

# THE NEW PROCESS DISCLOSURES IN THE REVISED INTERNATIONAL <IR> FRAMEWORK

FAY HOOSAIN

INTEGRATED REPORTING  
COMMITTEE (IRC)  
OF SOUTH AFRICA

ANNUAL CONFERENCE

2021

#IRCSAConf21

## BEFORE WE BEGIN

All information in this slide presentation has been extracted from the following Integrated Reporting Committee (IRC) of South Africa information paper, which we refer to as the **'2021 Governance Information Paper'** in this presentation:



Available on [www.integratedreportingsa.org](http://www.integratedreportingsa.org)

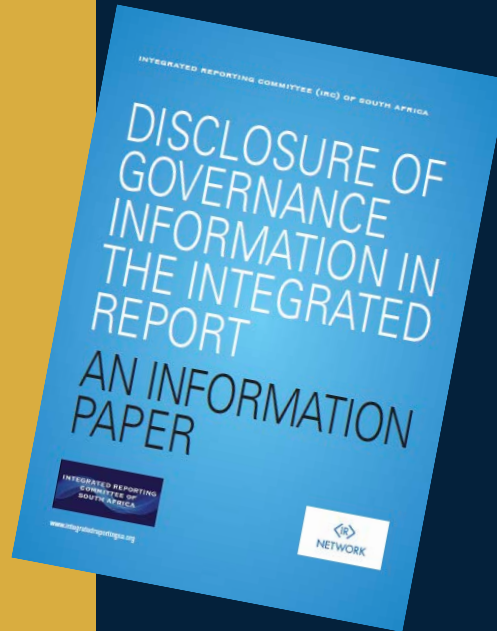
#IRCSAConf21

#integratedreporting

IRC Annual Conference 2021

# THE STARTING POINT OF THE 2021 GOVERNANCE INFORMATION PAPER

To **update** the IRC of SA *Disclosure of Governance in the Integrated Report: An Information Paper* (2017 Governance Paper), taking account of the **board responsibility statement changes** in the *International <IR> Framework (2021)* and to provide **guidance on process disclosures** followed to **prepare and present an integrated report**



The *International <IR> Framework (2021)* supersedes the *International <IR> Framework (2013)* – the revision applies to reporting periods commencing **January 2022**



#IRCSAConf21

#integratedreporting

IRC Annual Conference 2021

## A REMINDER | THE INTERNATIONAL <IR> FRAMEWORK (2021)

Constituted a **'light touch'** review focusing only on targeted areas, namely:

- The statement of responsibility by the governing body, including the new encouraged process disclosures
- The business model
- Emphasis on balanced reporting with the disclosure of value creation, preservation or erosion

The focus of this presentation is bullet point #1

# STATEMENT FROM THOSE CHARGED WITH GOVERNANCE

- The integrated report should include **a statement from those charged with governance** that contains the following information:
  - An **acknowledgement of their responsibility** to ensure the integrity of the integrated report
  - Their opinion or conclusion about whether, or the extent to which, the integrated report is **presented in accordance with the <IR> Framework**
- **Where legal or regulatory conditions preclude this statement**, the <IR> Framework requirement stipulates that this should be clearly stated
- Organisations are encouraged to **disclose the processes followed in preparing and presenting the report**, as this information can provide insight to users on the measures taken to ensure the integrity of the report

## KEY QUESTION FOR THE GOVERNING BODY

- What measures have been followed to ensure that we are in a position, with confidence, to sign off on the integrity of the integrated report?

## THE ANSWER TO THE QUESTION

- Provides guidance on which processes to disclose in the report
- Also assists in providing **structure and clarity** regarding the manner in which the governing body has **applied its mind to effective, credible and balanced disclosure** in the integrated report

# DISCLOSURE OF THE PROCESSES FOLLOWED IN PREPARING AND PRESENTING THE INTEGRATED REPORT

- **Processes relate to those followed** by the:
  - governing body
  - executives
  - working team
  - assurance providers
  - others involved in the preparation and presentation of the report
- The processes show the **measures taken to ensure the integrity** of the integrated report

# DISCLOSURE OF THE PROCESSES FOLLOWED IN PREPARING AND PRESENTING THE INTEGRATED REPORT

## FOCUS AREA #1

Related systems, procedures and controls

## FOCUS AREA #2

Key responsibilities and activities

## FOCUS AREA #3

Role of those charged with governance

## FOCUS AREA #4

Other relevant processes



## FOCUS AREA #1

### Related systems, procedures and controls

#### Examples:

- Combined assurance or integrated assurance over the reporting process
- Management review and internal controls over the reporting process
- The role of internal audit and external assurance providers

## FOCUS AREA #2

### Key responsibilities and activities

#### Examples:

- The executive with overarching accountability for the report preparation and presentation
- The composition of the integrated report working team, including subject matter experts
- The role of outside support in the preparation process and/or external technical input on the report presentation
- Key information sources/flows, such as board reports, internal management reports, annual financial statements, sustainability reports, stakeholder engagement feedback, ethics reports and external reports
- The timing of key activities

## FOCUS AREA #3

### Role of those charged with governance

#### Examples:

- Approval of the process of preparing and presenting the report
- Approval of the materiality determination process and the identified material matters
- Oversight and recommendation by specified board committees
- The final sign-off of the report by the governing body

## FOCUS AREA #4

### Other relevant processes

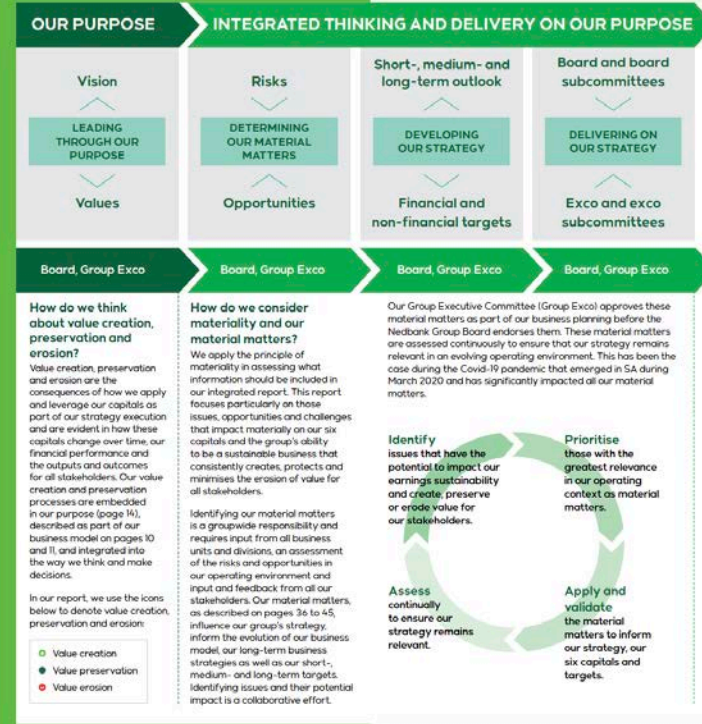
#### Examples:

- Whether integrated information is embedded in monthly management reporting and in board reports aligning internal and external integrated reporting

# PROCESS DISCLOSURE EXAMPLE

## Nedbank Group Integrated Report 2020

### ABOUT OUR INTEGRATED REPORT



#### APPROVAL BY THE BOARD

The board acknowledges its responsibility of ensuring the integrity of this integrated report. In the board's opinion, this report addresses all the issues that are material to the group's ability to create value and fairly presents the integrated performance of Nedbank Group. The board is confident that the report was prepared in accordance with the International <IR> Framework (2021). This report was approved by the board of directors of Nedbank Group on 13 April 2021.

*Mpho Malikwa*  
Mpho Malikwa  
(Lead Independent Director and acting Chairman)

*Mike Brown*  
Mike Brown  
(Chief Executive)

*Hubert Brody*  
Hubert Brody

*Linda Makolima*  
Linda Makolima

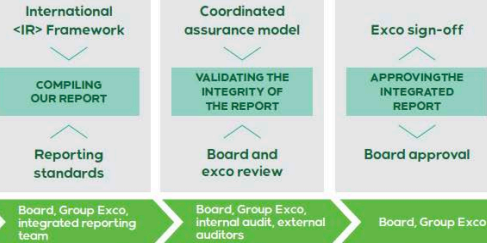
*Prof Tshiliza Marwala*  
Prof Tshiliza Marwala

*Dr Mantsoke Mafokane*  
Dr Mantsoke Mafokane

Our integrated report is the outcome of a groupwide integrated reporting process. The process is governed by the board, led by Group Exco, assured through our coordinated assurance model and delivered through groupwide collaboration. Our integrated approach to decision-making, management and reporting enables us to create and preserve value as we deliver on our purpose – using our financial expertise to do good.

This report is prepared in accordance with the International <IR> Framework of the International Integrated Reporting Council (IIRC), including enhancements published in January 2021.

#### OUR INTEGRATED REPORTING PROCESS



#### What process do we follow to complete the Nedbank integrated report?

The 2020 integrated report is prepared from Group Exco and board discussions, minutes, decisions and approvals (reflecting the group's integrated thinking) as well as internal and external reporting information as required by the integrated <IR> Framework (2021). A crossfunctional team, led by the Group CFO and representing various clusters and subject matter experts across the group, produces several drafts of the integrated report with oversight from Group Exco and the board. The business clusters and Group Exco members review these drafts ahead of board reviews, and executive and board members also contribute to the content. All members of Group Exco and the board are involved in the various approval processes, which are also supported by the oversight provided by independent assurance providers. The Group Integrated Report Approval Committee (which has delegated authority from the board) provides final approval and sign-off.

#### Which reporting frameworks do we adhere to?

Our integrated reporting is guided by the principles and requirements of the International <IR> Framework, IFRS and the King Code of Governance Principles for South Africa (King IV), and is in accordance with the 'core' option of the Global Reporting Initiative (GRI) Standards. As a South African bank and a company listed on the JSE, we align with the JSE Listings Requirements, the SA Companies Act, 71 of 2008, and the Banks Act, 94 of 1990. More recently we have adopted the disclosure recommendations of the TCFD.

#### How do we ensure the integrity of our report?

The board ensures the integrity of the integrated report through our integrated reporting process, the various approvals and sign-offs by Group Exco and the board, and relies on our coordinated assurance model, overseen by the Group Audit Committee, that assesses and assures various aspects of our business operations and reporting. These assurances are provided by management and the board through rigorous internal reporting governed by the group's ERMF, internal audit and independent external sources and service providers.

Our annual financial statements are assured by our joint external auditors, Ernst & Young Inc. (EY) and Deloitte & Touche (Deloitte), limited assurance on selected sustainability information is provided by Deloitte, and Mosaic Rating Agency provides limited assurance on our application of the Amended FSC and the group's BBBEE status. We have indicated the level of assurance provided on pages 71 and 93 and included the Independent Assurance Providers' Limited Assurance Report on Selected Sustainability Information on pages 102 and 103.

*Brian Dames*  
Brian Dames

*Mike Davis*  
Mike Davis  
(Chief Financial Officer)

*Neo Dongwana*  
Neo Dongwana

*Errol Kruger*  
Errol Kruger

*Rob Leth*  
Rob Leth

*Mfundo Nkulu*  
Mfundo Nkulu  
(Chief Operating Officer)

*Stanley Subramoney*  
Stanley Subramoney

*Iain Williamson*  
Iain Williamson

Detailed ESG disclosures are available in our supplementary reports, which are available at [nedbankgroup.co.za](http://nedbankgroup.co.za).

## A FEW CONCLUDING REMARKS

- It is not expected that detailed information on process disclosures be given - **high-level disclosure of the key processes** is sufficient
- The <IR> Framework is **not prescriptive as to the positioning** of the process disclosures in the integrated report – however, it makes sense to keep it close to the board responsibility statement
- Organisations should be careful to **avoid the process disclosures becoming a checklist**, rather than mindful disclosure of the measures followed to ensure the integrity of the report

# QUESTIONS

INTEGRATED REPORTING  
COMMITTEE (IRC)  
OF SOUTH AFRICA

ANNUAL CONFERENCE

2021

#IRCSACConf21