

# FITTING IT ALL TOGETHER USING THE INTEGRATED REPORT



BRUCE THOMAS  
FINANCE EXECUTIVE: REPORTING, NEDBANK

**INTEGRATED REPORTING  
COMMITTEE (IRC)  
OF SOUTH AFRICA**

**ANNUAL CONFERENCE**

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**#IRCSACConf2023**



# OUR CURRENT APPROACH



- Holistic yet concise ... keep it close to 100 pages!
- Aims to address the information requirements of long-term investors ... ensure adequate focus on short-, medium- and long-term value creation.
- Supplemented by our various online publications, including reports and disclosures relevant for key stakeholders ... allow for differing information needs.

#IRCSAConf23

#integratedreporting

IRC Annual Conference 2023



# WHAT INFORMATION GETS DISCLOSED WHERE?

## Financial and risk management

- Results Booklet and presentation
- Annual Financial Statements
- Pillar 3 Risk and Capital Management Report

## Climate

- Climate related disclosures
  - Nedbank energy policy
  - Nedbank climate change position statement

## Shareholder information

- Notice of AGM
- Form of proxy
  - Shareholding profile



## Integrated report

## ESG data table

- over 200 E, S & G KPIs over > 5 years & links to our ESG-related policies

## Society

- Sustainable-development finance
- Human capital, diversity and inclusion
- Human rights and community development
- Client responsibility
- Financial inclusion
- Transformation
  - BBBEE certificate
  - Global Reporting Initiative Standards

## Governance

- Governance
- Ethics
- Financial Crime
- Remuneration
- Tax
- Stakeholder engagement
  - Key policies
  - Boardmember and group executive profiles



# THE STANDARDS USED

 <p>International Financial Reporting Standards</p>			
			
			 <p>Department: Trade, Industry and Competition REPUBLIC OF SOUTH AFRICA</p>



# THE STANDARDS USED

## Financial and risk management reporting



- International Financial Reporting Standards (IFRS)
- Companies Act
- Banks Act
- South African Reserve Bank (SARB) regulations
- Basel Committee on Banking Supervision guidance
- JSE Listings Requirements

## Climate reporting



- Task Force on Climate-related Financial Disclosures (TCFD)
- Basel Committee on Banking Supervision (BCBS) - Principles for the effective management and supervision of climate-related financial risks (June 2022)



# THE STANDARDS USED

## Societal reporting



- Global Reporting Initiative Standards
- King Report and Code on Corporate Governance for South Africa (King IV)
- United Nations Global Compact
- Application of the Amended Financial Sector Code (FSC) and the BBBEE Act)

## Governance reporting



- King IV
- Companies Act
- Banks Act
- SARB directives and circulars
- JSE Listings Requirements
- JSE Debt Listings Requirements
- Other applicable laws, regulations and best practice principles
- Global Reporting Initiative Standards

# SUSTAINABILITY – STANDARDS, ACTIONS & STRATEGIES FOR A BETTER FUTURE



## Environmental

### Impact on the planet

- Greenhouse gas emissions
- Air & water pollution
- Biodiversity
- Recycling & waste management
- Natural resource use
- Renewable energy
- Water scarcity
- Energy efficiency



## Social

### Relationships with employees, clients & communities

- Diversity & inclusion
- Employee training
- Labour standards
- Data protection & privacy
- Client satisfaction
- Product safety & financial inclusion
- Relations with local communities
- Human rights
- Ethical supply chain sourcing



## Governance

### Corporate leadership standards

- Board composition
- Management diversity
- Succession planning
- Remuneration
- Shareholder rights
- Accounting transparency & auditing
- Reputational matters
- Relationships with regulators

**Sustainability** – remaining a viable business that delivers intentional social & environmental impact



# WHY THE FOCUS ON ESG & SUSTAINABILITY?

- **It's the right thing to do**
- **Building a sustainable business**
  - Future fit
  - Purpose fulfilment
  - Good business practice
  - Commercial differentiation
- **Increasing stakeholder demands**
  - Employees – responsible employer
  - Clients – responsible products & services enabling a just transition
  - Investors – ESG in investment decisions & sustainable returns
  - Regulators – oversight & regulation
  - Society – enable positive impact







# NEW SUSTAINABILITY STANDARDS



- Have adopted an incremental adoption approach
  - Expanded the TCFD architecture to our Societal reporting in 2022 as a response to the draft IFRS Sustainability Standards
  - Most building blocks in place – fossil-fuel-related GHG targets/glidepaths to be disclosed in our FY 2023 report in early 2024
  - Key focus for preparers is on data to support robust metrics and appropriate (material) metrics & targets
- Investment in skills, expertise and systems to support measurement and reporting

# APPLYING THE GLOBAL BASELINE (ISSB)



**Layering on multi-stakeholder information on impacts and jurisdictional requirements (King IV etc)**

- Use supplementary reports to ensure a comprehensive integrated reporting while addressing the diverse needs of broad stakeholders
- Leverage technology, including digital content navigation: for example, completeness of GRI disclosures through hyperlinked index tables
- Balance the way you manage the business versus requirements/frameworks – find the way that speaks to your business
- Solicit stakeholder feedback to ensure areas of focus meet their informational needs



# IMPACT ON OUR CORPORATE REPORTING SUITE



The various standards that previously stood independently are brought together to ensure better alignment & communication to investors?

## KEY AREAS OF FOCUS

**Data and the related systems will become more important, to ensure:**

- Set targets
- measure progress
- report internally & externally
- credibility & integrity

**Focus moves from primary focus on financial accounting to holistic drivers of sustainable value creation**

**Planning horizon: the current and potential future costs and revenues ... just because the opportunities/ costs are limited today doesn't mean they will be in the future**

Reporting functions to collaborate/ include cross disciplinary teams

Timelines – achievement of concurrent reporting will place pressure on skills and systems



# THE RELEVANCE AND USE OF THE INTEGRATED REPORT

- Telling our story – our reporting is guided by the story we communicate to investors and stakeholders, incorporating feedback
- A summary of our group Exco and board discussions, business plans, decisions and approvals
- Our integrated report is a key tool used in our annual ESG roadshow led by the Group Chairperson, Lead Independent, Chair of Remco, Chair of Audit Committee

