PKF

PKF South Africa
ESG Policy

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1. Definitions and Abbreviations

Key terms and abbreviations are used throughout this document to ensure clarity and consistency.

1.1 Key Terms

The following terms are taken to mean:

'Baseline' refers to the initial, documented measurement point against which progress is tracked.

'Best practice recommendation' refers to non-mandatory guidance encouraged for adoption where contextually appropriate.

'Commitment' refers to a binding requirement expressed in this Policy that member firms shall implement and uphold.

'Employee' refers to any permanent or fixed-term staff member of a network firm.

'Executive Committee (ExCo)' refers to the PKF South Africa leadership body providing strategic oversight for this Policy.

'GHG emissions (Scope 1, 2, 3)' refers to greenhouse-gas emissions categorised per the GHG Protocol as direct (Scope 1), energy-related indirect (Scope 2), and other indirect emissions in the value chain (Scope 3).

'Material topic' refers to an ESG issue that is significant to PKF South Africa's strategy, risk profile, stakeholders, or performance, and therefore prioritised in this Policy.

'Network firm' refers to any of the PKF South Africa member firms listed in this Policy, each a separate legal entity operating under the PKF brand.

'PKF South Africa' refers to the umbrella organisation under which all network firms operate within the borders of the Republic of South Africa.

'Policy' refers to this Environmental, Social and Governance (ESG) Policy and any appendices formally approved by PKF South Africa.

'Stakeholder' refers to any party affected by or able to affect PKF South Africa's activities, including employees, clients, regulators, suppliers, communities, and shareholders/partners.

1.2 Abbreviations

The following abbreviations are taken to mean:

Table 1: Abbreviations

Acronym	Full Term
AGM	Annual General Meeting
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
COO	Chief Operating Officer
DEI	Diversity, Equity, and Inclusion
DFFE	Department of Forestry, Fisheries and the Environment
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HVAC	Heating, Ventilation and Air Conditioning
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSM	International Professional Standards Manual
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board

Acronym	Full Term
King V	King V Report on Corporate Governance for South Africa (2016)
NDP	National Development Plan 2030
OECD	Organisation for Economic Co-operation and Development
PKF SA	PKF South Africa
PKF SEC	PKF Social and Ethics Committee
POPIA	Protection of Personal Information Act (2020)
PRECCA	Prevention and Combating of Corrupt Activities Act 12 of 2004
POCA	Prevention of Organised Crime Act 121 of 1998
SAICA	South African Institute of Chartered Accountants
SDGs	Sustainable Development Goals
SEC	Social and Ethics Committee
SMME	Small, Medium and Micro Enterprises
TCFD	Task Force on Climate-related Financial Disclosures
UNGC	United Nations Global Compact
WHO	World Health Organization

2. Purpose and Scope

The purpose of this Environmental Social and Governance (ESG) Policy is to define PKF South Africa's commitment to responsible, ethical, and sustainable business practices across its network of independent member firms. It serves as a strategic framework for integrating ESG considerations into core operations, decision-making, and long-term planning.

This Policy supports PKF South Africa's strategic priorities by:

- Reinforcing corporate governance and ethical leadership.
- Aligning with global frameworks such as the UN Global Compact, Sustainable Development Goals (SDGs), and ISO standards.
- Responding to South Africa's evolving regulatory landscape, including NEMA, POPIA, B-BBEE, and the Companies Act.
- Enhancing organisational resilience by embedding ESG into risk management, strategy, and operational performance.
- Strengthening stakeholder trust and positioning PKF South Africa as a credible, forward-thinking advisor in the ESG space.

The Policy is not merely a compliance tool, it is a blueprint for building a responsible, resilient, and future-ready business. It reflects PKF's brand values and stakeholder expectations, and it enables the network to proactively manage sustainability-linked risks and opportunities while driving long-term value creation.

2.1 Scope and Applicability

This ESG Policy applies to the collective operations of PKF South Africa (PKF SA), a national network of independent member firms operating under a unified umbrella structure. The Policy establishes a shared commitment to responsible, ethical, and sustainable business practices across the network, while allowing for contextual flexibility in implementation.

This Policy is binding on PKF SA member firms who are signatories to this policy, their employees, contractors, and associated service providers. It applies to all business activities, service lines, and operational decisions that may have environmental, social, or governance implications.

Each firm remains a separate legal entity but is expected to align with the principles and commitments outlined in this Policy, while tailoring implementation to their operational context.

2.2 Network-Wide Consistency with Local Autonomy

Certain sections of this Policy are explicitly marked as best practice recommendations. These are not mandatory but are strongly encouraged for adoption by individual firms where contextually appropriate. This approach ensures that the Policy remains both aspirational and adaptable, supporting continuous improvement across the network.

3. Leadership Commitment

PKF South Africa recognises that meaningful ESG integration begins with leadership. As a network of independent firms operating under a unified umbrella structure, our leadership commitment is both collective and decentralised anchored in shared values and coordinated governance.

The PKF SA Executive Committee, led by the Chief Executive Officer and Chief Operating Officer, provides strategic oversight and direction for ESG across the network. This is supported by the National Board of Directors and Managing Partners from each member firm, who ensure that ESG principles are embedded into local operations and decision-making.

Leadership across PKF SA and the signatory firms to this policy are committed to:

- **Championing ESG as a strategic priority**, not a compliance exercise.
- **Aligning ESG efforts with PKF International's global objectives**, while responding to South Africa's unique regulatory and socio-economic context.
- **Establishing clear governance structures**, including a Social and Ethics Committee and related Champions, with defined reporting and escalation lines.
- **Promoting shared learning and collaboration** across firms to strengthen ESG capacity and coherence.
- **Empowering individual firms** to tailor ESG implementation to their operational realities, while remaining aligned with network-wide principles.

This commitment reflects our belief that ESG is a lever for long-term value creation, stakeholder trust, and sustainable growth. It signals our intention to lead by example,embedding ESG into our governance, operations, and culture.

4. Key Informants

The PKF South Africa ESG Policy is grounded in recognised frameworks, regulations, and professional standards that define responsible business conduct locally and globally. These key informants ensure alignment with South African legal requirements, professional ethics, and international sustainability expectations anchoring the Policy in evidence-based guidance and reinforcing PKF South Africa's credibility and accountability within the evolving ESG landscape.

4.1 Documents consulted

This Policy draws on extensive research and review of frameworks that establish the legal, professional, and sustainability context within which PKF South Africa operates. These include South African legislation, professional codes of conduct, international sustainability frameworks, and internal PKF governance standards.

Key Documents Referenced in Developing the PKF South Africa ESG Policy below consolidates the key informants and frameworks consulted, mapping their ESG relevance, policy implications, and specific alignment with PKF South Africa's operations and governance structures.

1. **Legislation & Regulatory Frameworks**
   - Companies Act (2008)
   - Broad-Based Black Economic Empowerment (B-BBEE) Act, 2003
   - Employment Equity Act (1998)
   - Skills Development Act (1998)
   - Protection of Personal Information Act (POPIA), 2020
   - Basic Conditions of Employment Act 75 of 1997
   - Labour Relations Act 66 of 1995
   - Occupational Health & Safety Act 85 of 1993
   - National Environmental Management Act 107 of 1998
   - Consumer Protection Act 68 of 2008
   - Competition Act 89 of 1998
   - Financial Intelligence Centre Act 38 of 2001
   - Skills Development Levies Act 9 of 1999
   - Unemployment Insurance Act 63 of 2001
   - Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000
   - Tobacco Products Control Act 83 of 1993
   - National Building Regulations and Standards Act 103 of 1977
2. **Professional & Oversight Bodies**
   - SAICA Code of Conduct
   - PKF Global Code of Ethics & Conduct
   - PKF International Professional Standards Manual (IPSM)
   - International Federation of Accountants (IFAC) – Small Business Sustainability Checklist

3. **International Standards & Best Practice Frameworks**

   - Global Reporting Initiative Standards (2021 Update)
   - IFRS S1 & S2
   - United Nations Global Compact (Ten Principles)
   - OECD Guidelines for Multinational Enterprises
   - Sustainable Development Goals (2015)
   - TCFD Recommendations (2017)

4. **Other Contextual & Market Informants**

   - National Development Plan 2030
   - Domestic & International Bid Requirements
   - Competitor Analysis & Benchmarking
   - PKFSA's Internal Policies and Procedures

The following Key Informant Matrix maps each framework or standard to a corresponding ESG dimension and outlines its implications for PKF South Africa and its network members. The matrix serves as a reference point for ensuring that the Policy's commitments, procedures, and disclosures remain consistent with the principles of responsible business conduct and sustainability assurance.

4.2 Guiding principle informants:

Guiding principles have been selected from the key informants identified. These establish the foundation for the Network's approach to responsible governance, social accountability, and environmental stewardship.

These principles ensure that the Policy reflects both compliance with statutory requirements and alignment with international best practice.

Accordingly, the PKF South Africa ESG Policy is guided by the following principle:

- United Nations Global Compact (Ten Principles)
- King V Report on Corporate Governance (2016)
- IFRS S1: International Financial Reporting Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: International Financial Reporting Standard S2 – Climate-related Disclosures
- International Federation of Accountants (IFAC) – Small Business Sustainability Checklist
- United Nations Sustainable Development Goals (SDGs)

These guiding principles directly influence the development of this ESG Policy.

5. Material ESG Policy Areas

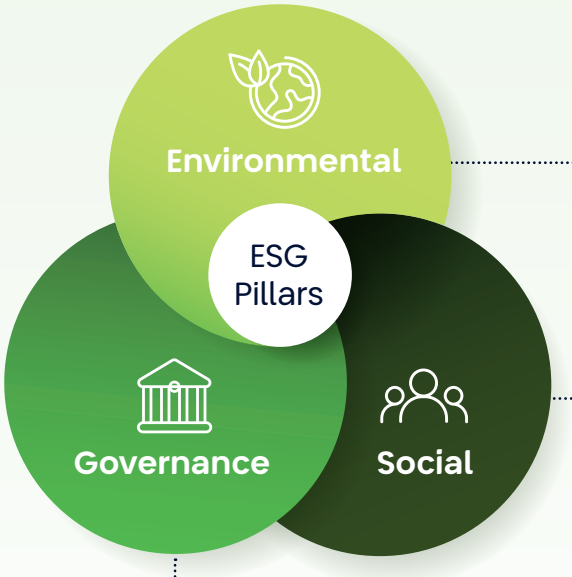
The ESG Policy centres on the most relevant and impactful issues for PKF South Africa, its network firms, and key stakeholders. These priorities were identified through a structured materiality assessment informed by peer benchmarking, stakeholder insight, and industry standards ensuring our commitments remain targeted, measurable, and aligned with our operational impact and strategic influence.

5.1 Material Topics

The materiality process identified eleven material topics (Table 3). These topics span the Environmental, Social, and Governance pillars and serve as the foundation for the organisation's policy commitments, strategic direction, and performance monitoring.

PKF South Africa's Material ESG Policy Topics

The proceeding paragraphs outcome PKF South Africa's commitments based on the below material topics.



Climate Change

Understanding and managing climate-related risks supports long-term resilience and aligns with global reporting expectations.

Talent Attraction and Retention

Attracting and developing skilled professionals enhances service quality and business sustainability.

Diversity, Equity & Inclusion (DEI) including Transformation and B-BBEE

Advancing transformation and equitable representation aligns with national priorities and strengthens organisational culture.

Information Security and Cyber Resilience

Protecting client data and digital systems safeguards reputation and regulatory compliance.

Audit Quality and Professional Independence

Upholding independence and ethical standards ensure integrity in assurance and advisory services.

Global Governance & Geopolitics

Monitoring global trends supports strategic alignment and informed client advisory.

Decarbonisation of Operations

Reducing carbon intensity strengthens operational efficiency and demonstrates environmental accountability.

Workforce Health, Safety and Wellness

Supporting employee well-being fosters productivity, compliance, and retention.

Public Perception and Reputation

Maintaining trust and transparency enhances stakeholder confidence and the firm's social licence to operate.

Organisational Culture, Governance, Ethics & Integrity

Promoting ethical leadership and accountability supports effective decision-making and trust.

Regulatory Compliance

Adhering to laws and professional standards protects legitimacy and mitigates risk.

5.2 Environmental Policies

PKF South Africa recognises that environmental responsibility is central to sustainable growth and long-term resilience. The network is committed to minimising its ecological footprint by aligning business operations with the principles of climate stewardship, resource efficiency, and sustainability. PKF South Africa and its network members commit to:

- **Legal Compliance and Governance**
  - Comply with all relevant environmental legislation, including the National Environmental Management Act (1998).
  - Integrate environmental risk and opportunity assessments into strategic and operational decision-making.
- **Awareness, Capacity-Building, and Culture**
  - Conduct annual environmental awareness and energy-saving campaigns across all offices.
  - Integrate environmental responsibility and climate-risk topics into staff induction and training programmes.
  - Encourage collaboration, innovation, and digitalisation to reduce resource consumption (e.g., paperless initiatives, virtual meetings).
- **Waste, Materials, and Pollution Prevention**
  - Implement office waste-segregation systems for paper, plastic, glass, and e-waste.
  - Track and report waste-recycling rates annually, aiming to divert at least 50% of office waste from landfill by 2027.
  - Procure environmentally preferred goods (e.g., recycled paper, energy-efficient appliances) through the firm's sustainable-procurement policy.
  - Prevent pollution through responsible chemical and printer-toner disposal, in line with ISO 14001 requirements.
- **Energy and Resource Management**
  - Monitor electricity and water use annually across all offices and facilities.
  - Establish a baseline for energy and water consumption to track annual efficiency improvements.
  - Set measurable reduction targets to decrease energy intensity (kWh per employee) and water consumption per employee by at least 5% per annum, subject to operational growth.
  - Prioritise the use of energy-efficient lighting, HVAC, and IT equipment in office refurbishments.
  - Evaluate opportunities for renewable-energy integration by 2027.
- **Greenhouse-Gas (GHG) Measurement and Targets**
  - Quantify and report Scope 1 and Scope 2 emissions annually, following IPCC Guidelines and the Greenhouse Gas Protocol.
  - Gradually expand to include material Scope 3 categories, business travel, purchased goods and services, waste, and employee commuting from FY2027 onward.
  - Establish a verified GHG baseline in 2025 and set progressive reduction targets consistent with the South African Net Zero 2050 pathway and PKF International's global sustainability objectives.
- **Transparency, Reporting, and Continuous Improvement**
  - Disclose environmental performance annually through the PKF South Africa ESG Governance Framework.
  - Review environmental objectives annually, setting new improvement targets based on results and audit findings.

Figure 1:
Environmental Policy Alignment with Guiding Principles

ENVIRONMENT

Principle 7	Support a precautionary approach to environmental challenges.
Principle 8	Undertake initiatives to promote greater environmental responsibility.
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.

Principle 4	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy and sustainable development are inseparable.
Principle 11	The governing body should govern risk in a way that supports achieving strategic objectives.

SDG 13	Climate Action
SDG 7	Affordable and Clean Energy
SDG 12	Responsible Consumption and Production

- Quantify GHG emissions.
- Develop reduction plan.
- Undertake scenario analysis to understand exposure to climate risks.
- Set emission targets.
- Reduce energy and water use.
- Explore renewable energy options.
- Adopt ISO 14001 systems approach.

- Disclose governance, strategy, risk-management, and metrics & targets for climate-related risks and opportunities.
- Report Scope 1-3 GHG emissions, scenario analysis, and transition plan.
- Quantify financial effects and progress toward targets.

5.3 Social Policies

PKF South Africa recognises that its people, culture, and reputation are central to long-term success. The network is committed to fostering a workplace that upholds human rights, ethical conduct, inclusivity, and well-being and to ensuring that its business relationships contribute positively to the communities and societies in which it operates PKF South Africa, and its network members commit to:

- Upholding human rights and fair labour practices in line with national legislation and international conventions.
- Public Perception & Reputation
  - Uphold anti-corruption and ethical conduct policies.
  - Ensure transparency in client communications and service delivery.
  - Protect consumer data in line with POPIA, and safeguard confidential information and data privacy.
  - Supporting community development and education initiatives that align with the firm's professional expertise and social impact priorities through the PKF Foundation for Good or other means including pro bono engagement.
- Talent attraction and retention:
  - Promote fair recruitment and career development practices.
  - Uphold freedom of association and collective bargaining rights.
  - Conduct regular employee engagement surveys and exit interviews.
  - Promoting open communication and employee engagement, ensuring that staff voices are heard and contribute to organisational improvement.
  - Monitor turnover rates and implement retention strategies.

- Diversity, Equity, Inclusion (DEI), Transformation & B-BBEE
  - Align with Employment Equity and B-BBEE Codes.
  - Promote gender and racial diversity at all organisational levels.
  - Close gender-pay gaps and monitor equity metrics.
  - Support inclusive leadership development programmes
- Workforce Health, Safety & Wellness:
  - Implement ISO 45001-aligned health and safety protocols.
  - Track and report safety incidents across all offices.
  - Provide access to mental health and wellness resources.
  - Ensure safe working conditions and emergency preparedness.

Figure 2: Social Policy Alignment with Guiding Principles

SOCIAL

UN Global Compact

Principle 3	Uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 6	Elimination of discrimination in respect of employment and occupation.
Principle 10	Work against corruption in all its forms, including extortion and bribery.
Principle 1	Support and respect the protection of internationally proclaimed human rights.

KINGV CODE

Principle 4	The governing body should ensure the organisation is seen as a responsible corporate citizen.
Principle 11	The governing body should ensure that reports enable stakeholders to make informed assessments.
Principle 1	The governing body should lead ethically and effectively.
Principle 6	The governing body should act as custodian of corporate governance in the company.

Sustainable Development Goals

SGD 8	Decent Work and Economic Growth
SGD 4	Affordable and Clean Energy.
SGD 16	Responsible Consumption and Production
SGD 3	Good Health and Well-being
SGD 5	Equality
SGD 10	Reduce Inequality

IFAC

- Ensure employee health, safety and well-being.
- Conduct regular employee surveys.
- Track turnover and career development reviews.
- Support local communities.
- Ensure consumer data protection and privacy.
- Close gender pay gaps.
- Provide accurate and non-misleading product or service information.
- Ensure employee health and safety.
- Implement ISO 45001.
- Maintain safety incident tracking and reporting.
- Embrace diversity, equity and inclusion.
- Increase diversity at senior levels.

IFRS®

- Explain how human-capital capability and retention affect strategy and value creation.
- Disclose employee turnover, engagement and development metrics.
- SASB SV-PS-330 – Disclose gender and diversity representation, turnover rates, and employee engagement levels.
- SASB SV-PS-330 – Report gender and diversity representation percentages and voluntary/involuntary turnover rates.
- Explain how DEI contributes to talent retention and enterprise value.
- Explain how well-being initiatives affect productivity and service delivery.

5.4 Governance Policies

PKF South Africa recognises that strong governance is fundamental to maintaining professional integrity, public confidence, and sustainable business performance. The network is committed to upholding ethical conduct, accountability, and transparency in all aspects of its operations and client engagements. PKF South Africa and its network partners commit to:

- **Data Protection, Privacy, and Cybersecurity**
  - Safeguard data and client confidentiality through secure systems, encryption protocols, and strict access controls.
  - Comply with the Protection of Personal Information Act (POPIA) and continuously enhance cyber-resilience through regular system testing and staff awareness campaigns.
  - Conduct annual cybersecurity audits and vulnerability assessments to identify and mitigate emerging risks.
- **Compliance and Professional Standards**
  - Comply with all relevant legislation, regulations, and professional standards governing accounting, audit, tax, and assurance services.
  - Adhere to the PKF International Code of Conduct and the International Professional Standards Manual (IPSM) to ensure independence and quality assurance in all engagements.
  - Maintain a Compliance Register reviewed quarterly by the Governance Committee to track legal, regulatory, and ethical obligations.
- **Anti-Corruption, Whistleblowing, and Transparency**
  - Maintain zero tolerance for corruption, bribery, or unethical behaviour, in line with the Prevention and Combating of Corrupt Activities Act (PRECCA).
  - Ensure effective whistle-blower mechanisms, anonymous reporting channels, and clear investigation procedures are in place and communicated to all employees.
  - Publish governance and ethics performance metrics in the firm's annual ESG and Sustainability Disclosure Report.

- **Ethical Leadership and Integrity**
  - Uphold ethical leadership and integrity consistent with King V principles of accountability, fairness, and transparency.
  - Maintain a governance culture that prioritises professional ethics, independence, and responsible stewardship across all operations.
  - Ensure leadership demonstrates a visible commitment to ethical conduct, reinforcing tone at the top through regular training and communication.
- **ESG and Governance Integration**
  - Integrate ESG accountability within governance, audit, and risk management frameworks to support informed decision-making and long-term value creation.
  - Assign ESG oversight responsibilities to the ESG Committee, which reports quarterly to the Executive Committee.
  - Include ESG performance and ethics indicators in leadership evaluations and internal reporting dashboards.
- **Stakeholder Engagement and Communication**
  - Engage openly with stakeholders including clients, regulators, suppliers, and employees on governance and ethics matters.
  - Disclose governance practices, policies, and outcomes transparently in alignment with United Nations Global Compact (Ten Principles), King V Report on Corporate Governance (2016), International Sustainability Standards Board (ISSB) - IFRS S1 & S2 (2023), International Federation of Accountants (IFAC) - Small Business Sustainability Checklist and the United Nations Sustainable Development Goals (SDGs).
  - Encourage stakeholder feedback to strengthen governance performance and responsiveness to evolving expectations.
- **Succession Planning and Leadership Continuity**
  - Ensure leadership continuity through structured succession planning that supports long-term organisational resilience and governance stability.
  - Identify and develop future leaders across all levels of the organisation, with a focus on diversity, transformation, and strategic alignment.
  - Integrate succession planning into performance reviews, talent development programmes, and leadership training initiatives.
  - Maintain a documented succession plan for key executive and governance roles, reviewed annually by the Governance Committee.
- **Continuous Improvement and Capacity Building**
  - Conduct regular governance and compliance reviews to adapt to technological advances, emerging risks, and regulatory changes.
  - Provide annual ethics, governance, and leadership training for partners, managers, and employees.
  - Promote collaboration and knowledge sharing across the PKF network to strengthen governance capacity, resilience, and consistency of practice.

Figure 3: Governance Policy Alignment with Guiding Principles

GOVERNMENTAL

UN Global Compact

Principle 1	Support and respect the protection of internationally proclaimed human rights.
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

KINGV CODE

Principle 12	The governing body should govern technology and information.
Principle 11	The governing body should govern risk in a way that supports achieving strategic objectives.
Principle 1	The governing body should lead ethically and effectively.
Principle 13	The governing body should govern compliance with laws, codes and standards.
Principle 16	Stakeholder-inclusive approach to achieve ethical culture, effective control and legitimacy.

Sustainable Development Goals

SGD 16	Peace, Justice and Strong Institutions
SGD 17	Partnership for Goals

IFAC

- Invest in cyber security and data protection.
- Review disaster recovery and data privacy plans.
- Implement resilience measures.
- Comply with International Professional Standards Manual (IPSM).
- Review governance practices.
- Maintain code of conduct and whistle-blower policy.
- Provide anti-corruption training.
- Link remuneration to sustainability performance.
- Develop a succession plan.

IFRS®

- Treat information security as a sustainability-related risk.
- Include climate-related physical risk exposure to IT systems within resilience analysis.
- SASB SV-PS-230 – Describe data-security approach, information-handling policies, and data-breach metrics.
- Explain oversight mechanisms for professional standards and legal accountability.
- SASB SV-PS-510 – Report approach to ensuring professional integrity and monetary losses from legal proceedings.
- Explain remuneration alignment with sustainability performance and risk controls.
- Disclose material geopolitical exposures.

6. Policy Governance

To ensure effective implementation and integration, this ESG Policy must be embedded within appropriate organisational structures across PKF South Africa and its network members. The following governance framework operationalises this intent, defining clear roles, responsibilities, and oversight mechanisms that support both strategic alignment and local execution.

6.1 Roles and Responsibilities at a PKF South Africa Level

In line with the recommendations of the King Code V, PKF South Africa will formally constitute a Social and Ethics Committee (SEC) at the Board level to oversee the application of the PKF South Africa ESG Policy across the network. This committee will serve as a statutory governance structure in accordance with **Regulation 43 of the Companies Act (2011)**.

6.1.1 Composition and Appointment

The SEC will comprise no fewer than three members, including:

At least one non-executive director

At least two prescribed officers

- The Chairperson of the SEC will be a non-executive director, ensuring objectivity and independent oversight.
- The committee may co-opt suitably qualified individuals (e.g. Health and Safety Representatives) to support its deliberations.

6.1.2 Mandate and Authority

In line with Section 72(8) of the Act, the SEC will have the authority to:

- Request information or explanations from any director, prescribed officer, or employee within the Network.
- Attend and be heard at general meetings.
- Receive all notices and communications related to shareholder meetings.
- Monitor the company's activities against relevant legislation, codes of conduct, and best practice standards.
- Report annually at the AGM on activities within its mandate.

6.1.3 Governance Framework

To ensure effective functioning, the SEC will:

- Operate under a formal Charter or Terms of Reference, approved by the Board.
- Develop an annual Work Plan to guide regular monitoring and reporting.
- Integrate with existing governance structures, including the PKF SA Executive Committee and National Board of Directors.

6.1.4 Strategic Integration and Oversight

The SEC will play a key role in embedding this ESG Policy into PKF South Africa's strategic operations mandate. Its responsibilities will include:

- Identifying and monitoring Social and Ethics risks and opportunities.
- Reviewing and aligning business strategy with ethical and social considerations.
- Ensuring executive commitment and tone at the top.
- Overseeing the integration of Social and Ethics into operational processes and procedures.

6.1.5 Performance Monitoring and Reporting

The SEC will:

- Define performance indicators for Social and Ethics governance in line with this Policy.
- Implement quantitative and qualitative measurement methodologies.
- Report transparently on performance and outcomes to the Board and stakeholders.

6.2 Roles and Responsibilities at an Individual Network Firm level

Each PKF South Africa member firm is responsible for implementing this ESG Policy within its operational context. While the overarching framework is defined at the national level, local implementation is essential to ensure relevance, responsiveness, and impact.

6.2.1 Local ESG Governance

- Each firm will establish or designate a local ESG committee to oversee implementation, integration, and reporting.
- The committee will be responsible for aligning firm-level activities with the network-wide ESG Policy, while tailoring initiatives to local priorities and stakeholder expectations.
- ESG Champions may be appointed to support awareness, training, and engagement across departments.

6.2.2 Implementation Mechanisms

- Implementation will be guided by:
  - Training and capacity building for leadership and staff.
  - Monitoring and evaluation of ESG performance indicators mention in this policy document.
  - Consistent reporting mechanisms to ensure transparency and accountability.
- Firms will be encouraged to adopt best practice templates and tools provided by PKF SA, while retaining flexibility to adapt them to their specific context.

6.2.3 Oversight and Engagement

- Regular engagement with the PKF SA National SEC Committee will ensure alignment, support, and shared learning.
- Leadership oversight at the firm level will reinforce ESG as a strategic priority and ensure integration into governance and decision-making processes.
- Firms will report on ESG progress and challenges through structured channels, contributing to network-wide ESG performance reviews.

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PKF South Africa is the network of member firms of PKF South Africa (RF) (Pty) Limited which is a member of PKF Global, the network of member firms of PKF International Limited. Each member firm of these networks is a separate and independent legal entity.