


Attracting Capital and Building Resilient Enterprises – Disclosure and Transparency in Non-financial Reporting



Integrated Environmental, Social
and Governance Standards
Program

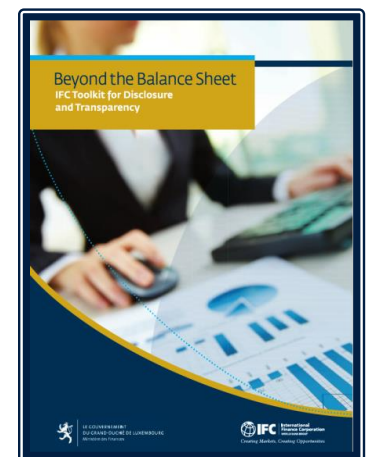


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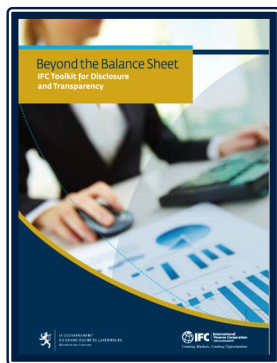
Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO





Goal:

To introduce the IFC Beyond the Balance Sheet Disclosure and Transparency Toolkit to you in order to support the new demands for reporting non-financial information.



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What is Non-Financial Reporting

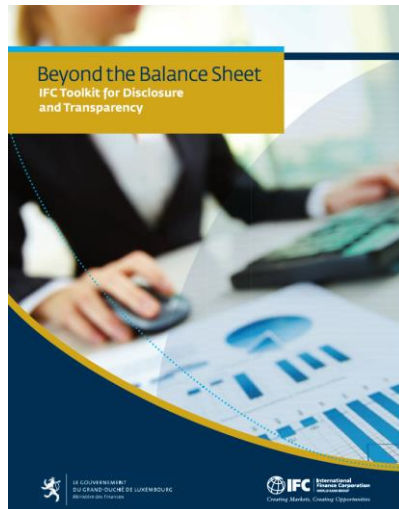
Non-Financial Reporting (NFR) broadly refers to the formal communication of organisational structures, policies, practices and performance information **that are not captured** or emphasised within the mainstream framework of financial accounting and reporting.

Non-Financial Reporting

NFR includes continuous reporting on all matters material to company operations and investor decisions

- Strategy and performance
- business model for creating value
- risk and opportunities facing the company
- its sustainability into the future
- especially its organisation for environmental, social and governance issues

Non-Financial Disclosure and Transparency Methodologies – TOO MANY OPTIONS



IFC Sustainability Frameworks

- Corporate Governance Methodology
- Performance Standards for Environmental & Social Sustainability

Global Sustainability Frameworks



International Accounting Standards



MAIN FRAMEWORKS

Disclosure of Corporate Sustainability (ESG)

	IIRC	GRI	CDSB	SASB	TCFD	IFRS/IASB	IFC DT Framework
Type of Guidance	Framework	Standards	Framework	Standards	Guidelines	Standards	Framework
Application	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Compulsory	Voluntary
Coverage	Global	Global	Global	U.S., can be applicable globally	Global	Global	Global, focus on emerging markets
Objective	Help organizations explain to providers of financial capital how they create value over time	Enable all organizations—regardless of size, sector, or location—to report the sustainability information that matters	Help organizations prepare and present environmental information in mainstream reports	Help public corporations disclose material sustainability information in mandatory SEC filings	Enable stakeholders to understand the financial system's exposures to climate-related risks	Provide financial information that is useful in making investment decisions	Improve capital flows to emerging markets by reducing actual and perceived risk



SDG 12.6: Encourage companies to adopt sustainable practices and publish sustainability reports



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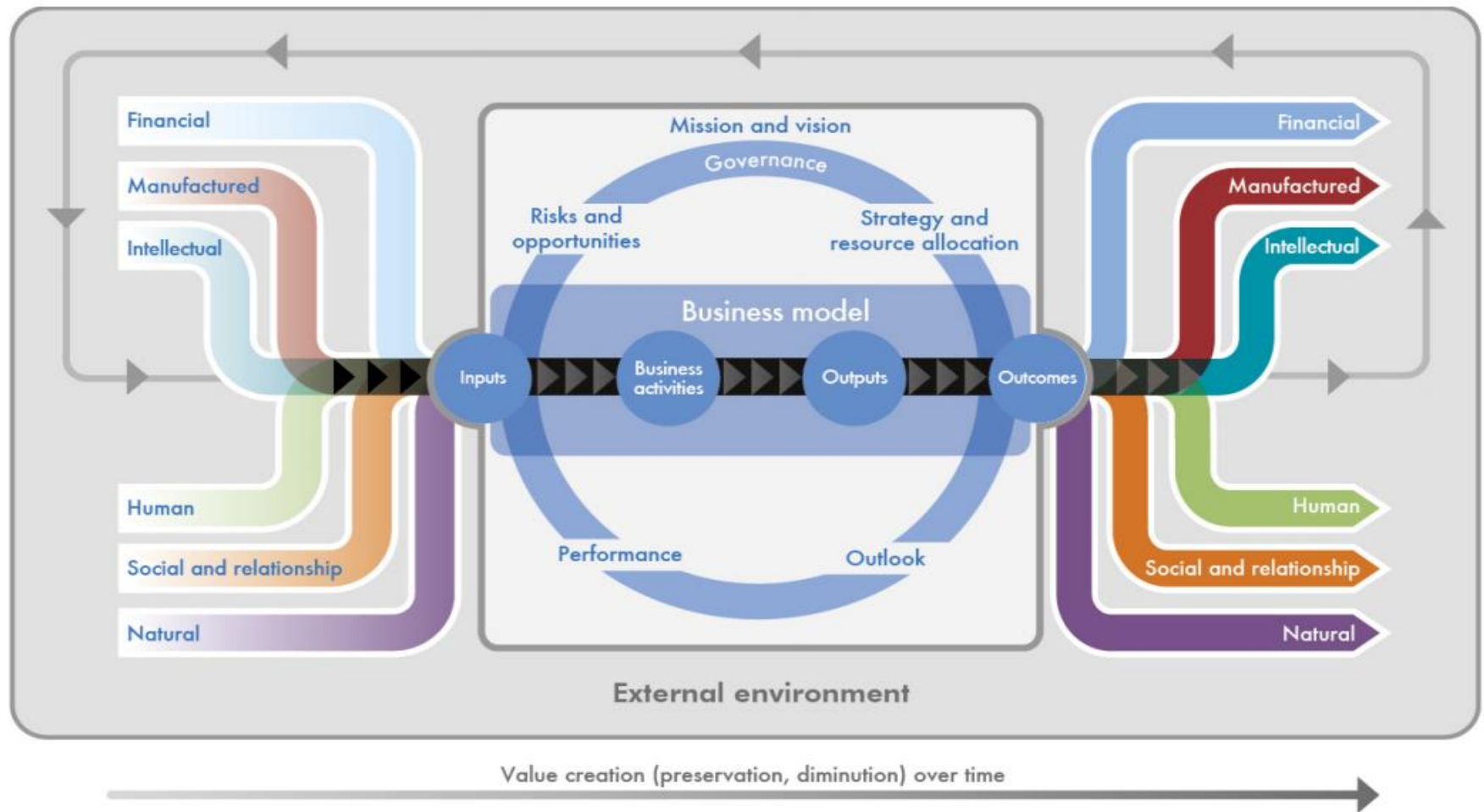
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Beyond the Balance Sheet
IFC Toolkit for Disclosure and Transparency

IFC International Finance Corporation
 World Bank Group



Business Model for Value Creation

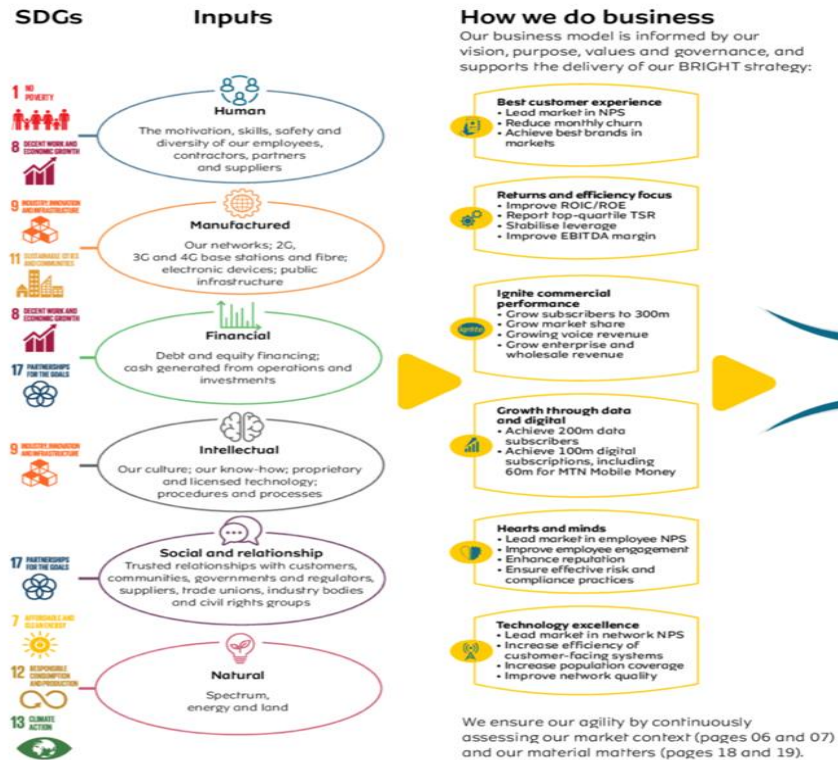


Business Model – MTN Group

How we create value using the six capitals

Transforming the stocks of capital through our activities

We create value by developing and distributing a range of innovative and reliable communication products and services. We depend on various resources and relationships, known as the six capitals, to do this.



We require inputs of each capital to deliver on our strategy, advance some of the UN SDGs and generate value for all stakeholders. When making decisions on allocating capital, we consider the trade-offs between the capitals, and seek to maximise positive outcomes and limit negative impacts.

Outputs

Outcomes in 2019

19 288 employment opportunities

Improved **employee culture**

Rolled out **4 699 2G, 5 795 3G and 10 895 4G sites**

EBITDA of R64,1bn (IFRS reported)

Declared **total dividend of 550 cps**

Promoted investment and economic growth through digital and financial inclusion

Spent **R189,5m** in social investment

Leading **NPS** in **12** markets

MTN South Africa BEE contributor status improved to **level 2**

Paid **R30,5bn** in total **tax contributions**

Enhanced **sustainable societies** by **conducting business ethically** and **responsibly**

Ensured **eco-responsibility** by **using natural resources conservatively**

Avoided 1 855 tonnes of **GHG emissions**

* Defined as an output by the BRC. For more details, see [SR](#).

Strategy at ABSA – Bank in South Africa

12

A strategy for growth

3 priorities

Create a thriving organisation

We will differentiate ourselves by:

- Creating an entrepreneurial culture that is diverse and inclusive.
- Empowering our employees to become outwardly focused and customer-obsessed.

Restore leadership in core businesses

We will restore leadership in our core businesses by:

- Creating a competitive advantage through an understanding of our customers and anticipating their needs.
- Providing our customers with customised solutions across their life-cycle, delivered through superior service and supported by transparent pricing.

Build pioneering new propositions

We will drive growth by:

- Creating a consumer finance franchise within retail that is fully digital, mobile-enabled and equipped to manage risk.
- Developing a global payments hub, offering transactions on a single digital platform, linking businesses across the continent and ensuring easy and affordable cross-border transactions.
- Launching a transactional banking platform for small businesses and corporates, which will provide digitised and automated cash management and trade finance products.

Our purpose



Our goal

Growth of our portfolio while contributing to the growth of the markets we serve.
We will reduce costs by creating a more efficient and effective organisation and deliver top, sustainable returns that maximise long-term value creation.

3 enabling capabilities

Build a scalable digitally-led business

We will modernise our business by:

- Building digital capabilities that enable us to become a scalable, digitally-led business.
- Building new capabilities to explore growth opportunities and reinforce an entrepreneurial culture.

Pursue growth opportunities

We will augment our organic growth by:

- Pursuing targeted acquisitions and investing in businesses that boost our capabilities.
- Expanding into targeted new markets either through starting new, or buying, existing businesses.
- Leveraging strategic partnerships to further enhance our value proposition and offerings.

Play a role in shaping society

We will build a business that Africa can be proud of by:

- Earning the trust of our stakeholders by contributing to the shaping of communities in which we operate, while acting with integrity and delivering on our promises.
- Contributing to thought leadership in financial services and promoting inter-generational sustainability through the preservation of our environment.

1.4.8 Our performance: Non-financial KPIs continued

Our FY2020 sustainability performance

	Target	FY2020 Result	Year-on-year
People	Zero work-related fatalities	Workplace fatalities 0	FY2017 ⁽¹⁾ 1 FY2018 2 FY2019 ⁽²⁾ 1 FY2020 0
	Year-on-year improvement of total recordable injury frequency ⁽³⁾ (TRIF) per million hours worked	Total recordable injury frequency decreased by 11% compared to FY2019	FY2018 ⁽⁴⁾ 4.4 FY2019 ⁽⁵⁾ 4.7 FY2020 4.2
	50 per cent reduction in the number of workers potentially exposed ⁽⁶⁾ to our most material exposures of diesel particulate matter, respirable silica and coal mine dust compared to our FY2017 ⁽⁷⁾ baseline by FY2022	Occupational exposures 60% reduction compared to FY2017 baseline	Adjusted FY2017 baseline 4,266 FY2019 ⁽⁸⁾ 2,192 FY2020 1,744
Society	Zero significant community events ⁽⁹⁾	FY2020 0	FY2017 0 FY2018 0 FY2019 0 FY2020 0
	Not less than 1 per cent of pre-tax profits ⁽¹⁰⁾ invested in community programs that contribute to the quality of life in communities where we operate and support the achievement of the UN Sustainable Development Goals	Social investment spend US\$149.6 million⁽¹¹⁾	FY2017 ⁽¹²⁾ US\$80.1 million FY2018 US\$77.1 million FY2019 ⁽¹³⁾ US\$93.5 million FY2020 US\$149.6 million
	By FY2022, implement our Indigenous Peoples Strategy across all our operated assets through the development of Regional Indigenous Peoples Plans	Regional Indigenous Peoples Plans being implemented across Australia (Reconciliation Action Plan (RAP)), North and South America	
Climate Change	By FY2022, maintain operational (Scope 1 and Scope 2) greenhouse gas emissions at or below FY2017 levels ⁽¹⁴⁾ ⁽¹⁵⁾ while we continue to grow our business	Greenhouse gas emissions 8% above FY2017 baseline. While our annual emissions are currently higher than FY2017 levels, our asset-level emissions forecast suggest we are on track to meet our FY2022 target	FY2018 ⁽¹⁶⁾ 17 million tonnes carbon dioxide equivalent (Mt CO ₂ -e) FY2019 ⁽¹⁷⁾ 15.8 Mt CO ₂ -e FY2020 15.8 Mt CO₂-e
Environment	Zero significant environmental events ⁽⁹⁾	FY2020 0	FY2017 0 FY2018 0 FY2019 0 FY2020 0
	Reduce FY2022 withdrawal of fresh water by 15 per cent from FY2017 levels ⁽¹⁹⁾	19% freshwater withdrawal reduction from FY2017 baseline	Adjusted FY2017 baseline ⁽¹⁸⁾ 156,120 ML FY2019 freshwater withdrawal 155,570 ML FY2020 freshwater withdrawal 126,997 ML
	By FY2022, improve marine and terrestrial biodiversity outcomes by developing a framework to evaluate and verify the benefits of our actions, in collaboration with others	Progressed framework development in collaboration with others. Progress and pilot work presented in two external forums	Year-on-year progress on development of framework to evaluate and verify the benefits of our actions

What Do Stakeholders and Investors Want to Know

That the company:

has a long-term future in the face of an uncertain, turbulent, unpredictable business environment– sustainable business model, long term strategy

Is well organized and run so that the company leaders can see and seize the opportunities and manage the risks – board and management, competent, reliable, operate with integrity and can make the best of the opportunities

Is under control – is flexible and resilient – understands and manages risk, has in place checks and balances (controls, internal audit), gives third party assurance all is well (external audit, assurance)

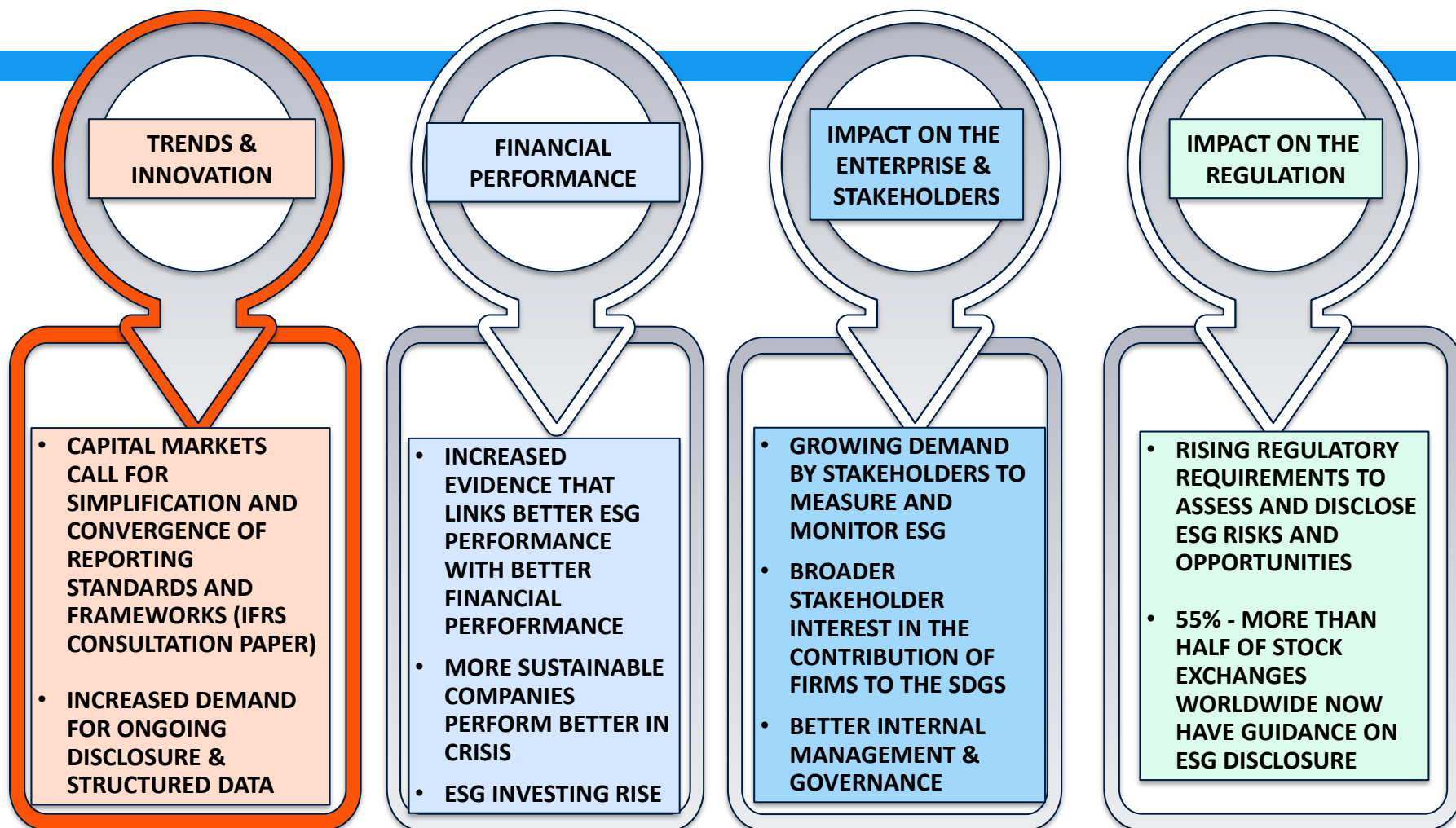
Will continue growing (has eye to future and access to all the resources it needs to continue in business)

Is financially viable in the short, medium and long term – it performs.

They want to be able to TRUST the company, its leadership and its activities.

TRENDS & BENEFITS

Disclosure of Corporate Sustainability (ESG)



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IFC SUSTAINABILITY DISCLOSURE AND TRANSPARENCY PROGRAM

ECOSYSTEM OF RESOURCES AND REPORTING TOOLS

BEYOND THE BALANCE SHEET

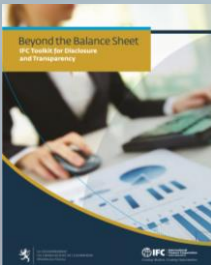
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Enhancing Disclosure, Transparency & Communication

D&T FRAMEWORK

Helps disclose material aspects of:

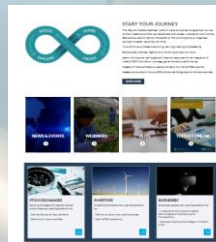
- Strategy & sustainability
- Corporate governance
- Financial & non-financial performance
- Streamlining all reporting frameworks



ONLINE PLATFORM

Facilitates continuous process:

- Exploring global, local, industry resources
- Self-paced learning modules, blended with webinars
- Creating via report generator and community of practice
- Assessing via annual report self-assessment tool



CAPITAL MARKETS

- Policy support to stock exchanges and regulators, developing 145 codes, laws, 30 scorecards and 10 ESG reporting guidelines



Strategic partnership with UN Sustainable Stock Exchanges



START YOUR JOURNEY

Questions and Discussion

IFC COVID 19 Reporting Tips – www.ifc.org

FRC (UK) Reporting on Covid 19 – Thematic Review of financial reporting effects of Covid-19, July 2020. – www.frc.org.uk



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