements. The Global SQM policy provides the requirements for EY member firms to communicate internally and externally about the EY member firm's SQM. EY has a culture that encourages and expects EY people to communicate relevant and reliable information to the EY member firms to enable the SQM.

## SQM monitoring and remediation

The objective of EY South Africa's SQM monitoring and remediation process is to:

- ▶ Provide relevant, reliable and timely information about the design, implementation and operation of EY South Africa's SQM
- ▶ Provide a basis for the identification of deficiencies
- ▶ Take appropriate actions to respond to any identified deficiencies

Information obtained from the monitoring and remediation process about the design, implementation and operation of EY South Africa's SQM is evaluated to conclude on the effectiveness in achieving the objectives of EY South Africa's SQM.

- ▶ Tests of SQM key controls
- ▶ Internal and external engagement inspections
- ▶ Other monitoring activities, for example, and not exhaustive:
  - ▶ Tests of EY South Africa and its people's compliance with ethical requirements related to independence
  - ▶ Quality observations made by external regulators relevant to the SQM
  - ▶ Issues referred from the Ethics Hotline
  - ▶ Review of relevant governance forums for observations relevant to the SQM

The monitoring and remediation process is executed annually based on the Global SQM Monitoring and Remediation policy, which is a global intellectual resource provided to drive consistency in the execution of EY South Africa's SQM. The monitoring and remediation process is coordinated and monitored by representatives of Region, Area and Global PPD, with oversight by Region, Area, and Global Assurance leadership.

## Tests of SQM key controls

System of Quality Management key controls have been designed and implemented to mitigate quality risks.

The objective of performing tests of System of Quality Management key controls within EY South Africa's System of Quality Management includes determining whether the System of Quality Management key controls:

- ▶ Were designed, implemented and operated in accordance with control owner's understanding and documentation thereof
- ▶ Were operated on a timely basis by the control owner/control operator specified in the design of the System of Quality Management key control
- ▶ Resulted in the timely resolution of any matters identified
- ▶ Were based on reliable information (i.e., information used in the performance of the System of Quality Management key control is complete and accurate, if applicable)

Individuals testing System of Quality Management key controls are competent, objective and independent of the control owners and control operators. Individuals testing System of Quality Management key controls operate under the direction of the Country PPD.

In addition to controls that exist at the EY member firm level, there may be controls within EY South Africa's System of Quality Management that are designed, implemented and operated at the Region, Area or Global level. For example, Global Functions and Service Lines provide policies (e.g., EY Global Audit Methodology) and technologies (e.g., EY Canvas, PACE) to EY member firms. Global Functions and Service Lines have controls over the development and maintenance of these resources.

These controls form part of an EY member firm's System of Quality Management, and

EY South Africa remains responsible for determining how those controls are used in its System of Quality Management, including any actions necessary to implement or supplement such controls and determining the impact of the results of testing of those controls on its System of Quality Management.

The testing of these controls is performed at the Region, Area, or Global level, as relevant.

The approach to testing of controls at the Region, Area and Global level follows the same requirements and guidance set forth in the Global System of Quality Management Monitoring and Remediation policy. Prior to testing starting, information is provided to the EY member firms that includes an overview of the controls to be tested, the approach to testing, the testing attributes (e.g., the nature of the tests to

be performed) and information about who will be performing testing, including how to allow an EY member firm to assess their competence and objectivity. For example, testing performed over global controls is performed by individuals independent of the control owners and operators under the supervision of the Global System of Quality Management Monitoring and Analysis Leader.

Information about the results of testing is also shared with the EY member firms through Results of Monitoring Activities memos, which includes any potential deficiencies and an appendix with the

final testing attributes, and through other information such as the list of findings. The information provided for potential deficiencies includes the status of root causes, and the current state of the remedial actions, including any actions to be considered by the EY member firm.

The list of findings includes a description of the finding as well as any action needed to be taken by EY member firms. EY South Africa obtains and evaluates the results of testing provided by the Region, Area or Global, as relevant, including evaluating whether there are findings relevant to the System of Quality Management.

## Audit quality reviews (AQR)

### EY South Africa executes inspections following the Global AQR programme. This programme involves inspection of completed audit engagements.

It is a monitoring activity complying with the requirements and guidelines in the ISQM 1. It also aids EY South Africa's ongoing efforts to identify areas where we can improve our performance or enhance our policies and procedures.

Audit quality reviews include the inspection of at least one completed engagement for each partner in charge, including others functioning as PICs on a cyclical basis between three and five years. The engagements reviewed each year are selected on a risk-based approach covering a cross-section of EY South Africa's auditing practice including elements of unpredictability. The Global AQR programme includes detailed risk-focused file reviews covering a sample of listed and non-listed audit engagements, and PIEs and non-PIEs, to measure compliance with certain internal policies and procedures, EY GAM requirements. It also includes reviews of a sample of non-audit assurance engagements performed by EY audit teams.

These measure compliance with the relevant professional standards, and internal policies and procedures that should be applied in executing non-audit assurance services. The Global AQR programme also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

### Internal inspection results:



#### 1 rating

A good quality file with minor findings.

#### 2 rating

There were findings that were more than minor but not material.

#### 3 rating

There were one or more findings that were material.

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, and their industry specialisation. Audit reviewers are supported by other specialists, such as Independence subject matter experts, Tech Risk (IT audit), TARAS (tax), Forensics or Digital or other technical (e.g., sector or subject matter) for the review team to possess sufficient relevant knowledge and experience to conduct an effective AQR. Team leaders and reviewers are independent of the engagements and teams they are reviewing and are normally assigned to inspections outside of their home location.

The Global AQR programme is supplemented by a programme that covers inspections of other assurance and related services

engagements regardless of the service line performing the work. This is referred to as the Other Assurance Quality Review (OAQR) programme.

The results of the AQR and OAQR processes are summarised globally (including for Areas and Regions), along with any key areas where the results indicate that continued improvements are required. Measures to resolve audit quality matters noted from the Global AQR programme, external quality assurance reviews and peer reviews are addressed by

Assurance leadership and our PPD. These programmes provide important practice monitoring feedback for our System of Quality Management.

## External quality assurance reviews

EY South Africa's Audit practice and our registered statutory auditors are subject to annual inspection by the Independent Regulatory Board for Auditors (the IRBA). As part of its inspections, the IRBA evaluates quality control systems, performs thematic reviews and inspects selected engagements.

This regulator is a member of IFIAR and accordingly, the inspection results are submitted for inclusion in the annual IFIAR survey.

EY South Africa's Audit practice is also subject to inspection by the PCAOB.

We respect and benefit from the IRBA's inspection process. We thoroughly evaluate the points raised during the inspection to identify areas where we can improve audit quality and enhance the System of Quality Management. Engagements with significant findings and certain other engagements are subject to engagement-level root cause analysis (see the next section). Together with the AQR process, external inspections provide valuable insights into the quality of EY audits.

Information on the above-mentioned regulator along with publicly available inspection reports can be found on the IRBA website.

## IRBA Inspection

**In 2025, the IRBA conducted its annual inspection, which included:**

- ▶ Inspection of eight engagement files to assess their compliance with the ISAs.
- ▶ Thematic reviews in the areas of client acceptance and continuance; and prior period restatements identified during the audit.

The IRBA inspection resulted in a 'no further action required' rating for the Firm. There were no reportable findings related to the Thematic reviews. The outcome of the engagement inspection results of the eight files that were inspected are shown below. No firm level findings arose from the engagement inspections.

## IRBA inspection results



## PCAOB Inspection

The PCAOB inspected EY in June 2023 and reviewed one listed foreign private issuer, as well as one listed and one unlisted US-referred work engagement. The inspection process was concluded and included engagement-level findings on all engagements that were inspected.

We engaged with the PCAOB regarding our root cause analysis and action plans related to the quality findings. In November 2025, the PCAOB concluded that the Firm had addressed the quality criticisms to their satisfaction.

## Engagement-level root cause analysis and action plans

Engagement-level root cause analysis is a central part of EY South Africa's System of Quality Management. It focuses on an assessment of the root causes that underlie an engagement's negative outcome such as that resulting from inspections or restatements and enables the development of responsive action plans. Positive quality outcomes are also analysed to understand the behaviours demonstrated on those engagements and to determine how those behaviours can be replicated and promoted across the EY South Africa to continuously improve engagement quality. Analysing the results of engagement-level root cause [and positive quality outcomes] also allows us to focus on key behaviours that drive positive and high-quality results, a process that is fundamental to continuous improvement.

In conjunction with the performance of engagement-level root cause, EY member firms are responsible for assessing whether the matters are indicative of findings in their System of Quality Management.

## Identifying and assessing System of Quality Management deficiencies and performing root cause

Findings are information about the design, implementation and operation of the System of Quality Management that indicates that one or more deficiencies may exist. Findings are accumulated from the performance of monitoring activities at the member firm, Region, Area, or Global level. EY South Africa evaluates each finding or aggregation of findings considering the relative importance of the finding(s) to determine whether a deficiency exists. Findings identified, and their assessment are reviewed by the System of Quality Management oversight committee.

If any deficiencies are identified, a process is executed to determine the root cause, to assess the severity and pervasiveness of the deficiency, and to develop responsive actions.

Representatives from the Area and Global Professional Practice, Global Quality Leaders and Assurance Leadership teams meet periodically to review the results of the monitoring of activities and the assessment of findings and deficiencies to drive consistency in the application of the framework for identifying and assessing findings, evaluating deficiencies and performing root cause analysis as described in the Global System of Quality Management Monitoring and Remediation policy.

## System of Quality Management Quality Improvement Plans

**For any identified deficiencies, EY South Africa quality improvement plans are developed, which includes:**

- ▶ Correcting the effect of the identified deficiency.
- ▶ Remediating identified deficiencies in a timely manner.
- ▶ Evaluating the effectiveness of the remediation actions.

Quality improvement plans are developed by the System of Quality Management Operational Committee and are reviewed by the System of Quality Management Oversight Committee to help ensure the appropriateness of the actions designed and, when executed, to help evaluate whether the actions are effective.

The background features a dense, abstract pattern of vertical, fiber-like structures. The colors transition from deep purple on the left to bright blue on the right, with some white highlights. The overall effect is a textured, almost crystalline appearance.

**Infrastructure**  
supporting quality

# Strategy

Audit quality is a foundational element of the All in global strategy with the ambition to shape the future with confidence and drive purposeful growth to create new value for EY people, clients and stakeholders.

Audit quality remains a key priority of the All in global strategy as EY recognises its responsibility in serving the public interest and maintaining the confidence placed in EY by the capital markets and companies EY audits.

EY is also on a multi-year transformational journey as part of its ongoing commitment to deliver high-quality audits.

This transformation journey includes a series of bold change initiatives to enhance how EY South Africa's teams deliver audits.

**It is principally grounded in three strategic components, including:**

- ▶ Leveraging integrated technology, including the expansion of guided workflows, further embedding data and advanced analytics and incorporating automation and AI into the audit process.
- ▶ Audit methodology enhancements, supported by enablement to drive consistency in audit execution
- ▶ Increasing the use of specialised teams

These activities will enable the EY South Africa audit practice to further leverage data analytics and greater insights to drive audit quality by applying the technological capabilities possible in today's landscape.

## Global Assurance Quality Network

The Global Assurance Quality Network and the Global Professional Practice Group (GPPG) work in tandem to support the delivery of quality audits

**Supporting these two functions, additional quality focus is driven by:**

- ▶ The Global System of Quality Management network
- ▶ Quality leaders within the non-Assurance service lines

The EY Global Assurance Quality Network is a group of senior Assurance leaders around the world who support EY member firm engagement teams and practice leaders in the execution of high-quality audits.

**The Global Assurance Quality Network is instrumental in serving as:**

- ▶ Experienced change agents who effectively communicate changes coming and the rationale behind the changes and positively influence behaviours.
- ▶ Dedicated methodology leaders who can guide engagement teams in their execution of audit strategies and answer technical questions.
- ▶ Risk management leaders who can oversee audit portfolios and remain alert to signs of execution or client risk and positively intervene when necessary
- ▶ Operational drivers who can enforce policies and support the system of quality management through activities such as monitoring adherences to pacing milestones, monitoring the level of executive involvement and assessing partner workloads, and eliminating optionality to drive global consistency.

**The Global Assurance Quality Network drives a focus on audit quality through:**



## Monitoring Audit Quality Indicators (AQIs)

In addition to understanding the overall System of Quality Management annual results, Assurance leadership monitors the execution of the EY strategy and quality priorities through a combination of metrics or KPIs.

While no single reportable metric or set of metrics can be viewed as a sole indicator of audit quality, a set of metrics can be used to give an indication of audit quality.

Supported by strong global integration of tools, practices and policies, country specific data is accumulated monthly, or quarterly as appropriate on a variety of topics. The AQIs include both leading and lagging quality-related indicators and as well as metrics related to inspection results, audit pacing and execution, and resource demands and workforce planning. Each AQI is measured against established geographically specific and global targets, with outliers requiring an evaluation and remediation plan.

The AQIs are also aligned to the EY accountability framework to reinforce priorities for the country leadership network and are subject to an annual review to help ensure they remain relevant and responsive to quality initiatives.

### Examples of EY AQIs include:

- ▶ Internal and external inspection results.
- ▶ Adherence to engagement pacing milestones and executive involvement.
- ▶ Retention and leverage.

The global AQI dashboard helps to inform the leadership at all levels of the EY organisation about whether actions are having the intended effect, or whether additional actions are needed.

In addition to the above, the following are key annual AQIs monitored by EY South Africa and reported to the IRBA as part of their collation of the annual IRBA Survey Report: Audit Quality Indicators.

AQI	2025 (Jan - Dec 2024)	2024 (Jan - Dec 2023)	Firm benchmark	Description of AQI
*EQCR total time (%)	1.8%	1.7%	0,5% minimum depending on size and risk	EQCR partner and EQCR team time as a % of total engagement hours on PIE clients. The increase in EQCR time reflects ongoing efforts to enhance EQCR involvement, including leveraging EQCR teams to support partners, thereby strengthening audit quality oversight.
*Partner time (%)	4.6%	4.4%	3.5% - 5% minimum depending on size and risk	Engagement partner time as a % of total engagement hours on PIE clients. This metric is consistent with the firm's targets and is closely monitored monthly to ensure partner involvement meets minimum benchmarks, supporting the delivery of high-quality audits.
Partner coverage %	32.9%	45%	All partners to be covered in a three-year period	% of partners subject to internal quality review. This metric is consistent with the firm's targets and is closely monitored monthly to ensure partner involvement meets minimum benchmarks, supporting the delivery of high-quality audits.

AQI	2025 (Jan - Dec 2024)	2024 (Jan - Dec 2023)	Firm benchmark	Description of AQI
AQR results	92.9%	87%	88%	<p>% of engagements receiving a "1" rating in internal review programme</p> <p>The 2025 outcome relates to the 2024 AQR programme. These results exceeded the firm's internal benchmark. The June 2025 results (which will be reported in our April 2026 submission to the IRBA) is 90%, reflecting overall consistency in our audit quality. The firm responds to AQR findings by performing root cause analyses and implementing quality action plans that are responsive to the root causes.</p>
*Manager time (%)	34%	29%	20% - 30% depending on size and risk	<p>Manager time as a % of total engagement hours on PIE clients.</p> <p>This metric aligns with the firm's targets and is expected to evolve with the growth and maturity of the audit portfolio.</p>
Staff to partner (ratio)	19	18	18 - 20	<p>Ratio of professional staff to Audit partners.</p> <p>The increase in this ratio is due to onboarding additional staff to support new audit clients. Consistency in the ratio is maintained by proportionate increases in both staff and partners, in line with portfolio growth.</p>
Engagement partner to Technical partner (ratio)	7.1	8.4		<p>Ratio of Audit partners to partners in technical department.</p> <p>The decrease in this ratio is attributed to a proportionately larger increase in technical partners compared to engagement partners.</p>

AQI	2025 (Jan - Dec 2024)	2024 (Jan - Dec 2023)	Firm benchmark	Description of AQI
Training hours (per person)	93.3	105		<p>Number of training hours per professional staff member. Training hours are driven by changes in standards, methodology, policy, laws and regulations, as well as responses to inspection outcomes. The learning hours are in line with the prior year with a focus on ISA 220 &amp; 600 (revised), IFRS 9, methodology changes and re-affirming prior learnings.</p>
Staff turnover - audit partner (%)	4.1%	5.2%	<10%	<p>% audit partner turnover in the year. Four partners exited the firm in 2024 (2023: five partners) and five new partners were appointed in 2024 (2023: 7)</p>
Staff turnover - audit manager (%)	23.5%	26.2%	<30%	<p>% audit manager turnover in the year. The firm experiences both planned and unplanned attrition at manager and supervisor level. The firm's succession planning and growth strategies ensure that the firm is able to develop managers internally and seek out the appropriate talent, externally, to maintain Audit quality on all its audits. The reduction in turnover is reflective of the stability in the market, post the pandemic, as well as the impact of the firm's growth and retention strategies.</p>
Staff turnover - supervisor (%)	28.2%	36.6%	<40%	

AQI	2025 (Jan - Dec 2024)	2024 (Jan - Dec 2023)	Firm benchmark	Description of AQI
*Firm tenure (years)	5.9	9.6		Average number of years appointed as auditors of PIE audit clients. The reduction in tenure is due to the rotation of long-tenure clients, in line with previous Mandatory Audit Firm Rotation (MAFR) requirements.
Partner experience (years)	10	9.2	8 - 10 years	Average number of years' experience of Audit partners. This metric is influenced by partner attrition and new admissions, with fewer partners exiting compared to the prior period. (five in 2023 and nine in 2022).
*Non-audit fees (%)	7.7%	7%	6% (Industry average)	Non-Audit and Audit-related non-Audit services as % of total Audit fees. The reduction is a result of a reduction in non-Audit fees compared to the prior period. The non-Audit fees for services not required by law or regulation to be performed by the auditors amount to 2.2% (2023: 4,2%)** of total Audit fees.

\* Restated

\*AQIs are calculated as an average on all audit engagements for PIEs

## Monitoring adherence to pacing milestone

Effective project management helps audit teams to stay focused on the risks that matter most across the audit cycle, better balancing the workload by allocating the right amount of time to complete the right tasks and involving executives in a timely way.

Milestones set completion due dates for important phases of the audit, and when used effectively, help to avoid time compression during the peak busy season.

Additionally, project management encourages auditors to be more thoughtful and intentional at every stage of the audit, accelerating learning and development as well as creating a more meaningful experience along the way. The focus on project management in the global audit platform, EY Canvas, is powered by the Milestones programme. Facilitated through dashboards in EY Canvas and the EY Canvas Reporting Hub, Milestones breaks the audit cycle down into specific tasks, with dates and steps designed to help achieve timely completion, and appropriate supervision and review. Adherence to Milestones is monitored and the intervention with EY audit teams when Milestones are not achieved is an element of the System of Quality Management of EY.

## Usage of EY Canvas Client Portal Requests

EY Canvas allows EY teams to send clients requests for documents used to support the audit or for work to be performed by internal audit, as permitted by local laws and regulations.

Clients work on the requests, upload documents and respond by using the EY Canvas Client Portal. Clients can see requests that have been assigned to them or to the group(s) of which they are a member (e.g., accounting, payroll or internal audit). The EY Canvas Client Portal also has several features available to assist them with project management.

## Monitoring adherence to pacing milestone

Across the EY Network, more than 1,500 engagements of the EY member firms a year receive some form of coaching under the globally provided programme.

This coaching is principally directed at those areas where there have been more pervasive inspection findings, new enablement has been deployed, and new or revised auditing standards need to be applied.

Coaching can also be directed at EY audit teams utilising new technology and automated tools and techniques to evaluate the proficiency with which the engagement teams are utilising the technology. In the 2025 Global Quality Survey, 75% of EY South Africa respondents said they receive timely on-the-job coaching and feedback.

Observations from these coaching engagements are discussed with the EY audit teams and for items identified of more significance, local representatives from the Global Assurance Quality Network assist engagement teams in addressing the observations prior to the issuance of the auditor's report.

## Designing and deploying enablement for new technology

Working with technology product owners and the GPPG, the Global Assurance Quality Network designs and deploys enablement and local implementation plans to assist EY audit teams in utilising the automated tools and techniques as designed. The enablement and implementation support are activated by local quality networks.

The enablement is designed to be intuitive and easily consumable (e.g., short videos) while bridging the technology with methodology, thus explaining the audit rationale behind the technology. Through the Global Assurance Quality Network's working relationship with the technology leadership team and the GPPG, the mandatory usage of certain automated tools and techniques is agreed on prior to release.

## Designing and deploying enablement to address new or revised auditing standards and methodology enhancements

Working with the GPPG and other stakeholders, the Global Assurance Quality Network works to develop and deploy enablement to support the adoption of new or revised auditing standards as well as enhancements made to the EY GAM.

Implementation plans are co-developed by representatives of the Global Assurance Quality Network and local member firm quality networks and consist of activating champion and coaching networks to support the implementation and lead post-deployment the continuous feedback loop.

## Professional Practice

The GPPG is a worldwide network of dedicated technical subject-matter professionals who consult with EY audit teams on accounting, auditing and other financial and non-financial reporting matters. They also perform various quality management oversight and monitoring roles, and other risk management activities.

The GPPG develops accounting, auditing and sustainability guidance, learning and quality oversight policies used by the EY network, and the tools and enablement used by EY audit professionals to execute audits consistently and effectively.

The Global Vice Chair of Professional Practice, referred to as the Global Professional Practice Director (Global PPD), is overseen by the Global Vice Chair of Assurance and works to establish global audit quality control policies and procedures. Each of the Area PPDs as well as the Global

Delivery Service PPD is overseen by the Global PPD and the related Area Assurance Leader. This helps provide greater assurance to the objectivity of audit quality and consultation processes.

The Global PPD oversees our methodology, EY GAM, and related audit policies and technologies, and updates them as necessary to make sure they are consistent with relevant professional standards and regulatory requirements. The GPPG also oversees the development of the guidance, training and monitoring programmes, and processes used by audit professionals to execute audits consistently and effectively. Additionally, the GPPG develops accounting and auditing guidance to respond to event-specific issues such as geopolitical conflicts and economic volatility.

Each country and region within EY have a PPD function which performs country specific roles in ensuring that the policies, enablement and methodology have been localised for local standards, laws and regulations. In addition, enablement responsive to the local environment is also proactively developed.

## Risk Management

Risk Management (RM) coordinates organisation-wide activities designed to help EY people meet global and local compliance responsibilities and support client-facing teams in providing quality and exceptional client service. Responsibility for high-quality service and ownership of the risks associated with quality is placed with the EY member firms and their service lines.

Among other things, the Global RM Leader helps monitor the identification and mitigation of these risks, as well as other risks across the organisation as part of the broader enterprise risk management (ERM) framework. The ERM priorities are communicated to EY member firms.

The Global, Area, Regional and Country PPDs, together with other professionals who work with them in each member firm are readily accessible for consultation with audit teams. Our policies further mandate several topics which require concurrence to be obtained in a consultation with local PPD to ensure matters of judgment and risk are appropriately considered and that we apply a consistent approach across the firm. The PPD function in country is also responsible for performing root cause analysis when we identify a quality occurrence. These may arise from internal monitoring of AQIs, external or internal inspection findings or through other monitoring activities.

Further, the Country PPD has operational responsibility for monitoring the System of Quality Management of the member firm. This includes concurring with or proposing changes to the recommended System of Quality Management annual evaluation conclusion. The System of Quality Management monitoring process is coordinated and monitored by representatives of the GPPG.



EY member firm professionals are appointed to lead risk management initiatives (supported by other staff and professionals), including coordinating with the service lines on such matters.

When events that present risks occur, Risk Management, in coordination with other Global functions, actively seeks input from EY member firms on lessons learned from both crisis management and business continuity standpoints.

This after-action review process allows EY to evolve planning around its crisis response and management of crises at the EY member firm and global levels. Such reviews provide a higher degree of proactiveness especially in identifying emerging risks before they cause significant impact, and the prioritisation of risks by each member firm. For example, this allows the EY Global Security Team and Region Security Manager Network to work directly with their respective member firm crisis management teams in preparing for the most likely threats by incorporating training and advanced stages of readiness to its crisis management networks.

Additionally, Global Risk Management continues to focus on business resiliency in business continuity planning efforts in the EY organisation. A key component of this approach is the recognition that many crises do not just “happen”; there are usually indicators of escalating factors as a crisis unfolds. This approach allows EY member firms to begin addressing mitigation of risks while continuing to carry on “business as usual” at the very early stages of a potential business impact situation.

The creation of “escalation matrices” around several ongoing and high-chance geopolitical events allow EY member firm and Region risk management crisis management teams to respond more rapidly and more effectively as events escalate. Additionally, these escalation matrices and subsequent action item checklists go beyond traditional workforce life and safety issues by delving into factors that could impact a member firm’s ability to effectively conduct business.

These changes are allowing EY member firms to navigate significant crises more effectively via a prepared holistic approach.

# Top ten risks for South Africa

## Key strategic risks



Reputation and brand



Data risk and governance



Audit quality failure



Business continuity and crisis response



Talent attraction, retention, wellbeing and succession planning



Financial and operational governance and maintaining liquidity



Regulatory developments



Market strategy and service innovation



Cybersecurity, technology delivery and governance



Working with a broader group of service providers and alliances

## Cybersecurity

Managing the risk of major and complex cyber-attacks is a part of conducting business for all organisations. While no systems are immune from the threat of cyber-attacks, EY South Africa is vigilant in the steps it takes to secure and protect EY and EY client data.

The EY approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimise cybersecurity risks around the globe. EY information security and data protection programmes, consistent with industry practices and applicable legal requirements, are designed to protect and defend against unauthorised access to systems and data. There is a dedicated team of cybersecurity specialists, who constantly monitor EY systems and respond to cyber-attacks globally.

Beyond technical and process controls, all EY people are required to annually affirm in writing their understanding of the principles contained in the EY Global Code of Conduct and their commitment to abide by them. There are also required security awareness learning activities. Various policies outline the due care that must be taken with technology and data, including, but not limited to, the Global Information Security Policy, and the Global Acceptable Use of Technology Policy. EY cybersecurity policies and processes recognise the importance of timely communication.

EY people receive regular and periodic communications, reminding them of their responsibilities outlined in these policies and of general security awareness practices.

## Inclusiveness for everyone

Inclusiveness is an EY value, a priority to 400,000 EY people globally, and an expectation of many of EY clients around the world. As a global organisation, spanning 150 countries and territories, diversity of thought, skills, and backgrounds and experiences is EY's reality and its strength.

The GE has made a commitment to EY people and the market by signing this statement. Fifty percent of new EY South Africa audit partners, promoted on 1 July 2025 were women and 58% of all audit hires by EY South Africa in 2025 were women.

### Audit professionals by rank that are women\*

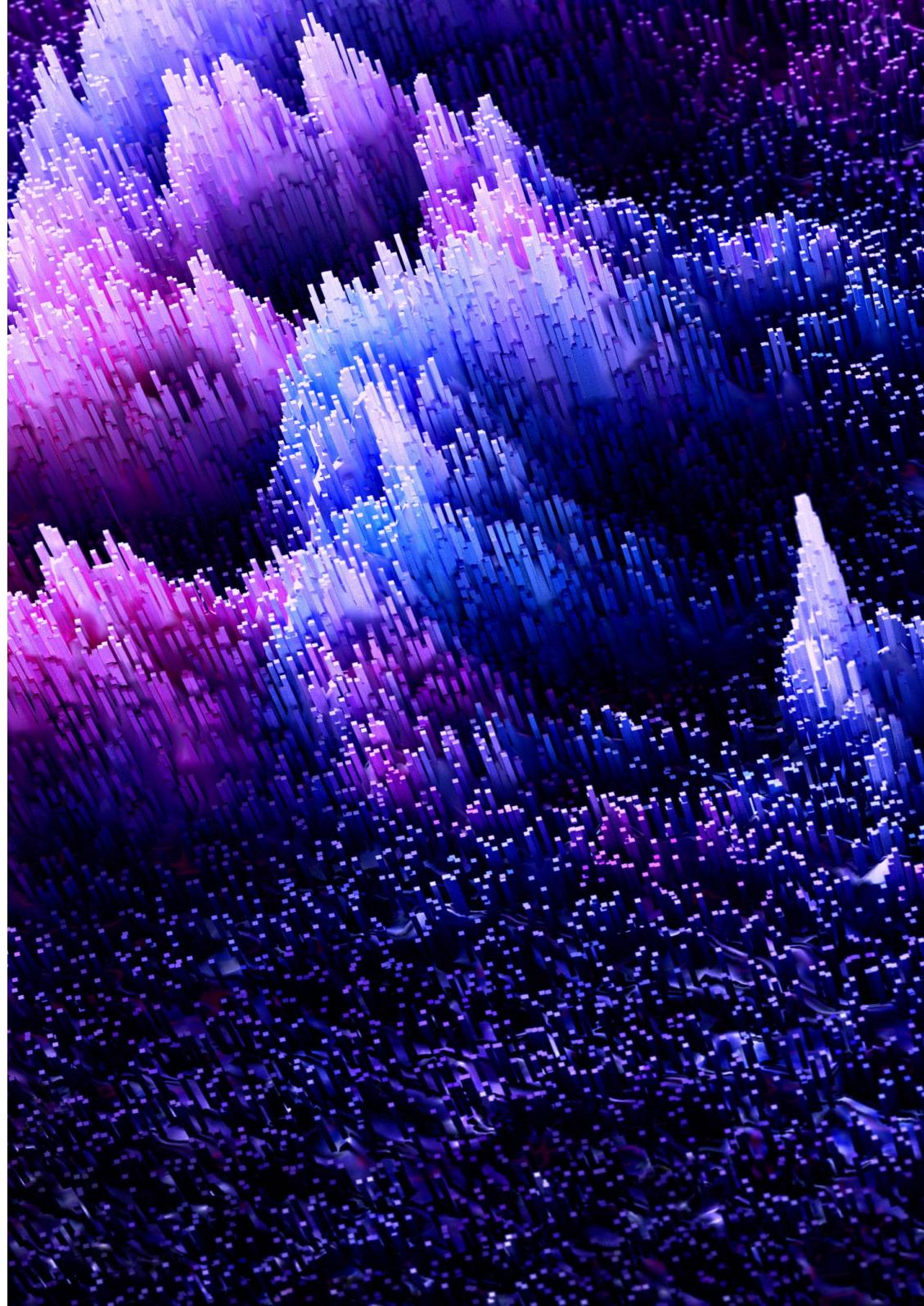


\*As of 30 June 2025 (EY Global statistic)

Inclusive organisations maximise the power of all differences. Employees need to feel they are working for an organisation that not only values them as individuals and their contributions but also sees differences as strengths. Fostering this sense of belonging is critical to help attract the most talented individuals and help EY professionals stay motivated and engaged. In the April 2025 Employee Listening Survey 72% of EY South Africa auditors said the EY organisation provides a work environment where they feel free to be themselves.

EY believes businesses have direct influence to shape the future with confidence, and build a better working world, through teaming, inclusive behaviour, and access to opportunities and experiences for everyone.

**EY values are guiding principles that shape our culture, behaviour and decisions.**





# Our Independence practices

The EY Global Independence Policy requires EY South Africa and our people to comply with the independence standards applicable to specific engagements, (e.g., the IESBA Code and the IRBA Code).

We consider and evaluate independence regarding various aspects, including our financial relationships and those of EY professionals and other personnel; employment relationships; business relationships; the permissibility of services we provide to audit clients; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approval or pre-concurrence, as applicable; and partner remuneration and compensation.

**Failure to comply with applicable independence requirements will factor into decisions relating to a person's promotion and compensation, and may lead to disciplinary measures, including separation from EY South Africa.**

EY South Africa has implemented EY global applications, tools and processes to support us and our people in complying with independence policies.

## EY Global Independence Policy

The EY Global Independence Policy contains the independence requirements for EY member firms and EY people.

The policy is predicated on the IESBA Code and has been supplemented by the changes made to the local IRBA code and other local requirements in South Africa such as those arising out of the Companies Act. The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. The EY Global Independence Policy is readily accessible and easily searchable on the EY intranet.

The EY Global Independence Policy is an Intellectual resource provided by a global function to drive consistency in the System of Quality Management and is localised by the South Africa independence function.

## Global Monitoring System

The Global Monitoring System (GMS) is another important global tool that assists in identifying proscribed securities and other impermissible financial interests.

EY professionals ranked as manager and above are required to enter details about all securities they hold, and those held by their immediate family, into the GMS. GMS is connected to GIS which allows it to assess the permissibility of securities. When a proscribed security is entered or if a security held by an EY professional becomes proscribed, the EY professional receives a notice and is required to dispose of the security. Identified exceptions are reported through an independence incident reporting system for regulatory matters.

GMS also facilitates quarterly and annual confirmation of compliance with independence policies, as described below. GMS is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.

## Independence compliance

EY processes and programmes are aimed at enabling and monitoring the compliance with independence requirements of EY member firms and their people. These include the following activities, programmes and processes.

### Independence confirmation

All EY client-serving professionals at the ranks of manager through partner, and certain other personnel based on role or function, are required to confirm compliance with independence policies and procedures quarterly, and on an annual basis all ranks confirm compliance. In addition, all EY people are required to confirm compliance with the EY Global Code of Conduct annually.

## Personal independence compliance testing

Each year, the EY Global Independence team establishes a programme for personal independence compliance testing (PICT), which is an audit of an individual's compliance with the requirement to report financial interests in GMS and is conducted under the leadership of the Country Independence Leader of each EY member firm. As part of the PICT, the selected individuals will provide account statements and other documentation of their financial interests, which are then compared with information reported in GMS as of the relevant period being tested to determine if there are unreported interests and relationships.

Any unreported interests or relationships are evaluated with consequences assigned as deemed appropriate. For the 2025 testing cycle, EY South Africa tested more than 157 partners and other professionals.

## Non-audit services

EY enables and monitors compliance with professional standards, laws and regulations governing the provision of non-audit services to audit clients through a variety of mechanisms. The enablement includes the use of tools, such as PACE (see page 21), GIS, and the Service Offering Reference Tool (SORT) (see below), and training. The monitoring includes required procedures completed during the performance of audits and internal inspection processes.

## Global independence learning

EY develops and deploys independence learning programmes for all EY client-facing professionals, and certain other personnel based on role or function. These professionals and other personnel are required to participate in annual independence learning to help maintain independence from EY audit clients.

**The goal is to help EY professionals and others understand their responsibilities and to enable each of them, and their member firms, to recognise and be free from interests that might be regarded as incompatible with objectivity, integrity and impartiality in serving an audit client.**

The annual independence learning programme covers independence requirements, focusing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored. EY South Africa supplements this programme from time to time with local content (when relevant) to cover local independence requirements under the IRBA code that differ from the EY Global Independence Policy or to refresh such requirements.

In addition to the annual learning programme, independence awareness is promoted through events and materials, including new-hire programmes and core service line curricula. The annual independence learning programme is an intellectual resource provided by a Global Function to drive consistency in the System of Quality Management.

## Service Offering Reference Tool (SORT)

SORT serves as the master list of approved EY services. We review and assess our portfolio of services on an ongoing basis to determine whether they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks.

SORT further provides EY people with information about EY service offerings. It includes guidance on which services can be provided to audit and non-audit clients, as well as independence and other risk management matters and considerations.

SORT is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.

## Business Relationships Independence Data Gathering and Evaluation (BRIDGE)

EY people are required to use the BRIDGE tool in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an audit client, thereby supporting compliance of EY with independence requirements.

BRIDGE is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.

## Audit committees and oversight of independence

We recognise the important role audit committees or similar corporate governance bodies undertake in the oversight of auditor independence. Empowered and independent audit committees or similar corporate governance bodies perform a vital role on behalf of shareholders in protecting independence and preventing conflicts of interest.

We are committed to clear and regular communication with audit committees or similar corporate governance bodies. Through the EY quality review programmes, we monitor and test compliance with EY standards for communications to audit committees or similar corporate governance bodies, as well as the pre-approval or pre-concurrence of non-audit services, as applicable.

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# Revenue and remuneration

# Financial information

Total Revenue

R4.2  
billion

Audit as a % of total revenue



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

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

- ▶ Providing technical excellence
- ▶ Living the EY values as demonstrated by behaviours and attitude
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management
- ▶ Complying with policies and procedures
- ▶ Complying with laws, regulations and professional duties

The EY partner compensation philosophy calls for meaningfully differentiated rewards based on a partner's level of performance, as measured within the context of the performance management framework. Partners are assessed annually on their performance in providing high-quality, exceptional client service and EY people engagement, alongside financial and market metrics.

We operate under a system that requires quality to be a significant consideration in a partner's overall year-end rating.

# Partner remuneration

Quality is at the centre of the EY strategy and is a key component of EY performance management systems. EY South Africa partners are evaluated and compensated based on criteria that include specific quality and risk management indicators.

Equally, when EY South Africa partners do not adhere to quality standards, remedial actions are taken. These may include performance monitoring, compensation adjustment, additional training, additional supervision or reassignment – or, in instances of repeated or particularly serious non-compliance, separation from EY.

Please see the Accountability Frameworks section of this report to better understand how the frameworks outline criteria for measuring alignment between an individual's overall performance rating and their quality rating.

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



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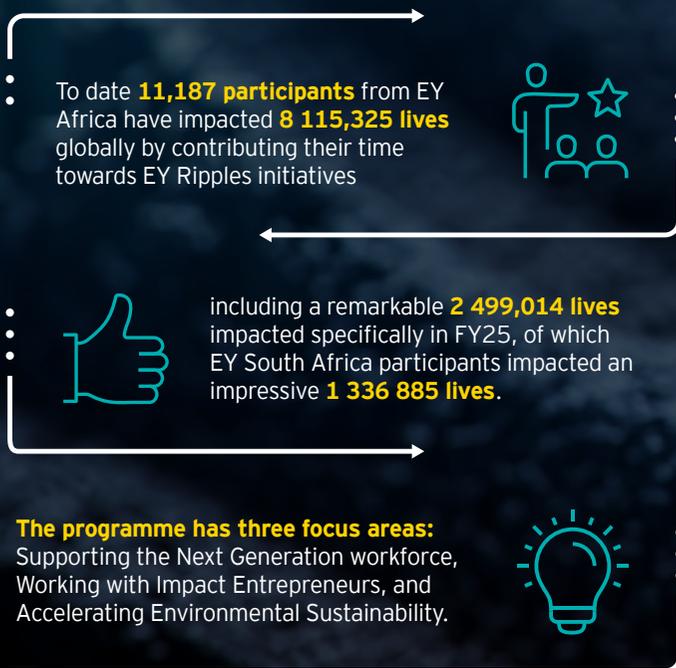
**Looking at**  
our social impact

# EY Ripples

Launched in FY19 EY Ripples is EY's global corporate responsibility programme, designed to harness the skills, knowledge, and experience of EY professionals to drive social impact at scale.

By engaging employees in skills-based volunteering and collaborations with non-profit organisations, social enterprises, and other partners, EY Ripples aims to positively impact a billion lives. The programme empowers young people with relevant skills for the future of work, helps entrepreneurs scale solutions to global challenges, and supports efforts to build a more sustainable and inclusive world.

**Through these efforts, EY Ripples reflects the firm's commitment to building a better working world, leaving a lasting legacy for both society and the planet.**



# Supporting the Next Generation

## NextGen South Africa

Women remain under-represented in decision-making roles across the continent and globally. Education is a great lever to empower women therefore, aligned with EY's mission to shape the future with confidence for our communities EY South Africa launched the NextGen Programme.

This flagship initiative is dedicated to nurturing the next generation of women leaders in Africa. The aim is to empower and support female learners from underprivileged backgrounds.

Launched in 2012, EY in partnership with the Department of Education carefully identified schools in Gauteng, Kwa-Zulu Natal, and the Western Cape to partner with, focusing on strong academic performance and school commitment. Each year, participants are nominated by champion teachers, then screened through a rigorous interview process based on academic excellence, leadership, community involvement, and a passion for personal development to be included as part of the cohort for the following academic year.

## Programme offering and developmental pillars

The NextGen Programme offers comprehensive leadership development initiatives aimed at cultivating well-rounded future women leaders.

It includes leadership workshops, mentorship, nutritional and emotional support, academic tutoring in Accountancy, English, Mathematics and Physical Science as well as bursaries and job placement assistance to enhance participants success.

The programme also offers a variety of initiatives which are structured around three developmental pillars: Personal Development, A Purpose-led Digital Transformation, and Career Development.

These initiatives empower learners to acquire life skills, develop as young leaders, and reflect on their aspirations. EY is committed to uplifting the communities of these learners by supporting participants, their schools, and their families.

## Impact of the programme

At the heart of the NextGen Programme lies our belief that the greatest return on investment will be the impact and influence our participants will have on their own lives and the lives of others.



Since its inception in **2012**, the programme has grown significantly, expanding from **30 female learners in Johannesburg** to a **total of 408 participants** across **Gauteng**, the **Western Cape**, and **Kwa-Zulu Natal**.



Among these **408 learners**, **90 are currently in Grades 10-12**, while **318 have progressed to university or the workforce** transforming from aspiring young learners into accomplished professionals, now employed in various fields across the country, including chartered accountancy, teaching, engineering, medicine, clinical psychology, actuarial science, the film and television industry, music and many other professions.

## Success Highlights of the Programme

### 100% Pass Rate:

The programme has consistently achieved a 100% pass rate for thirteen consecutive years, underscoring its strong commitment to quality. Matriculants routinely secure the majority of their National Senior Certificate (NSC) results at Level 5, 6, and 7.

### University Entrance:

Over the past thirteen years, 95% of participants have successfully gained admission to universities.

### Diverse Course Enrolment:

Alumni are currently undertaking a wide range of university courses, such as MBChB (Medicine), BSc Accounting, BCom Accounting, BCom Finance, and BCom Law, among others.

## EY Involvement/Volunteerism

The steadfast support of EY's leadership team is crucial to the success of the NextGen Programme. They act as key advocates for this initiative, frequently participating directly in significant activities that propel the programme forward.

This commitment from the top emphasises the importance of nurturing talent and creating opportunities for the next generation.

EY employees play an active role in the programme, maintaining close contact with learners and participating schools, and sharing progress updates within the firm through internal communications. Achievements are also highlighted to the broader community through the schools and champion teachers involved. In addition to these efforts, our employees provide mentorship and contribute as volunteers in various Ripples engagements, enabling meaningful community involvement and supporting the NextGen participants throughout their journey.

Furthermore, each school attended by our participants has been 'adopted' by EY, enabling us to consistently address the needs of both the school and the surrounding community. This collaborative approach enhances the impact of the NextGen Programme, fostering a supportive environment for the participants and their educational institutions.

## Mandela Day - combat poverty and inequity

On July 18, 2024, EY participants across South Africa came together to commemorate Nelson Mandela Day, embodying the spirit of service that Mandela championed across NextGen Schools and other beneficiaries. 2024 marked the 15th anniversary of the Nelson Mandela International Day initiative, with the moving theme: "It's still in our hands to combat poverty and inequity."

In a powerful demonstration of community engagement, **EY teams** dedicated their **67 minutes** to uplift and inspire those around them.

EY **Bloemfontein** and Gqeberha teams spent time with their local communities sharing wholesome meals with them.

In **Cape Town**, volunteers participated in a heart-warming project, assembling and filling **over 3,700 jars of soup** which were then delivered to two Cape Town NextGen beneficiary schools. This initiative not only provided nourishment but also nurtured a sense of community spirit.

Similarly, in **Durban**, participants organised a **Sandwich Drive**, where they prepared sandwiches, snack packs, and blankets in an efficient assembly line. These care packs were then distributed to beneficiaries at a child welfare and care centre, ensuring that no child went hungry or cold.

In **Johannesburg**, the initiative "**Give a Child A Seat at the Table**" took centre stage. From a successful fundraising drive, **2,400 school chairs** were purchased and delivered to learners at six NextGen beneficiary schools across Gauteng. Volunteers enthusiastically participated in the handover, teaching students the importance of caring for their new chairs, thereby instilling a sense of responsibility and pride. Through these meaningful activities, EY employees not only honoured Nelson Mandela's legacy but also reinforced their commitment to making a lasting impact in the communities they serve. The day was a testament to the belief that together, we can combat poverty and inequity, creating a brighter future for all.

# Working with Impact Entrepreneurs

## EY Transform



TRANSFORM is an impact accelerator led by Unilever, the UK government's Foreign, Commonwealth and Development Office (FCDO), and EY. It unites corporates, donors, investors, and academics to support visionary enterprises across Africa, Asia and beyond. It is testing and scaling new solutions that tackle environmental challenges, improve health and wellbeing, and build inclusive economies.



Transform blends the FCDO's grant funding with expert technical assistance from Unilever and EY employees, who also provide access to their networks and corporate value chains.



The initiative is based on a desire to address urgent sustainable development issues by learning from each other. We are helping new ideas and approaches to come to scale - with the expectation that we are also helping entrepreneurs to expand, and creating new systems and models that help to change the way established businesses operate.



In **FY25 53 EY participants** took part in **TRANSFORM** initiatives and impacted **1 218 389 lives** which was **54.18%** towards the total of lives impacted for the year.

## Skills lab

EY Ripples Skills Labs (former Business Clinics) are dynamic learning sessions designed to equip impact entrepreneurs with practical, future-ready skills that address the evolving demands of the workforce and society.

Delivered through interactive learning workshops, Skills Labs connect EY professionals and beneficiaries from diverse communities, creating opportunities for knowledge exchange and mentorship. The modules are tailored to empower social impact entrepreneurs and non-profit leaders ensuring they gain not only technical know-how but also the confidence to apply these skills in real-world contexts.

In **FY25 12 Skills Labs** were delivered to **267 impact entrepreneurs** by EY professionals to impact entrepreneurs across Africa, impacting **314,662 lives**.

# Accelerating Environmental Sustainability

## Ocean Hub Africa

Ocean Hub Africa (OHA) is a Cape Town-based ocean-impact catalyst dedicated to accelerating the development and adoption of sustainable ocean solutions across Africa. It connects and supports a diverse ecosystem of entrepreneurs, investors, researchers, and businesses working within the Blue Economy—a sector that includes marine conservation, aquaculture, ocean plastics, coastal tourism, and renewable marine energy.

EY Africa partnered with OHA to empower ocean-focused impact entrepreneurs and through EY Ripples workshops facilitated for the OHA annual bootcamp in FY25 EY South Africa participants impacted **15,007 lives**.

These workshops helped entrepreneurs refine their business models, improve financial literacy, and scale their solutions for greater environmental and social impact.

## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

### All in to shape the future with confidence.

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