

Integrated Annual Report

—
2023





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NBI at a Glance

The National Business Initiative (NBI) catalyses collective action to address South Africa's most pressing social and environmental challenges. We provide a platform where courageous conversations, collective action and collaboration can happen between business, society and government, and bring an informed and global perspective to these engagements and actions.

Our most material matters

STRATEGIC POSITIONING

HUMAN CAPITAL

ETHICS & GOVERNANCE

PROJECT EXECUTION

FINANCIAL SUSTAINABILITY



Our purpose

We are working to create a thriving South African society through thought leadership, strategic implementation, capacity building and collective action with business, social partners, and government. Our work strives to reduce inequality, increase social cohesion, and drive sustainable economic growth.



Our vision

The NBI, as a business collective, provides the progressive leadership and advocacy roles needed in South Africa to support and accelerate business action to achieve a sustainable, equitable and thriving society.



Our Values

Integrity, Trust, Respect, Commitment, Excellence



OUR STRATEGY

Our strategic objective is to engage our members in economic and social transformation.

We	To build	In our Focus Areas
<p>LEAD With strategic thought leadership</p> <p>LEARN Develop and disseminate knowledge to build stakeholder capacity</p> <p>IMPACT Design and implement business-led collective action projects</p>	<p>ECONOMIC RESILIENCE A South African economy that is inclusive, equitable, competitive and sustainable.</p> <p>INSTITUTIONAL CAPACITY A South Africa that has the institutional capacity to support social and economic transformation.</p> <p>TRUST A South Africa society that is characterised by high degrees of trust.</p>	<p>ENVIRONMENT</p> <ul style="list-style-type: none"> Transition Risk Climate Change Energy (including Efficiency and Renewables) Water <p>SOCIAL</p> <ul style="list-style-type: none"> Social Transformation Diversity and Inclusion Economic Inclusion (incl. Youth Employability and Township Economies) <p>GOVERNANCE</p> <ul style="list-style-type: none"> Building Government and Institutional Capacity (TAMDEV) Anti-Corruption and Ethics

See page 18 for more information

Membership advantages

We assist member companies on their ESG journeys by providing best practice and capacity building through our work:

- Membership Community
- Governance
- Capacity Building
- Dialogue & Engagement
- Communications
- SDG Framework

See pages 8 and 21 for more information

Salient features in 2023

- **90+ MEMBERS** including small and large South African and multinational companies.
- **THE NBI HOLDS SECRETARIAT ROLES** for the BRICS Business Council and the Solidarity Fund Staffing Support.
- Delivered **42 EVENTS** sharing thought leadership and building capacity in Johannesburg, Cape Town and Durban.
- **BUSINESS PARTICIPATION** Contributed extensively to transformation and leveraging the collective action role of business through our gender pay gap work, skills development, anti-corruption, Just Transition pathways, energy and water programmes.
- **30 QUICK BRIEFS/NBI NEWS UPDATES** distributed providing relevant information to member companies.
- **625 SEPARATE PIECES OF MEDIA COVERAGE** detailing the NBI's work and activities.
- **4 THOUGHT LEADERSHIP REPORTS PUBLISHED** sharing learnings from Just Transition pathways to addressing corporate corruption in South Africa.
- **COP27** – 56 hybrid events hosted with a variety of local and international partners and stakeholders.
- **MORE THAN 250 HOURS** of technical workshops in the Just Transition & Climate Pathways work
- **\$31 MILLION** in deals unlocked for 28 projects through the Climate Finance Accelerator to date
- **GROWING EMPLOYMENT OPPORTUNITIES** Led and participated in a programme to grow employment opportunities for unemployed youth in the hospitality industry.
- **ADDRESSING YOUTH EMPLOYABILITY AND GROWING TOWNSHIP ECONOMIES** through our Economic Inclusion unit to grow pathways to entry-level artisanal jobs in installation, repair and maintenance (IRM).
- **LEVEL 1 CONTRIBUTOR** to Broad-Based Black Economic Empowerment (B-BBEE) and certified 100% Black Beneficiaries in terms of Socio-Economic Development.
- Recognised as **SOCIAL TRANSFORMATION INITIATIVE OF THE YEAR 2023** by Acquisition International

“

Our proven ability to implement impactful projects at scale that deliver tangible results is what sets us apart.”



NBI Membership Journey



1

The company joins the NBI and signs a letter of commitment.

2

Onboarding presentation: The new member company conducts the NBI maturity assessment (including any proposed commitments).

3

We present a systemic risk assessment to the company's sustainability team, social and ethics committee and executive/board.

4

The company is integrated into the NBI governance structure (ACES, regional advisory groups).

5

We lead the company through the SDG prioritisation process.

6

We work with the member to identify which projects they would like to actively participate in and be informed about, including member community exclusive events and content.

7

The company actively engages in projects aligned with their own strategic priorities/purpose.

8

The member company starts to contribute to defining the NBI's strategy and project direction and realises direct benefits from the relationship by applying the value add to their own strategic context/programmes.

About this Report

This integrated annual report covers the NBI's activities, performance, strategy and prospects for the year to 30 June 2023, as well as relevant information up to the date of publication. The report is structured around the most material matters that could affect the organisation's ability to create value for our stakeholders, including financial, environmental, social and governance issues. It also provides an update on the activities of our primary work streams during the year.

In preparing the report, we were guided by the governance principles of the King IV Report on Corporate Governance for South Africa, 2016 (King IV™), the statutory reporting requirements of the Companies Act, 2008 as amended, and the IFRS Foundation's <IR> Framework, as these apply to the organisation. Financial information in this report was independently audited by Mazars and their report can be found on page 90. Our B-BBEE certificate is externally verified. The Board acknowledges its responsibility to ensure the integrity of the integrated report and has applied its collective mind to the report's preparation and presentation. The Board is confident that the information contained in the report is complete, accurate and in line with the <IR> Framework. Furthermore, the board confirms that it provides a reliable and balanced synopsis of the NBI's activities and those matters most material to the organisation during the 2023 financial year.

NBI'S PROGRAMMES ARE EMBEDDED WITHIN STRONG GOVERNANCE STRUCTURES AND CORE BUSINESS UNITS, TO ACCELERATE IMPACT

- Strategic oversight: new partnerships
- Governance of organisational finance, risk, transformation, ethics, social development and employee wellness
- Various strategic initiatives managed out of CEO's office to drive further impact (Solidarity Fund, BRICS Business Council, support to PCC and JET IP, and previously the CEO initiative)

- Environmental Sustainability
- Social Transformation
- Economic Inclusion
- Institutional Capacity 9 (TAMDEV)



- NBI's foundation and core member constituency
- Membership & Communications
- Finance
- Operations

Our members

The NBI mobilises the collective resources and capabilities of member companies, as responsible corporate citizens, to influence their operating context and to play a leadership role in creating an ethical, sustainable and equitable society.



Our partners

By partnering with some of the most influential global organisations, we ensure that our strategic direction and work content are world class, and that their discussions include a South African perspective.





Chairperson's Report

CAS COOVADIA NBI CHAIRPERSON



Business is showing its commitment to working with government and civil society to find collective solutions. The NBI's programmes are more relevant than ever and provide crucial thought leadership, build capacity and foster trust between stakeholders to drive large scale sustainable systemic change and ensure tangible benefits for member companies and society."



The longer-term challenges arising from weak economic growth, high levels of poverty, unemployment and inequality in South Africa have been joined by more recent crises in energy, water supply and water quality.

These are exacerbated by a host of other issues including political and policy uncertainty, ineffective governance, a lack of decisive leadership, failures in service delivery, little indication of a commitment to decisively address corruption and deteriorating law and order.

While these factors have an undeniably negative impact on investment and business confidence, their effects on South African society more generally, and the most vulnerable in particular, are even more severe and regrettable.

Providing ESG guidance and effective programmes

In the face of these many challenges, business is increasingly showing its commitment to working with government and civil society to find collective solutions that can move the country forward. As the pre-eminent business sustainability organisation guiding and advising business in all ESG aspects, the NBI's programmes are more relevant than ever. Our strategy is founded on the belief that business success and sustainability

are significantly improved in a thriving society, characterised by high levels of trust. Those companies that fully embody their societal roles within sustainable development will lead the future. The NBI's programs provide crucial thought leadership, build capacity and foster trust between stakeholders to drive large scale sustainable systemic change and ensure tangible benefits for member companies and society.

Improving financial position and good strategic delivery

The year to 30 June 2023 was another busy and largely successful year for the NBI as evidenced by both the organisation's strong financial position (see page 31) and the good delivery against our strategic scorecard (page 20). Our work was guided by the third year of the 2020 strategy, which remains robust and relevant with strong continuity in programme areas. The strategy will be revisited early in the second half of the 2024 financial year. More information about progress in our workstreams is available on pages 37 to 67.

Stakeholder engagement is a critical aspect of the NBI's work in building trust between business, government and society to catalyse collective action to address key issues. During 2023, engagements included our work on the Just Transition, the CEO Champion network, the COP27 pavilion, the strong relationships built between government and business through the TAMDEV initiative, and our interactions with and through B4SA.

Adding value through oversight

The Board members comprise a valuable blend of relevant expertise with representation from a range of industries and member companies, all united by their commitment to sustainable development and social transformation. The Board's oversight provides great value in monitoring delivery on the strategy and challenging management to achieve even more. The Board also sets the ethical tone for the organisation, ensuring that our commitment to ethical behaviour is demonstrated and communicated throughout the organisation.

The Board's primary areas of focus during the year were on overseeing delivery of the strategy, ensuring the organisation stays relevant to business in an environment of constrained funding, and selecting and appointing a new CEO.

At the Membership Council meeting in March 2023, three Board members retired from the Board and five new Board members were appointed. On behalf of the Board, I thank those retiring members for their

contribution in their time with the NBI and welcome the new members. I also extend the heartfelt gratitude of the Board and the NBI to Joanne Yawitch, who stepped down as CEO after 11 years leading the organisation.

Over that time, Joanne did a phenomenal job of positioning the NBI appropriately, ensuring its credibility with members and other stakeholders, and was instrumental in stabilising the organisation's financial position. We thank her for her excellent work and wish her well in her future endeavours.

Following a very thorough process, Shameela Soobramoney was appointed CEO of the NBI and stepped into the role from April 2023. Shameela's well-established capabilities as both a corporate strategist and sustainability expert, track record of delivery, extensive experience on numerous sustainability initiatives and her network, make her the ideal choice for the role. We look forward to working with Shameela to take the organisation to new heights.

Deepening systemic impact in 2024

The year ahead promises even more complexity with significant political events such as the BRICS Summit in Johannesburg and the 2024 elections, which are expected to dominate the national discourse and impact the broader socio-political landscape. The NBI will focus on deepening the systemic impact of the work that we do with our members to demonstrate the positive role of business in society.

I thank my colleagues on the Board for their input and guidance during the year. On behalf of the Board, I thank our members for their continued support and our broader stakeholders for their collaboration around driving economic, environmental and social transformation in South Africa.



CAS COOVADIA NBI CHAIRPERSON

Our Strategy

Operating context

South Africa is a poorly performing emerging economy with rising polarisation and failing governance. Our challenges include high levels of poverty, inequality, unemployment, load shedding, crime, corruption, weak institutions, poor economic growth and deteriorating infrastructure. The country is also particularly at risk from climate change and other environmental factors as these play out in the medium to long term.

Strong leadership and practical solutions to the structural and socio-political factors underlying the country's social and economic problems are urgently needed to uplift the most vulnerable and ensure the long-term stability and prosperity of the country.



Business has a key role in building a better future

Business is an integral part of society and is equally affected by many of these issues. It is also the social partner best placed to provide leadership based on trust. It is clear that the companies that will be best positioned to lead into the future, maintain a competitive edge and grow the most, are those that can take on board the broader issues of their role in society, within the imperative of sustainable development. Social solidarity and environmental responsibility must be embedded in the DNA of every South African business.

As the pre-eminent voluntary business coalition addressing sustainable development, the NBI's mandate is to positively influence and catalyse the role of business in a sustainable society. Through our work, we assist companies to develop long term strategies relevant

to the evolving realities of business in South Africa and helps to make a meaningful contribution to transforming our society.

The NBI's three iterative action areas enhance the understanding of the importance of sustainable development and emphasise the progressive and trusted role of business in society. Our strategy aims to drive economic and social transformation, contributing to an inclusive, transformed, thriving and just South Africa, which is essential for business continuity and sustainability. Our programmes are forward-looking and provide practical ways to increase impact through collective action, leveraging the role of business in society to create tangible benefits for member companies and broader society.



OUR STRATEGY

Our strategic objective is to engage our member companies in economic and social transformation.

The NBI's impact framework

The impact framework is the yardstick against which our work and activities are measured. The strategy aspires to move South Africa into the desired state, which will bring benefits to society, including NBI members. It targets ten outcomes to promote those impacts that that will be achieved by the NBI's projects and activities.

The NBI strategic goal is implemented through three iterative **action areas** that aim to drive conversation, leading to action on economic and social transformation, to create member value.



Impacts	Outcomes
<p>ECONOMIC RESILIENCE</p> <p>The South African economy is inclusive, equitable, competitive and sustainable.</p>	<ul style="list-style-type: none"> • South Africa is an equitable place to work • The economy is inclusive • The economy is competitive in a net carbon neutral global economy (2050) • Key economic sectors are water secure • The economy is resilient to shocks (including from climate change)
<p>INSTITUTIONAL CAPACITY</p> <p>South Africa has the institutional capacity to support social and economic transformation.</p>	<ul style="list-style-type: none"> • Government is effectively delivering services • Functional institutional mechanisms enabling public and private sector collaboration are in place
<p>TRUST</p> <p>South Africa is a society characterised by high degrees of trust.</p>	<ul style="list-style-type: none"> • Public and private entities are corruption free and demonstrating ethical leadership • NBI member companies are convinced of the role for business in leading economic development and are implementing innovative solutions • NBI member companies are participating in collective action

Each project and unit have performance indicators aligned to the strategic outcomes that feed into management team indicators and individual performance contracts. These are rolled up into a Board Scorecard that is tracked to oversee and assess project delivery and organisational performance against our strategic outcomes. Three additional scorecard outcomes support the sustainability of the NBI as an organisation.

Organisational and governance indicators

- Maintain corporate governance, risk and financial excellence
- Ensure the financial stability of the NBI
- Provide effective leadership

Our Value Creation Model

The NBI creates value for members, society and our other stakeholders by bringing business, government and civil society together to catalyse collective action to address society's biggest challenges.

We produce thought leadership that helps to raise awareness, build capacity, identify areas of shared risk and opportunity, and define collective projects that maximise impact.

Delivering on our strategy requires access to capital inputs that are increased, transformed or eroded by our activities into outputs and outcomes, as shown in the diagram on the following page.

Capital inputs

SOCIAL AND RELATIONSHIP CAPITAL

Strong relationships with our stakeholders help to enrol key public and private sector resources in collaborative platforms that enable collective action projects, build capacity and foster trust.

INTELLECTUAL CAPITAL

The combined experience, knowledge and skills of our staff as well as the learning and intellectual property available through our partnerships are used to build capacity in our members and create thought leadership. The NBI's strong brand, reputation and character ensure that we can engage stakeholders at the highest level and have access to necessary resources.

HUMAN CAPITAL

The NBI's team of 47 skilled, qualified, and dedicated staff comprise key knowledge experts across a range of subject matters and specialities. This year we paid R38 million in remuneration.

FINANCIAL CAPITAL

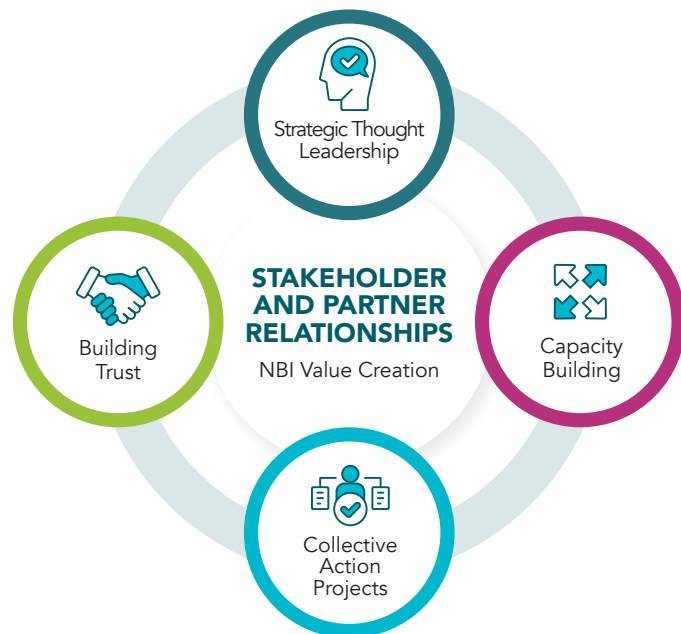
Our activities and projects are financed by membership donations and project funding from donors. In 2023, the NBI received R16.5 million in membership donations and R26.2 million in project funding was allocated to specific projects.

NATURAL CAPITAL

Our activities primarily take place at our head office, or from home offices for those working remotely, where energy is used in the form of electricity to power office equipment and water is withdrawn for consumption, sanitation and hygiene.

MANUFACTURED CAPITAL

Our manufactured capital inputs primarily comprise offices and office equipment. We invested R1.7 million in IT equipment, furniture and fittings, and leasehold improvements.



NBI focal areas



ENVIRONMENT

Climate, water, energy, green economy, biodiversity and just transition pathways



INSTITUTIONAL AND GOVERNMENT CAPACITY

Governance and capacity building



SOCIAL COHESION AND INEQUALITY

Gender, race and intergenerational equity



ECONOMIC INCLUSION

Skills and employability, township economies, SMEs and youth



BOLD AND AMBITIOUS LEADERSHIP

Cross-cutting and including anti-corruption, ethics and transformation

Outputs

Collective action projects implemented by NBI in the reporting period include:

- Strategic projects and initiatives advanced in our focus areas (see pages 37 to 67).
- 4 thought Leadership reports released with support events.
- CEO and Intergenerational Leadership Dialogues.
- Capacity Building through one-on-one interactions with members, workshops, webinars, and the TAMDEV initiative.
- 98 events/webinars/workshops hosted with a variety of local and international partners and stakeholders.
- 30 Quick Briefs/News Flashes and Thought Leadership mailers distributed.

Capital trade-offs

In delivering on our programmes and conducting our activities, we assess and accept the trade-offs necessary between the capitals. Significant capital trade-offs during the reporting period include those summarised below:

- We invested in the manufactured capital available to our staff by renovating our office space to create a work environment that stimulates creativity and productivity. The renovation included improving the offices, adding meeting rooms and desks, installing videoconferencing facilities and upgrading the office Wi-Fi.
- We rolled out a new bulk email service, customer relationship management (CRM) software, an improved organisational data management system and project management software to enhance the intellectual capital in the organisation and improve efficiencies for our employees.
- Recruitment costs to find quality candidates to fill roles, including the appointment of the new CEO, are a trade-off between financial capital and ensuring that we continue to enhance the human and intellectual capital available to the organisation.

Capital outcomes

SOCIAL AND RELATIONSHIP CAPITAL

Productive, constructive, and supportive engagements, facilitated by the NBI with all tiers of government and civil society, strengthen relationships between business and stakeholders. Consistent project delivery ensures ongoing member confidence.

INTELLECTUAL CAPITAL

The NBI's brand and reputation are strengthened by reliable and consistent delivery on our commitments and projects. Our internal expertise, and the skills and capacity of our member companies and implementation partners, are enhanced through our project work, thought leadership and capacity building activities.

HUMAN CAPITAL

The skills and experience of the NBI team continue to grow, further enhancing the thought leadership and knowledge generation potential of the organisation.

FINANCIAL CAPITAL

For the year to 30 June 2023, the NBI generated a surplus of R370 000 and total reserves increased to R19.3 million.

NATURAL CAPITAL

Our environmental programme (page 59) has a significant, positive impact, by emphasising the environment as a strategic business priority and helping business to respond appropriately. Our activities also generate small amounts of office waste, as well as some carbon emissions from the use of electricity generated from fossil fuel and from business travel.

MANUFACTURED CAPITAL

Improved facilities and IT enablers to create a work environment that stimulates creativity and productivity. R492 000 depreciation in the value of fixed assets during the year.



CEO's Report

SHAMEELA SOOBARAMONEY NBI CEO



I consider it a privilege to be entrusted by the Board and the leadership team to lead the NBI in the vital work that it does leveraging the might of our members and partners to influence systemic change in helping “build tomorrow now” at what is one of the most critical junctures in our country’s history.”



It gives me great pleasure to present my first report as CEO of the NBI.

I would like to start by thanking the Management Team for their leadership and hard work in delivering on their respective portfolios during times of uncertainty and a transition in CEO. Their efforts and those of their teams are invaluable.

With business under pressure, it is important to emphasise that sustainability is the foundation of effective strategy at an organisational level, both to ensure long-term success and to maintain business’s social licence to operate. From a societal perspective, business, government and civil society working together to demonstrate progress in ESG factors, improves South Africa’s attractiveness as an investment destination, helping to attract the capital needed to accelerate growth and prosperity.

Since stepping into the role, albeit for just over two months as at the end of this reporting period, I have been repeatedly reminded of the significant value the NBI creates. It does this by realising the benefits of collective action to drive systemic change to address the socio-economic and environmental challenges facing South Africa and the world. I believe that being part of the NBI’s work, whether as part of our team, as a member or a stakeholder partner, represents an excellent opportunity to contribute to meaningful and effective action to create the society we all want to live in.

Growing relevance, scope and impact

My short-term priorities since I arrived were to establish and deepen relationships with internal and external stakeholders while landing the year end. As this report makes clear, all workstreams made good progress during the year, growing in relevance, scope and impact, and highlighting the synergies possible in combined resources and effort.

The NBI's proven ability to deliver on effective projects has helped to increase the confidence donors have in our work and we are working hard to ensure that we keep that confidence. The NBI, as with any such entity, competes for headspace with other business organisations and we remain acutely aware of the need to ensure that we continue to deliver a well-differentiated and compelling value offering.

Moving to the next stage of environmental sustainability

The conclusion of the first phase of the NBI's work on the Just Transition was a major highlight that established the techno-economic basis of what needs to be done. The next phase will translate the identified pathways into action through implementable projects and investment opportunities for business, as well as create and support effective enabling environments at local level.

The other initiatives in the environmental sustainability workstream such as the Climate Finance Accelerator provide value for members by raising awareness and sharing thought leadership and best practices. The NBI's strong contribution to the South African Pavilion at COP27 was again recognised as a great success.

Collaborating to strengthen service delivery

The TAMDEV model demonstrated its value in bringing together stakeholders from business and government to strengthen the capacity of the state to deliver services. The team's work during the year supported, among others, Infrastructure South Africa, State Owned Entities, drought mitigation efforts, sanitation projects and the National Energy Crisis Committee (NECOM).

The NBI also played a strong role in the B4SA resource mobilisation fund to assist in the provisioning of resources to support national priorities such as NECT to ensure that private sector funds are appropriately and effectively governed and deployed.

Promoting social transformation and economic inclusion

The NBI's social transformation unit continues its work to enhance social cohesion and achieve an inclusive and equitable economy and society by mobilising the private sector to tackle issues of inequality and exclusion. The economic inclusion workstream crowded in funding from donors and members to scale up substantially and increase impact. The initiative provided support for more than 100 township based IRM SMEs through five IRM hubs in Gauteng, KwaZulu-Natal and Western Cape.

The year also saw increasing integration of priorities across workstreams, with the social transformation unit embedding gender equity and social inclusion considerations across all projects, TAMDEV and the water unit working closely and the economic inclusion work expanding to include green skills to support the Just Energy Transition.

Sound financial results and a strong funding pipeline

Despite the pressure on business, the NBI's membership increased further. Membership income increased by 18% and project income by 9%. Capacity was added to the NBI's efficient and committed team to realign with the success and growth of our programmes, and staff morale is good. While our project portfolio is growing in complexity, all programmes are on track, on target and we have raised multiyear project funding for significant areas of work that will allow us to build depth and scale.

Employee costs, including once-off placement costs, increased 22% with the increase in headcount. Excluding employee costs, expenditure decreased 5% year on year. Unit expenditure costs were kept within budget and the NBI ended the year with a surplus of R370 000.

Well positioned for delivery

The NBI remains focused on delivering on our current projects in the year ahead and we will meet early in 2024 to create the next phase of the NBI's strategy. We will also generate a stronger view on a cross-cutting theory of change and continue to prioritise options which allow us to focus on key outcomes while releasing capacity constraints.

In reviewing the progress of the workstreams in 2023, the relevance and importance of the NBI's work stands out strongly. This is being increasingly recognised by members and funders, as reflected in the NBI's sound financial position, growing membership and ability to attract funding into its workstreams. Apart from the progress in key focus areas of our workstreams as outlined above, we also made significant strides in improving the content and focus of our communications.

The head of operations function established last year has already had a very tangible impact in the form of improved IT systems, a well-managed renovations process bringing our office space into the new age, and enhanced human resource management capability.

A lot of South African companies are already doing laudable work on their own to contribute to socio-economic change. We invite them to join the many businesses that have chosen to work with the NBI to unlock synergies by collaborating to maximise impact and deliver on the promise of collective action. The future of our country is in our hands as business and active citizens – the future we will find ourselves in will be premised on the actions we take today. The NBI is fully committed to creating a future worth living in.



SHAMEELA SOOBAMONEY NBI CEO

Our Material Matters

Our material matters are those issues that have the most significant potential impact on the NBI's ability to create value and ensure long-term sustainability.

We identify and prioritise these issues from our risk assessments, board and management discussions, engagements with stakeholders, strategic planning sessions and in the reporting process. Improving our understanding of these issues provides critical input into the organisation's strategy, focus areas, decisions on capital trade-offs and activities, and determines the information disclosed in this report.

Strategic positioning

The NBI is one of a number of business organisations active in South Africa and it is essential that we clearly demonstrate, articulate and communicate our unique position and strategy, and the value we create for members. Our governance structures and strategy are designed to ensure that we remain relevant and aligned with member priorities.

The NBI membership journey (see page 8) integrates new members into the organisation and supports them in progressively increasing their level of commitment to the NBI principles.

We have a long history of translating our strategic aspirations into action through impactful projects that deliver tangible results in our areas of focus. The NBI communication strategy and additional content resources raise awareness about the importance of responsible corporate citizenship, clearly and consistently communicate our value proposition and highlight the key successes and achievements of our projects.

Human capital

The skills, experience and motivation in our human capital represent the foundation of the NBI's primary assets – the trust relationships we have with our stakeholders, the intellectual capital created through our ways of working and our ability to effectively implement programmes. Our sustainability and capacity to create value for members depend on our ability to attract, develop and retain high-calibre employees.

Retention of skilled and experienced staff is a risk in a competitive market for skills where the NBI is not in a position to match corporate sector salaries. During the year, we formalised an NBI Employee Value Proposition and drafted a Rewards and Recognition Proposal that will be taken forward and socialised internally.

Skills development mainly comprises on-the-job and internal training, which is complemented by the exposure provided through our team-based approach. We underspent on training and team building in 2023, and these areas will receive increased focus on the year ahead.

The performance management and review process includes biannual meetings to track progress against deliverables, identify barriers to performance and training needs for ongoing development. Individual performance contracts include key performance indicators aligned to unit goals and the organisation's strategic outcomes.

We aim to create a work environment that stimulates creativity and productivity to get the best out of our strong and motivated NBI team. Over the last few years, we have increased our resources in core and support services to build capacity to match the growth in our projects. The appointment of an HR manager and Head of Operations in 2022 as part of this process, is resulting

in good progress across a number of areas that directly affect the NBI's people and ability to deliver. In 2023, these included:

- Upgrading our offices, adding meeting rooms and desks, and installing videoconferencing facilities.
- Negotiating a new five-year lease at our Sandton offices at a substantial discount.
- Implementing a new bulk email service and CRM software, Salesforce for NGOs.
- Improving service levels from our IT provider, overseeing a server move, upgrading the office Wi-Fi and decommissioning outdated IT equipment.
- Consolidating company documents and moving these to an up to date and easily accessible intranet, improving document sharing and knowledge management.
- Strengthening the NBI's induction plan and revising HR policies.

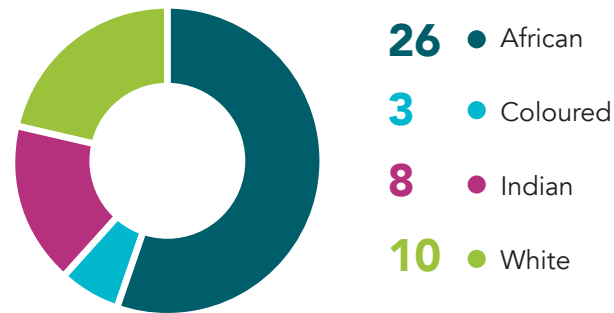


We hired people in the Economic Inclusion unit for the large IRM project launching after year end, and in TAMDEV, as it scales up further. A number of vacancies that arose in the Environment unit were also filled. Additional finance resources were hired to ensure that the NBI's rigorous governance continues to be met as well as to meet donors' increasingly stringent and technical management and reporting requirements.

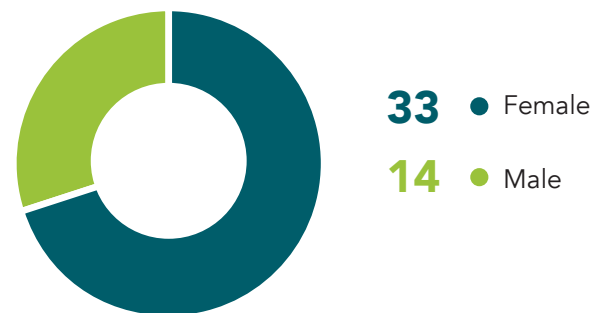
At the end of June 2023, there were 47 staff members (2022: 46).

While a number of the outcomes of the organisational design process run in 2022 have been implemented, further work remains regarding the business model review. We will be reviewing these inputs with fresh eyes to take forward additional ideas in the year ahead.

STAFF SPLIT BY RACE



STAFF SPLIT BY GENDER



Ethics and governance

The NBI's reputation, ability to establish effective stakeholder collaborations and attract new members depend on the level of trust business, government and society have in the organisation. It is therefore critical that we demonstrate our commitment to good governance and ethical behaviour both as an organisation and in our projects and activities. Accordingly, the NBI has implemented a governance structure and practices that align with the principles of King IV and support compliance with the Companies Act (see page 75).

Project execution

The NBI has a long track record and experience in implementing impactful and effective projects, which sets us apart from other business organisations. It also strengthens stakeholders' trust in our ability to deliver while responsibly stewarding financial resources.

Management monitors project implementation on an ongoing basis and the Board is kept updated of progress against the Board Scorecard. This includes ensuring that projects have the resources they need, both in terms of funding and personnel.

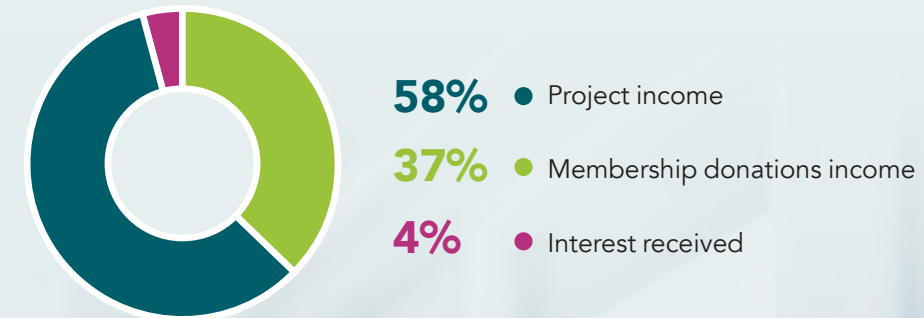
In anticipation of the significantly increased project workloads in all units, we refined timesheet management to improve monthly project recovery processing, enhancing oversight of staff utilisation and cost recovery. We are currently implementing an improved organisational data management system, a new CRM system and a capable but accessible project management software. We also developed a standardised team resourcing tracker, which improves forecasting, assigns project responsibilities and identifies recruitment needs.

Financial sustainability

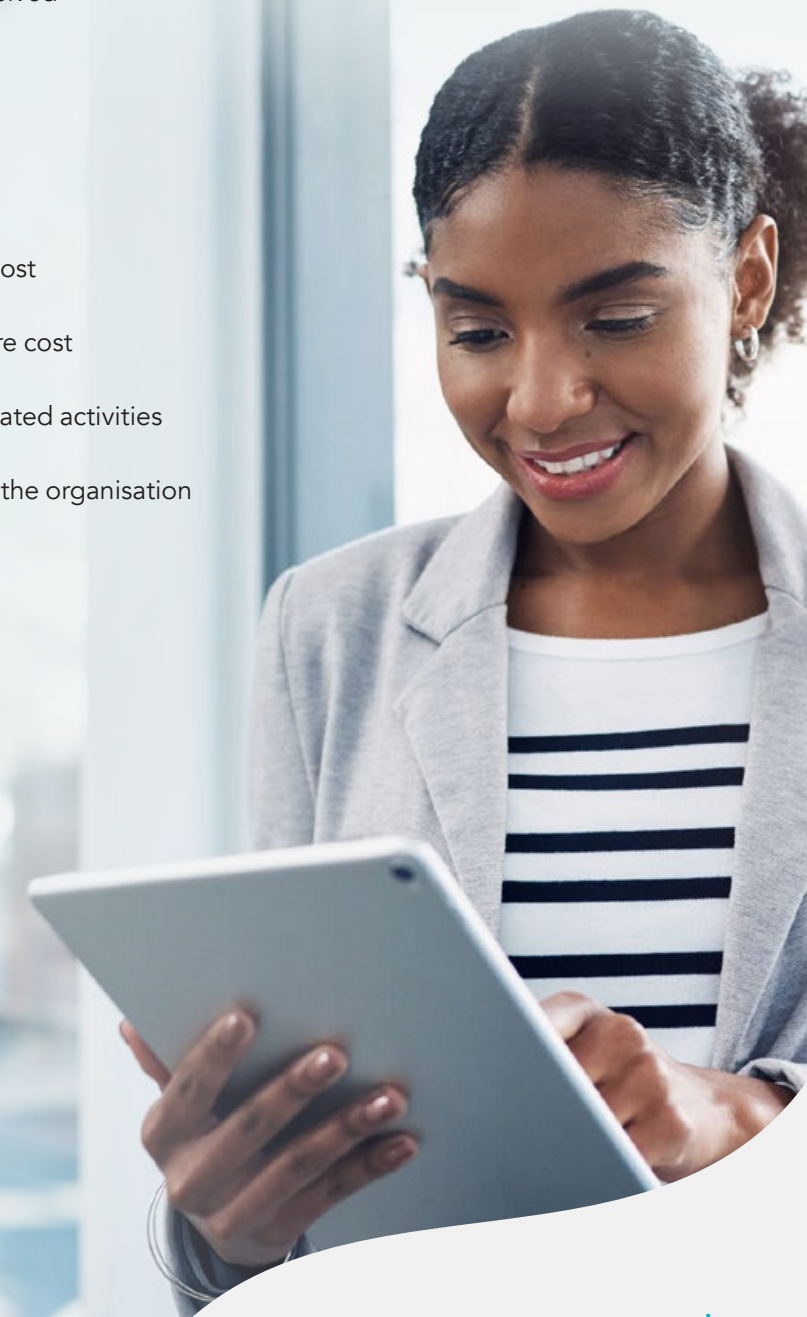
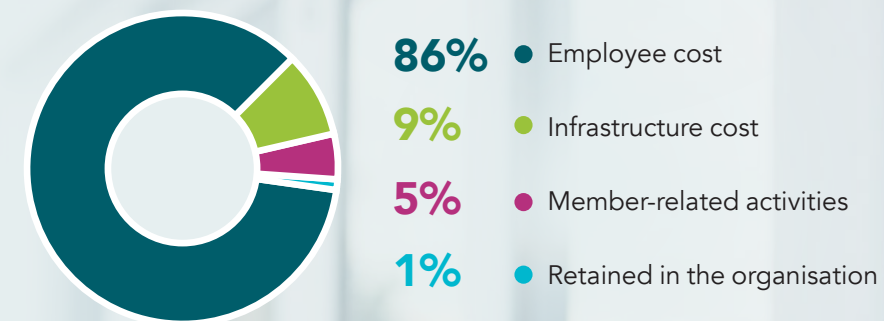
The financial capital available to fund our activities and projects comes mainly from membership donations and project income to fund its activities and projects. Our financial sustainability depends on how well we deliver on projects and our ability to demonstrate our value to current and prospective members. Costs are closely managed, balanced against the need to adequately resource our units and projects. We continue to investigate new ways to diversify funding sources.

Membership income increased by 18% on the 2022 financial year and project income rose 9%. Employee costs comprise 86% of value distributed, reflecting the organisation's reliance on its human, intellectual and social and relationship capitals. 9% of value distributed was allocated to infrastructure costs, 5% to member-related activities (primarily consulting costs) and 1% was retained to increase reserves, which stood at R19.3 million at the end of June 2022.

REVENUE BY SOURCE



VALUE DISTRIBUTED



Our Key Stakeholders

The NBI's deep and lasting relationships with our stakeholders are the cornerstones of the collective action platforms we create between government, business, society and other key stakeholders. These relationships are built on our independence, objectivity, track record and grounding in business.

Regular engagements with our key stakeholders help us keep abreast of their evolving interests and concerns. The feedback we get from these interactions informs the NBI's strategic direction and programmes.

The NBI's communications department provides ongoing updates and information to keep members, other stakeholders and the public informed about the NBI's achievements, emerging trends and thought leadership, and to raise the profile of the NBI. These communications include On a Clear Day, Quick Briefs, thematic and project reports, news updates and releases, LinkedIn, Twitter as well as our YouTube channel and website.



Our key stakeholder groups, their concerns and how we address these are shown below:

OUR MEMBERS

Key concerns:

- A clear, unique value proposition
- Value for money and return on investment
- Access to government at the appropriate level and trust building
- Exposure to peer learning
- Opportunities for capacity building and collective action
- New investment opportunities that can transform business, stimulate growth and create jobs while reducing inequality and poverty

How we engage:

- Ongoing interactions as part of the member journey
- One on one meetings
- Thought leadership reports
- Events, webinars and workshops
- Regular mailers and social media
- Website
- Member representation on the board, membership council, regional councils and programme advisory structures

How we respond:

- Regular engagements to understand member needs, provide relevant thought leadership and support, and to communicate the value the NBI creates for members and society.
- We provide significant thought leadership, bold leadership platforms and networking opportunities for members.
- Our secretariat role in supporting broader business/government partnerships.
- Delivery on our core projects and collective action programmes makes a substantial contribution to sustainable development in South Africa.
- We leverage our strong relationships with government to play a bridging role between government and business.
- The NBI communication strategy and additional content resources aim to communicate our value proposition clearly and consistently.



EMPLOYEES

Key concerns:

- Fair pay and good working conditions
- Business sustainability
- Opportunities for personal development
- Health and safety

How we engage:

- Ongoing day to day interactions
- Regular performance management reviews
- Workshops

How we respond:

- The NBI is committed to responsible HR practices and fair pay.
- Skills development opportunities include on-the-job training, internal programmes and exposure gained from our team-based approach.
- Effective health and safety protocols are in place.



GOVERNMENT

Key concerns:

- Advancing sustainable development and social transformation in South Africa
- Business participation in collective action projects
- Access to business thought leaders
- Opportunities for capacity building and collective action

How we engage:

- Ongoing interactions with regional and national government as part of specific projects

How we respond:

- Our core projects align with government priorities and successful delivery drives progress towards these goals.
- The TAMDEV programme strengthens vulnerable public institutions and addresses infrastructure provisioning and service delivery constraints.
- The leadership platforms we facilitate and business support initiatives we participate in provide an opportunity for government and business leaders to interact in areas of common interest.



PROJECT BENEFICIARIES AND SPONSORS

Key concerns:

- Efficient and effective delivery on projects that drive sustainable development
- Transparent and accountable allocation of project funds

How we engage:

- Close interaction during project setup, delivery and at closure/exit

How we respond:

- Projects are designed to maximise benefit and sustainability.
- Strong governance structures and project planning tools are in place.
- We have added capacity to core, support and units to ensure effective delivery of projects as they expand.
- Management and the Board monitor projects to oversee delivery, spending and outcomes.
- Regular and transparent updates are provided to project sponsors.



STRATEGIC PARTNERS (SEE PAGE 13)

Key concerns:

- Advancing sustainable development and social transformation in South Africa
- Demonstrating the contextual relevance of global initiatives for South Africa
- Opportunities for shared thought leadership and economies of scale in collective action

How we engage:

- Close interactions on core projects, at international events and when developing thought leadership

How we respond:

- Our collaborative platforms combine high-level representatives from business and government that provide opportunities to spread international best practices and initiate local projects that deliver on global priorities.
- Our interactions with global partners aim to ensure that projects and thought leadership consider the local context.



OTHER STAKEHOLDERS: BUSINESS ORGANISATIONS/ COLLABORATIONS*, ACADEMIC INSTITUTIONS AND DELIVERY PARTNERS†

Key concerns:

- Coordinated and collaborative sustainable development and social transformation in support of business and society
- Opportunities for economies of scale in collective action
- Partnering to provide thought leadership

How we engage:

- Regular interactions at meetings, on projects and when developing thought leadership

How we respond:

- Ensuring strategic alignment.
- Working together to deliver projects and thought leadership that drive sustainable development and social transformation.
- Collaborative platforms provide opportunities to bring together a range of stakeholders to achieve scale and reach.

*B4SA, BUSA, BLSA, BBC | †CDP, specialist consultants



Our programme areas:

Social Transformation

The NBI's Social Transformation work aims to understand and address the barriers in driving systemic change to address inequality and exclusion, both within corporates and broader society. Our focus has widened to ensure that we take a deeper and holistic focus in understanding and addressing the barriers to driving systemic change, while tackling transverse focuses on the social aspects of diversity, equity and inclusion.



Member involvement through:

- CEO Thought Leadership Dialogues
- NBI GBV Community of Practice
- Accountability Talks
- Gender Pay Gap Pilot
- Transformation Blueprint and Maturity Curve
- Ethics Coalition 4 Business (Ethical Supplier)
- Strategic Engagement and Thought Leadership

THE SOCIAL TRANSFORMATION PROGRAMME FOCUSES ON 3 KEY AREAS (POINT OF DEPARTURE):

1

ACTIVATING BOLD AND TRANSFORMATIVE LEADERSHIP

This pathway has always been the departure point to leverage all the work positioned within Social Transformation. Conscious leadership is a central point for emphasising our ability to build and enhance a representative and diverse workforce, supported by inclusive organisational cultures, that unlock innovation and efficiencies that improve business performance and its understanding of its role in growing and sustaining our economy, while driving socio-economic transformation. We understand that to achieve an inclusive and equitable economy and society, we need courageous leadership, bold and transformative leadership.

2

STRIVING FOR EQUALITY & SOCIAL COHESION: TRANSFORMATION & EQUITY

This pathway collectively shares and creates strategies for inclusion that unlock the value, innovation and improved productivity that enhancing and supporting diversity and representation brings to organisations. Our strategic intent is to:

- Increase advocacy and drive commitment to address transformation.
- Develop practical guidance to support change.
- Establish critical government and civil society relationships.
- Collectively contribute to the eradication of Gender-Based Violence (GBV) by leveraging a multi-stakeholder approach and integrating Gender Equity and Social Inclusion (GESI).

3

BUILDING TRUST AND ACCOUNTABILITY

Corruption and unethical behaviour continue to hamper effective economic and social transformation. Our focus on the private sector is central to building trust and cohesion by strengthening and supporting ethical cultures.

We engage by facilitating dialogue on ethics and corruption in the private sector to strengthen the relationship between business and broader society.

1

Activating Bold and Transformative Leadership

Achieving an inclusive and equitable economy and society will require bold and transformative leadership. Business has a key role to play by building and enhancing a workforce that is representative and diverse and is supported by inclusive organisational culture.

The CEO Thought Leadership Dialogues and Intergenerational Leadership Dialogues are fundamental access points in developing and shaping all key pathways under Social Transformation. These dialogues unlock and deepen engagement with C-Suite executives, activating meaningful commitments to promote transformation

and providing a platform for young and diverse voices in the discussion and debate on issues of inclusion and equity.

During the year, we held two Intergenerational Leadership Dialogues (focusing on the Energy Crisis and empowering SMMEs and Bridging the Gender Energy Gap) and one CEO Thought Leadership Dialogue (facilitated with Standard Bank conversing around "Yesterday's Lessons, Today's Leadership, and Tomorrow's Impact").



The Transformation and Equity workstream aims to mobilise the private sector to tackle issues of inequality and exclusion with the goal of achieving an equitable and transformed society. Our key focus is on workplace

transformation, addressing pay inequality, building a multi-stakeholder approach towards gender-based violence (GBV) and integrating GESI.

Workplace Transformation

Supporting companies to address internal transformation issues and understand the imbalances of belonging and systemic exclusion in the workplace

i. Transformation Blueprint and Maturity Curve

The NBI's Transformation Blueprint and Maturity Curve provide research and knowledge that companies can use to track and measure their transformation journeys, with a focus on the critical aspects they need to address based on gaps identified and the opportunities to make real change. The tools provide important insights into how organisations are actively driving inclusion and transformation, as well as the experience of employees.

This work remains one of the NBI's key instrumental focus areas and we continue to advocate and engage to deepen and enrich it, while monitoring progress on Corporate South Africa's transformation journey. We are investigating synergies and growing opportunities from this work, including partnering on the ISO diversity and inclusion (D&I) training course, tailoring additional guiding principles to NBI member companies and rolling out our Maturity Curve surveys.

ii. Belonging at Work

Through our earlier research to understand the experiences of LGBTQIAP+ employees in the workplace, the NBI developed and presented our abstract paper on **THIS (Transformation, Humanistic Management, Intellectual Activism, Social Sustainability)** at the

Gender, Work and Organisation 13th International Interdisciplinary Conference in June 2023 under the theme "Marginalised gender identities – how can intellectual activism transform work and organisation?".

iii. Pink Platform Development

We continue to take pride in developing facets of this workstream looking further into developing a virtual platform to create supply chain opportunities for LGBTQIAP+ owned and led SMMEs. The platform aims to host emerging knowledge from LGBTQIAP+ business leaders through thought leadership discussions and will

include communication of business opportunities from private and public entities. As the site grows, we hope to extend and expand its offering to regional (Southern African) business owners and private companies.

iv. Pride in Belonging Edu Series

In March 2022 we produced six short videos as part of our Pride in Belonging Edu-Series on experiences of LGBTQIAP+ employees in the workplace. The series is an educational platform where employees who identify with the LGBTQIAP+ community have their

experiences elevated. It also advocates for companies to make structural and social changes that prioritise belonging and engage with emerging knowledge on how organisations are accelerating transformation in the workplace.



Addressing Pay Disparity

Working to support companies to close the gender pay gap by 2030 and promote strategies that improve Diversity, Equity and Inclusion in the workplace.

i. Gender Pay Gap (GPG) and Gender Index Implementation

The GPG pathway builds on an econometric model based on research the NBI concluded in 2019 that will assist companies to calculate and measure their GPG. We developed a "Gender Index" that aims to address Corporate SA's commitment to gender empowerment, in partnership with ABSA. The index benchmarks company efforts to achieve gender equality and equity against a set of themes and key indicators based on the United Nations Women Empowerment Principles.

During the year, the research work was externally validated against core themes and indicators across 25 JSE listed organisations. Looking at a multi-tiered approach the project, is now scaling up to the next phase, which includes developing an online platform

that will allow companies to track and measure income disparities. The platform will serve as a space for companies to commit to closing the GPG by participating in a national index that will reflect the economic and social intricacies of the issue in South Africa. In time, the pay disparity work will be extended to include issues around executive pay.

We aim to launch the Gender Pay Gap Tool and the Landscape Mapping: Addressing Corporate SA's Commitment to Gender Empowerment Report in the first quarter of 2024.

Gender

Collectively contributing to the eradication of Gender-based Violence (GBV) and integrating GESI

i. Building a Multi-Stakeholder Approach to Eradicate GBV

The NBI's GBV work aims to identify innovative solutions and build a multi-stakeholder approach to create effective solutions to the GBV pandemic. The NBI GBV Community of Practice (CoP), a standing central platform to drive collective action, comprises 13 member companies and a mixture of other representations, including CSO representation and members of the Social Transformation Unit. The CoP enables knowledge sharing and best practices and creates a space to co-create collaborative solutions.

These will be leveraged in partnership with GIBS/ Nottingham Business School (through the WeDare Network) and the Centre for Analytics and Behavioural Change to support the achievement of the GBVF National Strategic Plan and SDG Goal 5 (Achieving gender equality and women empowerment). We have signed an MoU with the WeDare project partners to develop a GBV Blueprint and are currently assessing learnings from the GBV CoP for pre-analysis research and impact to develop a Social Impact Assessment Tool.

ii. Integrating Gender Equity and Social Inclusion (GESI)

Gender equity and social inclusion are of central concern in South Africa. The NBI views GESI as the process of improving the terms of participation in society, particularly for disadvantaged people, by enhancing opportunities, access to resources, voice, a sense of belonging and respect for rights. The Social Transformation unit provides strategic insights to assist integration of GESI frameworks and approaches across NBI works areas and society, implements GESI training and support for

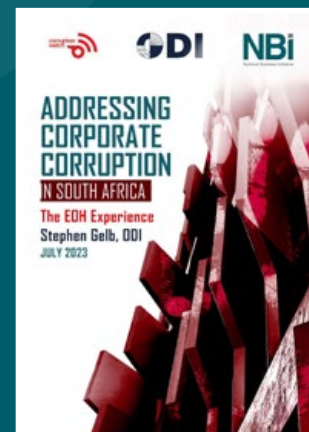
projects, and is developing monitoring and evaluating frameworks to measure the impact of GESI approaches. The unit's support in the Economic Inclusion Installation, Repair and Maintenance (IRM) and the Environment Climate Finance Accelerator programmes ensures that the organisations in these projects operate accountably, build public trust, dismantle barriers faced by marginalised groups and create equitable access to opportunities.

3 Building Trust and Accountability

Corruption and unethical behaviour continue to hamper effective economic and social transformation. The NBI's Ethical Leadership and Anti-Corruption Programme facilitates dialogue in the private sector to develop rigorous and practically relevant insights on ethics and corruption.

Addressing Corporate Corruption in South Africa

In partnership with Corruption Watch and the Overseas Development Institute, the NBI participated in a project that examines corruption in and by corporations. The project aimed to develop a protocol to analyse a corporation's distinctive structure and culture from the perspective of corruption control and prevention. Case studies were used to test and refine the protocol so that it can be used as a guide to customise the content of anti-corruption policies and programmes. EOH and Transnet agreed to be case studies in the project. The EOH report was released in July 2023 and the findings of the Transnet report are yet to be concluded.



nbi.org.za/wp-content/uploads/2023/08/NBI-Addressing-Corporate-Corruption-in-South-Africa-The-EOH-Experience_29-Aug-2023.pdf

Online Capacity Building Curriculum Development

Working with the Basel Institute on Governance and the Center for International Private Enterprise, the NBI is investigating the evolving role of business in reducing illicit financial flows in the South African Sub-region to boost market growth and development and strengthen governance systems. With support from Ethics Evolution, we have developed an online Ethics and Anti-Corruption training course that provides knowledge and best practice for organisations to better understand and combat unethical behaviour and corruption in the workplace. The course was launched in February 2023 and is available as an open-source knowledge platform to all public and private organisations.

The training platform allows the NBI to collect, collate and analyse relevant user demographic information, as well as gather insights into views and perspectives on ethics and anti-corruption to respond to our social behaviour research question. The long-term goal is to expand the current NBI Ethical Leadership and Anti-Corruption curriculum and collaborate with like-minded entities to curb corrupt activities in various initiatives.



nbi.org.za/wp-content/uploads/2023/09/Anti-Corruption-and-Ethics-Course.pdf

Accountability Talks

In partnership with KPMG, the Accountability Talks provide opportunities for dialogue to create learning by sharing spaces, and promote best practices by modelling transparency, good governance and integrity, and supporting accountability. The talks create a platform for candid and constructive discussion on ethics and anti-corruption to unearth authentic stories and case studies of challenging corruption and dissecting unethical

behaviours to show how ethics and governance can narrate industry norms. In August 2022, we held our first Accountability Talk in which the NBI's CEO co-facilitated the discussion with KPMG Chairperson Prof Wiseman Nkuhlu and CEO Ignatius Sehoole.

The Ethics Coalition for Business | Ethical Supplier

Funded by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), this work aims to research, benchmark and address how effective small and medium-sized enterprises (SMEs) are in implementing ethical guidelines and rate their ethics profile. The project will also develop a Tips and Tales guide for sustainable and ethical quality assurance suppliers.

On 17 October 2023, the NBI in partnership with the GIZ Transparency, Integrity and Accountability Programme, hosted an online Ethics Coalition 4 Business Roundtable Event for NBI member companies. Attendees participated in the initial discussion on developing an Ethics Coalition for Business: Mainstreaming Integrity in the Supply Chain.

Focus for 2024

In the year ahead we will focus on deepening our understanding of the translation of our work by engaging multi-stakeholder partnerships. We will also leverage the integration of our gender and ethics/governance work into the Economic Inclusion, Environmental and Government Capacity Building (TAMDEV) spaces.

Economic Inclusion

The Economic Inclusion unit's goal is to address the systemic barriers to accessing opportunities in the economy by developing innovative multi-partner interventions that drive systemic transformation with a focus on young people, entrepreneurs and existing SMMEs.

The programme provides a critical mechanism through which member companies can meaningfully contribute towards inclusive economic growth and participation.

5

Installation, Repair and Maintenance (IRM) Hubs in townships in Gauteng, KwaZulu Natal and Western Cape

85

Township SMEs supported

9

TVET College partners across South Africa

211

Learners enrolled in IRM training and workplace



SKILLS FOR A JUST ENERGY TRANSITION FOR SOUTH AFRICA

Installation, Repair and Maintenance (IRM) skills are at the heart of a Just Energy Transition for South Africa.



Identifying and filling immediately available jobs in the formal economy

GOAL

Get as many IRM SMEs as possible, particularly those in the townships, to become job creators by



Growing demand for IRM skills within formal sector value and supply chains

WHY IS IRM RELEVANT?



SMMEs make up **98,5% of total registered businesses** but only account for 28% of employment.

Formal SMMEs: 30% of all SMMEs in RSA.

Informal SMMEs are a significant feature of the RSA economy.

National unemployment rate: 32,9%
Youth unemployment
15 - 24 years old: 60,7%
25-34 years old: 39,8%



IRM uses artisanal skills to **install, repair and/ or maintain tools, equipment, machinery and infrastructure** or to **produce and supply functional, innovative products to the market**, partly or entirely by hand.

IRM programme seeks to unlock the employment creation potential of SMMEs in or township economies of SA.

By taking a local ecosystem approach to the process of unlocking demand, we can systematically address the factors that inhibit successful labour market transitions for young people.

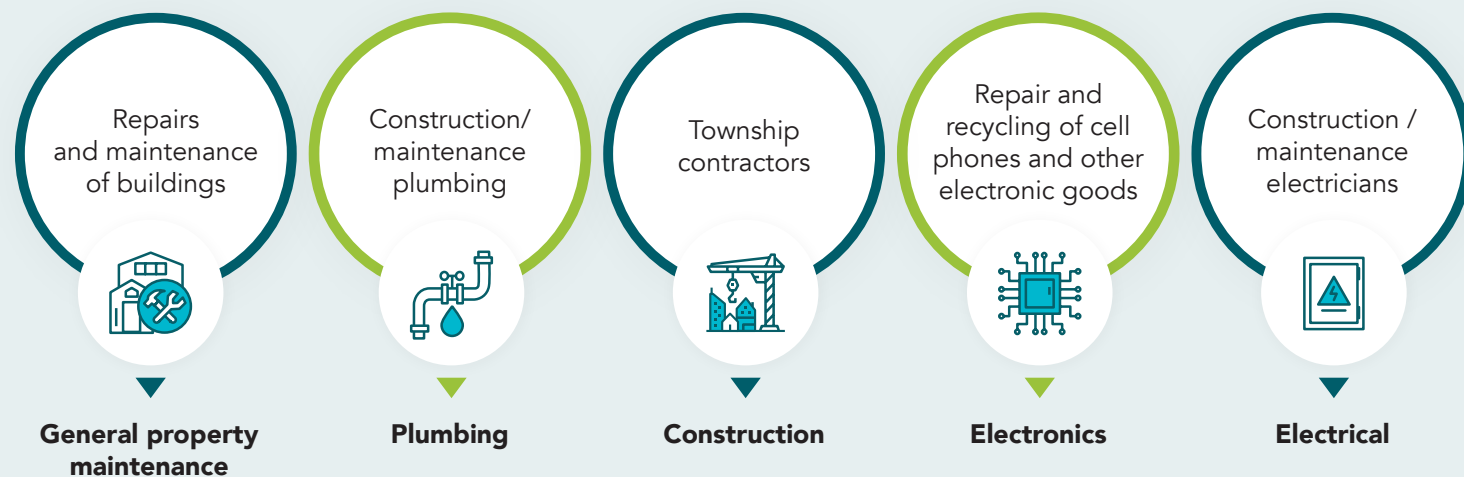
ENVISIONING LOCALISED ECOSYSTEMS

Green Market Opportunities



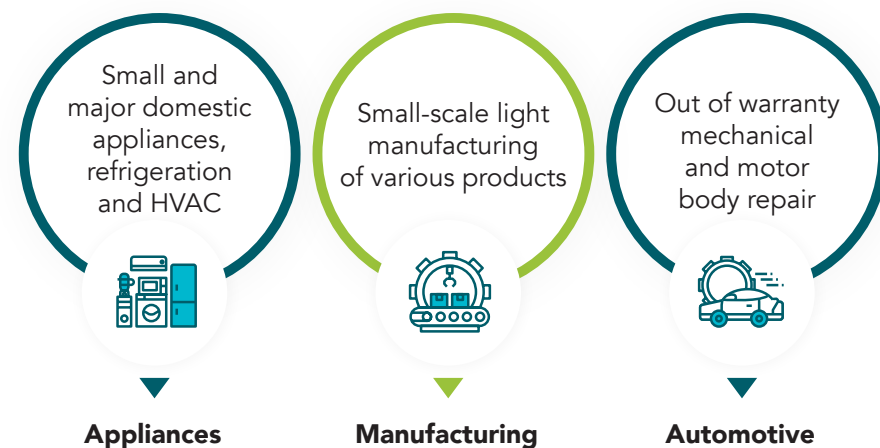
IRM ENTREPRENEURS

Resource Efficiency Specialisations (Energy, Water and Waste)



IRM SKILLS SETS

Circular Economy Innovations

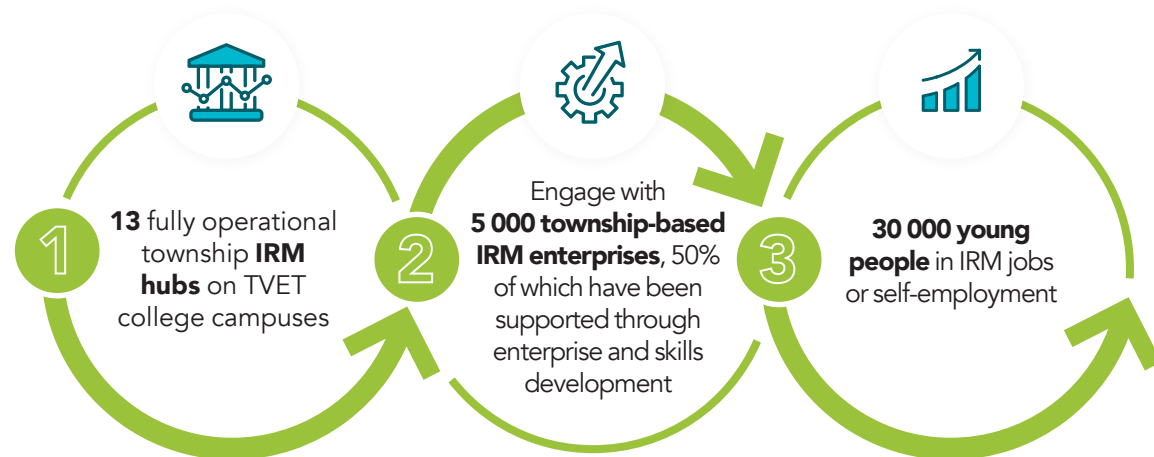


THE IRM STRATEGY 2035

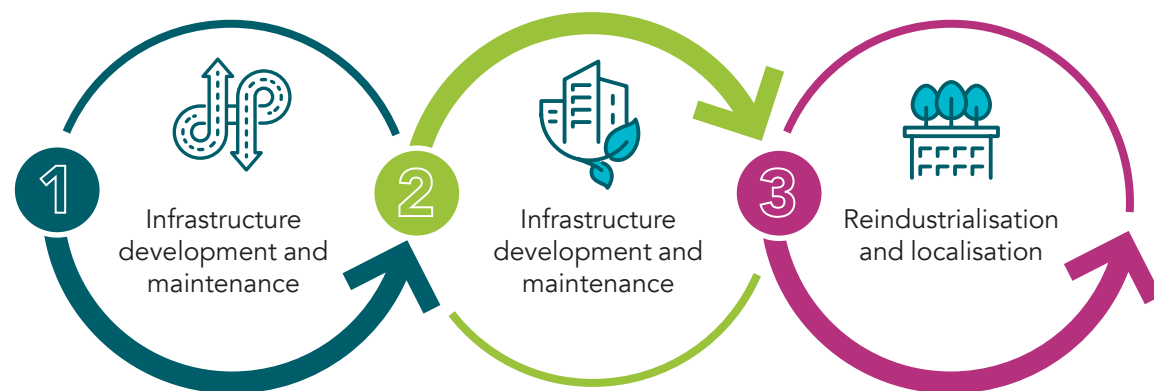
Strategic objectives



Targets



STRATEGIC ALIGNMENT



The IRM initiative is strategically aligned with various government initiatives aimed at driving the inclusive recovery and revitalisation of the economy.

LOCATING TVET COLLEGES AT THE HEART OF THE LOCAL SKILLS AND ENTREPRENEURIAL ECOSYSTEM



Intermediation between township enterprises and demand-side partners in the local economic ecosystem (private and public).



The IRM Initiative

The IRM Initiative is the focal point of our work and is scaling significantly. The programme aims to unlock the potential for job creation and local economic development in township economies by nurturing an ecosystem to stimulate demand for IRM candidates, providing opportunities for training and creating sustainable employment or self-employment opportunities. It includes SMME enterprise acceleration, enterprise incubation and training opportunities, with a focus on plumbing, electrical, electronics, solar PV, automotive, and infrastructure development and maintenance. Once these businesses achieve sufficient levels of compliance and readiness, they can be integrated into formal supply chains.

Primary target candidates are black youth, particularly graduates, unemployed youth and young people living with disabilities, with an emphasis on women. The Gender Equity and Social Inclusion (GESI) framework has been integrated across all our projects to create an enabling environment for women and other marginalised groups and to ensure that colleges and supported workplaces are appropriate and create inclusive, safe environments

The initiative is strategically aligned to various government initiatives to drive inclusive recovery and revitalisation of the economy, particularly the Presidential Youth Employment Intervention and the skills strategy for the Economic Recovery and Revitalisation Plan.

Key outcomes:

1. Build and strengthen the entrepreneurial ecosystem in key industrial nodes.
2. Increase the number of job opportunity creators in local ecosystems.
3. Strengthen the capacity of the TVET system to provide dual vocational skills training.

Unlock the demand for jobs across the IRM ecosystem by:

- Identifying immediate jobs in the formal economy and finding ways to unlock and fill these.
- In the medium term, grow demand for IRM skills within formal sector value chains and supply chains to get as many IRM SMEs, particularly those in the townships, to become job creators.

We have mapped out a bold strategy for the IRM to 2035.



11 IRM Township hubs at TVET College campuses fully operational.



5,000 township-based IRM enterprises have been engaged, 50% of which have been supported through enterprise and skills development.



30,000 young people in IRM jobs or self-employment / entrepreneurship.

CURRENT AND PLANNED TOWNSHIP HUBS





Progress in 2023

During the year, the initiative supported 102 township based IRM SMEs through five IRM hubs in Gauteng, KwaZulu-Natal and Western Cape. 121 candidates successfully completed and graduated from the general repairer programmes at Ekurhuleni East College, Tshwane North College, Northlink College, Ekurhuleni West College and Umfolozi College TVET Colleges. All of these graduates were placed in the workplace for nine months workplace experience during the year. At the end of June 2023, there were 90 candidates in training.

The IRM digital platforms are rapidly developing and improving, including the IRM Learner Management System and the IRM portal to create a knowledge base, increase engagement and provide opportunities for young people and entrepreneurs. We developed and released a Green Economy Toolkit for township IRM SMMEs (greeneconomytoolkit.com) to provide a resource base, create awareness of the green economy and help SMMEs move from awareness to action to access new business opportunities.

We commenced an ecosystem mapping exercise with the Wits Centre for Researching Education and Labour (REAL) to identify potential areas of latent demand, requirements to unlock this demand (using a Just Transition lens), skills required, potential barriers to young people accessing this demand and how we can support them to overcome these. Mapping has been completed in Atlantis and will be rolled out in Mandeni, Mamelodi and Kathorus.

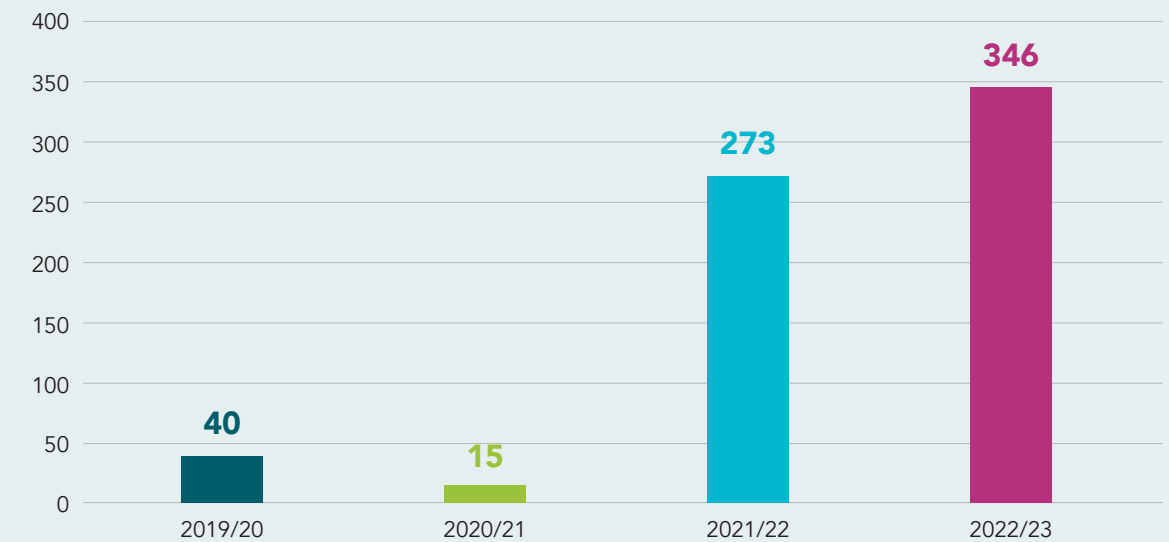
As the IRM programme scales, the NBI's role is switching from on-the-ground implementation to ecosystem management with implementation partners to deliver the work. We restructured the Economic Inclusion team and filled key roles to ensure that it has the necessary capacity and resources to drive and support the thinking and delivery of IRM.

An IRM Programme Advisory Committee (PAC) was established to provide strategic advice and implementation guidance on the design and implementation of the IRM. The PAC comprises representatives from across sectors and includes government, private sector (including NBI members), industry bodies and funders.

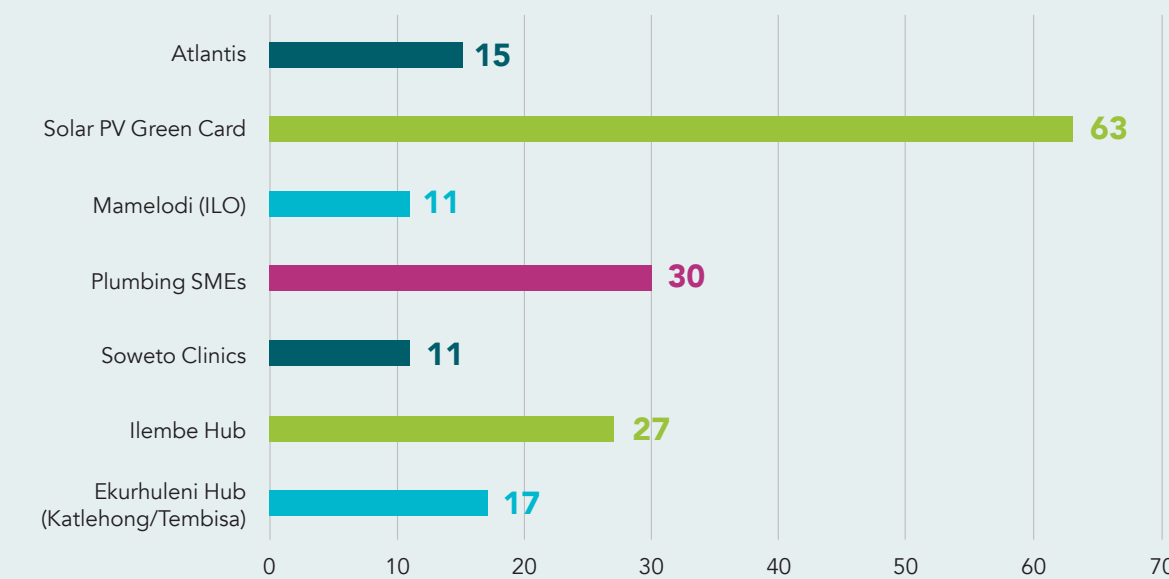
The IRM programme is currently being implemented across nine TVET college partner sites in Gauteng, KwaZulu Natal and Western Cape and we are expanding the programme into Mpumalanga in the year ahead.

We are working with domestic appliance manufacturers to professionalise and grow supply chain opportunities for township-based appliance repair technicians and build pathways for young people into the domestic appliance repair industry.

IRM roll out: candidates supported to date



IRM SMEs supported



Developing green skills to support the Just Energy Transition

During the year, Ekurhuleni West TVET, was accredited for renewable energy (solar photovoltaic (PV) installers and technicians) and has started delivering the Renewable Energy Workshop Assistant (REWA) programme through the IRM partnership, with the intent of delivering Solar PV training in the new year. Tshwane North, False Bay and West Coast Colleges will receive their accreditation imminently. 50 SMMEs received solar PV training in Western Cape and Gauteng. These SMME's were also supported with relevant information to access networks and market opportunities. Some of the young people trained in REWA will be placed in these businesses.

In collaboration with the NBI Environment team, we are conceptualising and developing a Just Energy Transition (JET) Skilling Programme to support the National JET Implementation Plan, to meet the need for approximately 10 000 new jobs a year in renewable energy capacity to achieve a Just Transition in South Africa. We plan to develop further green skills curricula to support the JET by training and supporting SMMEs in the value chain.

Focus for 2024

The NBI has received significant funding to build capacity in five IRM hubs with a further two hubs in the pipeline. We are excited at the expanding and deepening work and the opportunity to test the IRM model with the support of more than 30 partners and funders in the public and private sectors. In the year ahead our goal is to support 100 SMMEs and train 345 youth with 60% being absorbed into employment opportunities and 10% transitioning into incubation.

We will continue to develop our technology platforms, including a dedicated website, programme management system enterprise learner management system (with a dedicated app) and an enterprise development platform.



TAMDEV

The bridge between the public and private sectors - coordinating business support to government

The Technical Assistance, Mentorship and Development (TAMDEV) programme gives institutional form to the collaboration between government and business in building the capacity of the State. The collaboration deploys retirees and semi-retirees with appropriate expertise and technical skills from the private and public sectors to strengthen vulnerable public institutions and address infrastructure provisioning and service delivery constraints.



4

Active MoUs with government

69

Active resources

7

Funding partners

13

Public institution beneficiaries

TAMDEV's mandate is to create jobs and improve service delivery by building and strengthening the capacity of the State in the areas of infrastructure, financial management and local economic development. Highly skilled resources work with senior civil servants to transfer skills (mentoring) and provide technical assistance to unblock catalytic projects. Jointly identified projects are used as the conduit for skills transfer to ensure measurable and tangible results. Progress is monitored, evaluated and reported on by an external, independent service provider.

Iterative action areas



Strategic stakeholder engagement

Identify and understand areas of shared risk and opportunity for public and private sector

Collective action projects

Co-design and implement interventions

Build capacity



Technical assistance

TAMDEV provides skilled technical resources to assist public institutions to better plan, execute and manage infrastructure and strategic projects.

Key projects supported during the year include:

INFRASTRUCTURE South Africa

14	technical experts
22	private sector projects assessed
34	public sector projects assessed

Assisted ISA to ensure that infrastructure projects are packaged, prepared and costed for investment and economic growth. Technical support was provided to establish ISA, to design systems, tools and processes, and to develop a credible pipeline of catalytic infrastructure projects that were submitted for adoption and registration by National Treasury.

The project concluded in December 2022.



14	technical experts
34	SOEs assessed

Presidential Council on SOEs (PSEC)

Provided technical experts in financial and property analysis, governance and oil and gas to assess turn-around strategies for 34 SOEs. These were reporting and presenting to the PSEC and Department of Public Enterprises.

The first phase of the project concluded in December 2022.



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

6	technical experts
15-20	litres of water usage reduction a day

Drought mitigation support to Nelson Mandela Bay Metro

Partnered with the Metro and local business chambers and the Ministerial Intervention Team to strengthen the Nelson Mandela Bay Metro's execution of the Drought Mitigation Plan, by ensuring a measurable approach to technical support and skills transfer to improve water conservation and provisioning.

Support included improved coordination and implementation of awareness campaigns, facilitating the adoption of eight local schools by corporates as well as upgrades and repairs to pumps, pump stations and booster stations.

The project concluded in March 2022.



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

1	technical expert
78	projects supported
127 000	households

Matjhabeng sanitation intervention

Provides technical advisory support to the Minister of the Department of Water and Sanitation (DWS) in the municipal water intervention in Matjhabeng (Free State) to implement 78 projects to a value of approximately R2.8 billion, over four years for 127 000 households.



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

9	technical experts
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National Energy Crisis Committee (NECOM)

TAMDEV is assisting the Resource Mobilisation Fund (RMF) by providing technical resources to NECOM, in its efforts to address loadshedding in South Africa. Assistance includes coordinating procurement of donated resources, financial administration support to the RMF and monitoring and evaluation of progress.



Mentorship

The mentorship pillar enhances and transfers skills to civil servants by providing guidance, technical support, mentoring and coaching. This includes technical skills as well as soft skills such as emotional intelligence, work ethic, personal mastery and leadership.

We have progressively adopted a more on-site, hands-on approach that has resulted in visible progress in technical areas. Cross-cutting projects have been supported by 34 mentors in Waterberg District Municipality (Limpopo), Lephalale Local Municipality (Limpopo), Tsantsabane Local Municipality (Northern Cape), Matjhabeng Local Municipality (Free State) and various municipalities in the Eastern Cape in the following areas:

- **Water demand management and conservation** – improving access to water, water quality, demand management, wastewater treatment and reduced water loss.
- **Sanitation** – improving access to sanitation and reducing sewage spillage in communities.
- **Electricity** – supporting installation and maintenance of sub-stations and smart meters, improving management of Eskom accounts

- **Financial management** – improving financial management and systems in municipalities, revenue enhancement. Improved audit outcomes with four municipalities supported obtaining unqualified and clean audit outcomes.
- **Roads and stormwater** – improving operation and maintenance of road assets.
- **Project management** – establishing fully-functional project management offices (PMOs) to improve project execution, oversight, procurement and contract management. Supporting effective delivery on 78 projects totalling R2.8 billion over five years.
- **Operations and maintenance** – improving maintenance of critical assets and response rate for repairs.
- **Town planning** – strengthening the ability to effectively plan infrastructure projects, reducing delays and unlocking infrastructure development



Development

Development initiatives aim to strengthen the knowledge base of civil servants by providing relevant informal training and helping to professionalise public sector practitioners. During the year, non-accredited training was provided to municipalities in Limpopo in partnership with GIBS, including:

- Leadership skills, systems design and workplan drafting for PMOs and municipal managers at three municipalities.
- Pumpstation installation, plumbing training and first aid training at three local municipalities, including 25 community work programme candidates.

- Financial standard operating procedures, supply chain management and records management at finance units in six local municipalities.
 - Excel training for 81 public servants
- Further training is planned in partnership with KPMG for selected municipalities in the Eastern Cape.

the management and governance of 28 health institutions in the Eastern Cape.

A series of Thought Leadership sessions and dialogues are planned for 2024 to ensure ongoing discussions and opportunities for collaboration between Business and Government.

Focus for 2024

In addition to continuing existing programmes, we aim to progress a number of new projects agreed with public sector partners. These include support for infrastructure implementation in the DWS's construction unit, ongoing technical and mentoring support to municipalities in distress, in partnership with COGTA and strengthening

Environmental Sustainability

Helps corporates to understand and respond to environmental risks, opportunities and trends, and provides a collaborative platform for business to take decisive collective action.

The Environment Unit's projects are designed to mature company engagement in climate change and the just transition, water and biodiversity. Our focus is on heightening ambition, supporting change management within businesses, understanding system risk, building trust across stakeholders, attracting investment and implementing collective action.



30+

CEO champions from multiple sectors for the Just Transition and Climate Pathways

\$85 m

in deal value unlocked for 28 projects through the Climate Finance Accelerator South Africa to date

250+

hours of technical workshops in the Just Transition & Climate Pathways work

6

South Africa Pavilions at the annual UN Climate Conference in partnership with the South African government to date

Over the years, the NBI has built up considerable expertise in the most significant aspects and business impacts of environmental issues, particularly climate change, energy and the Just Transition. Our work has created comprehensive resources in these areas that are available to business and the public on our website at nbi.org.za/focus-areas/environmental-sustainability

Our projects are divided into the categories shown in the graphic on the next page. During 2023, a fifth pillar – societies and systems – was added in recognition of the need to fully and explicitly integrate social and justice elements.

1

LEADERSHIP PLATFORMS

- Providing space for NBI companies to enhance ambition through leadership
- Just Transition CEO Leadership group
- COP South Africa Pavilion

2

DEFINING THE INVESTMENT NEED

- Developing the fact base (at various national, provincial and regional scales) on where investment needs to be channelled, identifying specific projects
- Just Transition and Climate Pathways
- Carbon Pricing and Transitions

3

FINANCE & ENABLING ENVIRONMENT

- Solving for the enabling environment (social, regulatory, consumer, business model and financial barriers) around investment opportunities enables investment at scale and replication
- Climate Finance Accelerator (CFA)
- Finance community capacity building

4

IMPLEMENTATION PROJECTS

- Providing technical assistance and partnership convening support to specific projects enables case studies that have impact and build trust
- UWASP, Gauteng and Western Cape Water Security
- Renewables Ambition in South African Electricity (RAiSE) for Corporate Energy Solutions

5

SOCIETIES AND SYSTEMS

- Integrated projects explore how to implement the decarbonisation pathway, build climate resilience and ensure that Just Transition outcomes are realised
- Unlocking the Green Economy in the Western Cape
- Economic inclusion in the Just Transition

1

Leadership platforms

The NBI facilitates and participates in forums that raise awareness, share thought leadership and best practices, and advocate for a greater climate ambition for South Africa. These include:

- The **Just Transition CEO Leadership Group** brings together more than 30 CEOs from across the private and public sectors committed to long-term climate action and the implementation of a Just Transition in South Africa.
- The **Alliances for Climate Action (ACA)**, a partnership between the NBI, WWF South Africa and C40 Cities, that advocates for and works towards a resilient net-zero economy by 2050.
- **The South Africa Pavilion at the UN COP Climate Conference:** The NBI has co-hosted the South African pavilion at the last six UN Climate Conferences and has signed an agreement with the Department of Forestry, Fisheries and Environment to extend this role to 2026.
- Our **regional water partnerships** in KwaZulu-Natal, Western Cape and Gauteng help member companies to access catchment critical stakeholders to improve their understanding of water supply and demand challenges and create collective solutions.

- **Sector working groups aligned to Net-Zero by 2050** support decarbonisation efforts, facilitate thought leadership and identify opportunity areas for implementation.
- As a local partner to **CDP**, the NBI supports member companies to report and disclose their climate actions and hosts an annual cycle results workshop.
- Our **Thought Leadership Sessions** build engagement and capacity, driving greater collective action.
- **Regular direct member engagements** provide specific, tailored value. These include presentations to boards, executives and strategy teams on the findings of our research and the outcomes of our interactions with our partners and stakeholders. We meet in one-on-one interactions and many members participate in the working groups across our projects.

2

Defining the investment need

The NBI's Just Transition and Climate Pathways work is a flagship programme that has created a robust and well-researched knowledge base to inform policy and planning, and to support business to achieve Net Zero by 2050 aligned with the Just Energy Transition Investment Plan developed by the Presidency.

Our research over the past three years provides a detailed analysis of what is required for South Africa to achieve net-zero, sets the tone for the country's future development trajectory and analyses the implications

of transitioning for business and broader economy. South Africa's just transition pathways are comprehensively detailed in 11 individual reports covering eight major sectors of the South Africa economy as well as a consolidated view of the economy-wide transition.

This work included more than 450 stakeholder engagements with business, government, civil society and labour representatives, as well as over 250 hours of technical workshops.

JUST TRANSITION & CLIMATE PATHWAYS WORK

30+

CEO champions from multiple sectors

3

Years of analysis and intensive engagement

450+

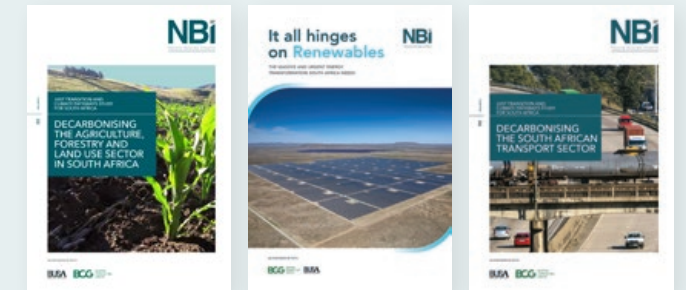
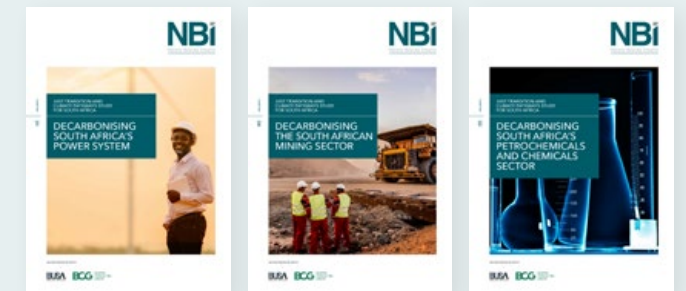
Stakeholders from business, government, civil society and labour

250+

Hours of technical workshops

12

Individual pathway reports



These reports are available at nbi.org.za/reports.

Phase 1 of the work established the techno-economic basis of what needs to be done to achieve a Just Transition and laid a solid foundation for unpacking the role of business in ensuring that a transition to a net zero economic is inclusive and leaves no-one behind. The next phase will translate the pathways identified into action through implementable projects and investment opportunities for business, as well as create and support effective enabling environments at the local level. We will continue to work with members to define and articulate the role and opportunities for business, unpacking case studies of Just Transition implementation. We will be relaunching the full consolidated Just Transition and Climate Pathways report in preparation for a second phase of the Just Transition pathways work: Just Transition 2.0.

We are working with Boston Consulting Group and the NBI Economic Inclusion team to implement a large-scale skills mapping and development programme with a focus on the energy space.

Since 2010, the NBI has been helping business to understand the impacts of carbon tax and to engage with government to ensure that carbon pricing is implemented in a manner that allows effective management of the transition to a low carbon economy. Our resources in this area are available at

nbi.org.za/focus-areas/environmental-sustainability/climate-change/carbon-pricing.

Sharing insights from the Just Transition and Climate Pathways project

It is critical that the learnings from the project are shared widely, particularly beyond those who were directly involved in the project, to inform and guide business to achieve a Just Transition. The NBI Just Transition work was showcased internationally at COP27 at the South Africa Pavilion as well as those hosted by the World Bank Group, We Mean Business and the Germany Pavilion. The work was also the subject of a case study and business-led climate action.

At a regional level, we partnered with the African Climate Foundation (ACF) in the lead-up to COP27 to focus on enabling climate action in Africa as part of developing competitive and inclusive economies on the continent. African Just Transition journeys and the role of business

were central themes of the dialogues hosted on the road to COP27, including three online events and an in-person, three-day study tour to Egypt, co-hosted by the NBI and the ACF. The study tour aimed to facilitate dialogue, engagement and share learning between business and decision makers from South Africa, Egypt, Kenya and Nigeria on the different dimensions of climate transitions in Africa and the role of business.

In South Africa, the NBI continues to work closely with individual companies on the importance of a managed and deliberate transition, driven by business as part of a broader national transition to enhance competitiveness in the face of transition risks such as the EU Carbon Border Adjustment Mechanisms (CBAM).

Skills for the Just Transition

South Africa will be undergoing a significant Just Energy Transition, building more than 180 GW of renewable energy capacity over the next 30 years. Executing the Just Transition will require enormous human effort, with over 300 000 new jobs created, many of which will require skills not currently widely available in South Africa today, such as solar panel installers. Although unemployment in South Africa is above 35%, we are at risk of having to import skilled labour from abroad to address this skills mismatch.

There is an urgent need to skill the South African workforce in a coordinated, constructive and inclusive way to meet the demand for the new jobs created. As a follow-up to the Just Transition and Climate Pathways, the NBI is working to activate the CEO Champions in support of a comprehensive and cohesive Just Energy Transition Skilling Implementation Plan to support South Africa's Just Energy Transition investment and implementation plans.

3

Financing and the enabling environment

The NBI has partnered with Just Share and the WWF South Africa on an initiative focussing on climate and sustainable investment that aims to enhance the financial sector's ability to integrate ESG considerations into investment decision making, with a strong emphasis on climate risk. The project has made considerable progress over the last two years and delivered multiple tools, engagements with stakeholders and resources to support ESG integration in the South African financial sector. These include investment grade sector-based climate risk research papers and a financial sector capacity building programme.

The NBI has been working with the National Treasury on the initial thinking around Transition Finance Principles for South Africa, building on our successful partnership to assist in the development of the National Green Finance Taxonomy. Transition finance focuses on supporting companies in emissions-intensive and hard-to-abate sectors to decarbonise and invest in infrastructure required to enable a transition.

Internationally a critical gap has been identified around transition finance, specifically the need to understand and incorporate clear guidance on the social elements of transition plans.

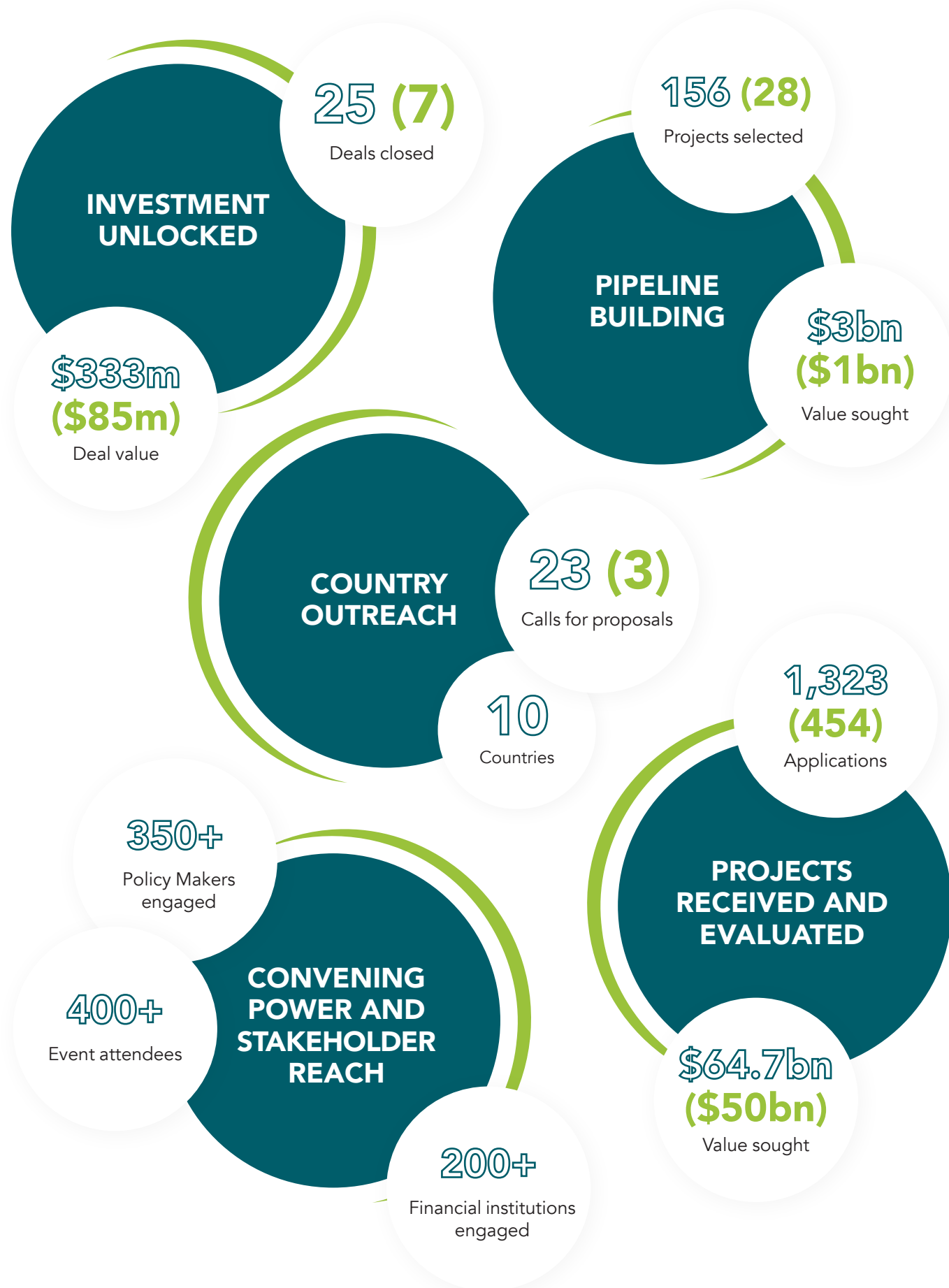
The NBI is the delivery partner of the **Climate Finance Accelerator (CFA)** in South Africa, a global initiative that provides technical support to enhance the capacity of innovative low carbon projects to access finance for scaling up implementation. Over the past two years we have worked with two cohorts of 28 companies, attracting projects seeking \$949 million investment and facilitating an estimated \$85 million in deal value.

Future phases of the programme will also focus on permanently embedding the programme in the South Africa landscape to consistently boost access to finance for climate-responsive businesses and initiatives to affect a just and inclusive transition and to meet South Africa's international climate commitments.



CFA AND CFA SOUTH AFRICA ACHIEVEMENTS SO FAR

CFA
 CFA South Africa



4 Implementation projects

There are critical infrastructure challenges in South Africa's water sector that must be translated into investment to improve infrastructure through collaboration, technical assistance and project development through the work of TAMDEV.

The NBI's water programme includes regional **water security partnerships** such as the uMhlathuze Water Stewardship Partnership (UWASP) in KwaZulu-Natal, the Gauteng Water Alliance and a partnership in the Eastern Cape that is a TAMDEV-led initiative. These partnerships convene businesses, government and civil society to identify and implement projects that impact long-term water security to enhance water security in key economic hubs and water scarce areas of the country.

The UWASP project is well recognised, both internationally and locally, and is embedded in a number of important institutions. Work done during the year included deploying drones to detect water leaks and understand where water issues are occurring in municipalities, as well as engaging with small-holding farmers on water conservation. We also piloted an app developed by the Association for Water and Rural Development (AWARD) to improve access to reliable water data.

The Gauteng partnership identifies water security and water conservation opportunities in the Vaal catchment. We are working with corporates, local government and civil society partners to unlock funding to enhance revenues for certain municipalities and roll out infrastructure.

The NBI is working to establish **Climate Partnerships** in key provinces to unlock investment for the Just Transition and stimulate infrastructure development that drives an inclusive low carbon, competitive and climate resilient economy, creating new markets and anchoring job creation and broader social development. The first partnership commenced in the Western Cape and we are building another in Gauteng with similar implementations planned for Mpumalanga and potentially the Eastern Cape and Limpopo.

The NBI, Climate Group, Carbon Disclosure Project (CDP) and the WBCSD partnered to establish **RAiSE** (Renewables Ambition in South African Electricity) to unlock the power of corporate procurement and generation in South Africa's renewable energy generation capacity. The RAiSE Hub provides information about the technical, regulatory, financial, and social aspects of South Africa's renewable power landscape. It also shares member company renewable energy journeys and learnings and creates a platform to build partnerships to enable rapid market-driven investment and implementation of renewables.

RAiSE engaged with a number of NBI, WBCSD and RE100 members during the year and five companies signed up as RAiSE affiliates – Heineken Beverages, Mediclinic, Shoprite Checkers, Siemens and Vodacom.

As part of a series of engagements looking at the technical, regulatory, financial and social aspects of South Africa's dynamic and growing renewable energy landscape, we hosted a thought leadership session with the Climate Group, CDP and WBCSD exploring and unpacking the role of business in this area.

The NBI team is part of the South African Renewable Electricity Masterplan Task Force, providing input into the masterplan, including feedback from member companies collated by RAiSE.

The NBI is a partner on the 6th Global Environment Facility (GEF6) project for South Africa – Ecological Infrastructure for Water Security (EI4WS)¹. The NBI is contributing to Component 3 of the EI4WS project by engaging with business to provide a private sector lens, played an active role in Component 3's planning and implementation and has taken on a far greater role in supporting the work on financing mechanisms.

¹ EI4WS is a five-year project executed by the South African National Biodiversity Institute (SANBI) in collaboration with the Development Bank of South Africa, the Water Research Commission, the WWF and other partners.



5 Societies and systems

The NBI is lead partner for capacity building and awareness in the **Energy Efficiency in Public Buildings and Infrastructure** programme hosted by the Presidency with the Department of Mineral Resources and Energy (DMRE) as the technical lead. Previous delays in the programme have been resolved and we are working with Tshwane and eThekweni metropolitan municipalities to build a pipeline of projects. The programme targets more than R100 million of investment in municipal energy efficiency.

The NBI has secured a four-year partnership with the Confederation of Danish Industry to deliver a structured programme in skills development and investment in support of the Just Transition in South Africa. The programme aims to increase financial investment in key just transition sectors in the Western Cape, promote increased and inclusive growth in township-based SMEs and create jobs in the green infrastructure value chain.

Scoping work began in October 2022, which included a kick off meeting with the Western Cape Government and a review of key provincial documents.

The Environmental Unit reviewed key provincial strategies and plans in the Western Cape and created a database of identified opportunities with a shortlist of priority investment opportunities, mainly in procuring renewable energy from the City of Cape Town. A roadshow was conducted with Western Cape based member companies to present these opportunities to business.

We continue to investigate opportunities to build the business case for coordinated and urgent adaptation research and implementation at sector level, including through the historic link between the Green Climate Fund and SANBI.

wind and local battery manufacturing. Work around adaptation will include the Science Based Targets for Nature Engagement project and the Nature Positive Outcomes Pathways concept. We will continue to progress initiatives around uWASP and the Gauteng Water Security initiative, and produce thought leadership on decarbonisation pathways, RAiSE initiatives and related developments.

Focus for 2024

We are finalising an agreement with the Department of Economic Development and Tourism to support their Growth4Jobs strategy with a specific focus on energy resilience, the transition to net zero, improving access to economic opportunities and employability. We will work with the Economic Inclusion unit and UCT on the renewable energy value chain in the City of Cape Town to develop business cases for investment in solar,

Case Study: COP27 South Africa Pavilion

The NBI co-hosts the South Africa Pavilion at the annual COP meetings in partnership with government. The South Africa Pavilion is the premier platform for South African business engagement on climate change at COP, showcasing climate action in South Africa led by business, government, youth, labour and civil society. It positions the country as a credible, low carbon investment destination, facilitating partnerships for a just transition to a sustainable, climate-resilient, inclusive and competitive net zero emissions economy by 2050.

The NBI hosted our largest business delegation (143 delegates) at COP27 in Egypt from November 6 to 20, 2022, representing a seven-fold increase relative to COP26. 56 events were held over the two-week period, convening discussions, panels and roundtable sessions on important climate related topics. Representatives from government, civil society and youth participated in many conversations to ensure that South Africa's voice was heard, reflecting the country's experiences and highlight its priorities. The COP27 Pavilion also provided an excellent showcase for the NBI's work and the leadership we offer in this space.

In recognition of COP27 as an African COP, NBI hosted a series of conversations and a business learning exchange to Egypt on the role of business in climate transitions across the continent. We worked with the ACF, Federation of Egyptian Industries, Kenyan Private Sector Alliance and the Nigerian Economic Summit Group to facilitate shared learning and engagement between stakeholders in Africa on the role of business, in supporting greater climate ambition, policy and action, particularly in the context of a just climate and energy transitions.

Later in the year we started preparations for the South Africa Pavilion at the UN Climate Conference (COP28) in December 2023 in Dubai, United Arab Emirates. COP26 was about enhancing climate ambition and COP27 was about developing pathways for implementation. COP28 is all about action. We aim to translate the heightened business focus on climate and the Just Transition into a high-impact pavilion, demonstrating the continued drive by business for ambitious climate action to bolster economic growth, resilience and competitiveness.

NBI MEMBERS & PARTICIPATING ORGANISATIONS: COP27 SOUTH AFRICA PAVILION



THE SOUTH AFRICA PAVILION AT COP27






Risk Report


The NBI Board sets the risk tolerance and risk appetite for the organisation. The Finance and Risk Committee oversees the implementation of an effective policy and plan for a system and process of risk management.

The committee reviews significant financial and other risk exposures and ensures that management takes the necessary steps to monitor, control and report such exposures, and considers and implements appropriate risk responses.


Risks and associated mitigating actions are identified through a bottom-up process that originates at team workshops and rolls up through leadership and the management team. The management team reviews the outcome and assigns management level accountability for implementing mitigating actions. The Finance and Risk Committee and the Board review the risk registers and mitigating actions.




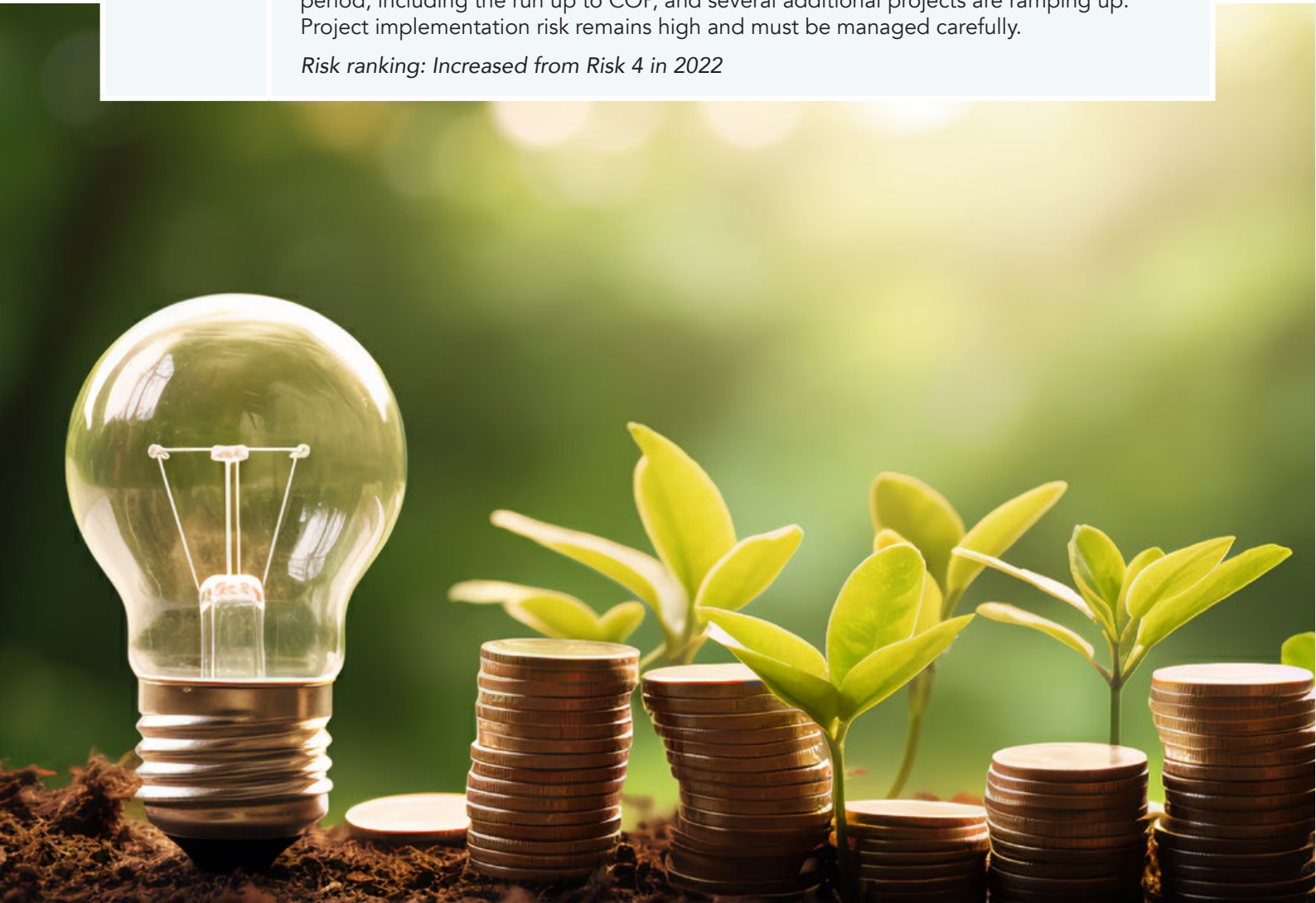
	Description	Management
1. Funding Risk  Direction: Stable	a. Reduced membership funding due to the country's economic situation, company distress or the NBI's value proposition not being seen as relevant	<ul style="list-style-type: none"> Hold a member roadshow to articulate the value and importance of the NBI's work. Engage with our Top 20 funders to raise the NBI's profile and secure funding. Implement the customer journey and directly support members, enhancing member value. Produce a member brochure. Work with Board members to access the C-suite in companies. Update the prospect list and develop a programme to access all potential new members.
	b. Reduced project funding due to the global economic situation and diversion of funds	<ul style="list-style-type: none"> Increase the project funding pipeline (multiyear). Reduce costs and increase efficiencies where possible. Diversify the funding pool and sources (philanthropic).
	c. Cash flow risks arising from timing mismatch between annual membership fees and monthly expenses.	<ul style="list-style-type: none"> Build up a sufficient liquid cash reserve. Maintain the overdraft facility. Spread out membership funding monthly. Ensure frequent and timeous invoicing for project funding.
Developments in 2023 While funding risks are always prevalent, certain new members have joined, cash flow has improved overall and a large-scale funding opportunity has reached the contracting stage. <i>Risk ranking: Unchanged from 2022</i>		


	Description	Management
2. Business model risk  Direction: Stable	a. Overdependence on project income risks funding rather than strategy driving programmes and projects and reduces flexibility and ability to take on and develop new work and programmes.	<ul style="list-style-type: none"> Diligently implement the project and proposal qualification process, including strategic alignment. Grow core and membership income to reduce reliance on project income and build organisational flexibility.
	b. Inadequate recovery of resources on projects.	<ul style="list-style-type: none"> Ensure cost reflective charge out rates or overhead recovery on projects. Ensure that reasonable utilisation targets are achieved. Review project proposal budgets to ensure these are realistic. Support Unit Heads in resource planning and monitoring. Manage varying funder requirements with a focus on strengthening organisational financial sustainability (implementing standardised recoveries and financial allocations for support staff where possible).
	c. Increasing funder compliance and contractual risks.	<ul style="list-style-type: none"> Appoint new Senior Financial Accountant to support on contract management and ensure funder compliance. Set aside budget for additional external legal support.
Developments in 2023 A reasonable growth in membership income, combined with greater oversight of project budgeting has brought improvement. Larger proposals are actively being reviewed by Management for their strategic fit and resourcing needs. <i>Risk ranking: Unchanged from 2022</i>		



	Description	Management
3. Project implementation risk  Direction: Stable	a. Inadequate resourcing for project delivery.	<ul style="list-style-type: none"> Establish a panel of potential pre-vetted consulting support per programme (to bolster unit capacity as needed). Appoint project staff on terms linked to unit programme pipelines and deliverables, as opposed to individual projects.
	b. Project delays between signing of agreements, funding approvals, staff recruitment and project implementation impact delivery.	<ul style="list-style-type: none"> Outline realistic programme delivery timeframes. Track and prioritise project contracting, to avoid unnecessary project delays. Monitor overall project contracting to flag potential unit pipeline risks.
	c. Inefficiencies in increasing project administration.	<ul style="list-style-type: none"> Adequate internal training of staff to enhance efficiencies. Common project management and document management systems in place across teams. Implement CRM for project and member tracking.
Developments in 2023 Staffing constraints have eased somewhat, but the second half of the year is our busiest period, including the run up to COP, and several additional projects are ramping up. Project implementation risk remains high and must be managed carefully. <i>Risk ranking: Increased from Risk 4 in 2022</i>		

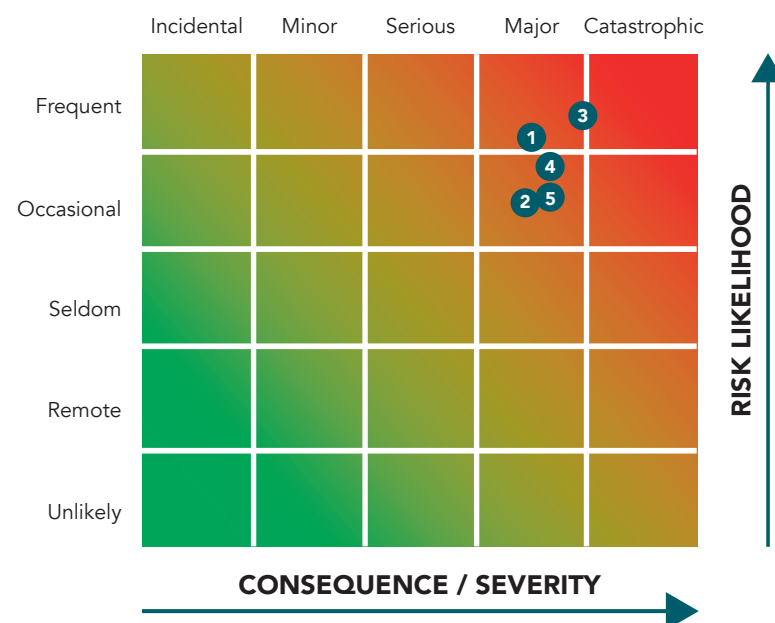
	Description	Management
4. Staffing risk  Direction: Stable	a. New unit leadership.	<ul style="list-style-type: none"> Management team profiling and mentoring. Improve induction process.
	b. Overworked, unwell and demotivated staff.	<ul style="list-style-type: none"> Implement the NBI Wellness Strategy addressing remote working and stressors brought about by wider socio-political context. Managers to do regular one-on-one check-ins with team. Implement salary benchmarking. Publish the NBI's employee value proposition and implement rewards plan. Ensure equitable performance assessment and recognition of top performers. Ensure professional development plans are in place and are implemented. Implement regular resource time monitoring, to track overtime. Clearer articulation of job profiles, promotion requirements and organisational training plans. Update outdated NBI policies, in order of prioritisation, linked to staff wellbeing.
	c. Staff lack organisational cohesion and common purpose resulting in inefficiencies and inconsistencies.	<ul style="list-style-type: none"> Implement the internal communication strategy and standard operating procedures.
	d. Succession planning is not adequately implemented in ways that keep junior staff engaged and learning.	<ul style="list-style-type: none"> Align recruitment processes to succession and transformation targets. Establish an employment equity committee and develop a transformation plan. Implement succession plans deliberately and include KPIs in performance contracts.
	e. Projects overly rely on specific individuals to deliver.	<ul style="list-style-type: none"> Improve knowledge management systems to support internal handover processes. Build key stakeholder relationships beyond lead NBI contact.
	f. Under/over staffing of units	<ul style="list-style-type: none"> Standardised resource planning within units. Fast track recruitment in under-resourced team.
	Developments in 2023 Five new employees have joined to help ease staffing concerns. However, certain vacancies remain and staffing needs to specifically increase in the Environment Unit to address project implementation risks. <i>Risk ranking: Decreased from Risk 3 in 2022</i>	



	Description	Management
5. NBI reputation and profiling risks  Direction: Negative	a. Inability to access member C-suites.	<ul style="list-style-type: none"> Develop an engagement strategy that builds on current successes (i.e. Transformation CEO dialogue, Just Transition CEO Champions). Effectively activate Board members as NBI champions. Access high-level and international speakers for NBI events.
	b. Inability to clearly differentiate NBI from other business organisations.	<ul style="list-style-type: none"> Increased focus on opinion-led communications. Increased focus on networking. Develop a programme of publications/opinion pieces on annual and quarterly bases and include in performance contracts.
	c. Inability to distil NBI intellectual property into timely and accessible products for dissemination.	<ul style="list-style-type: none"> Finalise refresh of NBI website. Finalise new NBI templates and brand refresh.
	d. Lack of government participation.	<ul style="list-style-type: none"> Government stakeholder plan and monitoring established.
	e. Ensure NBI positioning vis a vis global donors and partners.	<ul style="list-style-type: none"> Assess NBI involvement as secretariat to BRICS Business Council and wider BRICS exposure
Developments in 2023 The new NBI CEO has actively engaged in the sector to raise the organisation's profile. We have also recently received an international NGO award. However, the galvanising of the Climate CEO Champions group has slowed, and the revamped NBI website and corporate communications are yet to be launched. NBI's role and contribution vis-à-vis other entities needs to be further clarified and emphasised. <i>Risk ranking: Unchanged from 2022</i>		

Residual Risk Assessment Matrix

- 1 Funding risk
- 2 Business model risk
- 3 Staffing risk
- 4 Project implementation risk
- 5 NBI profiling



Governance

The NBI's governance structure aligns with the requirements of the Companies Act and King IV to ensure that the organisation is member-led, operates efficiently and is ethically governed. Good governance ensures effective functioning, resilience and trust, and supports sustainable value creation for members and beneficiaries.

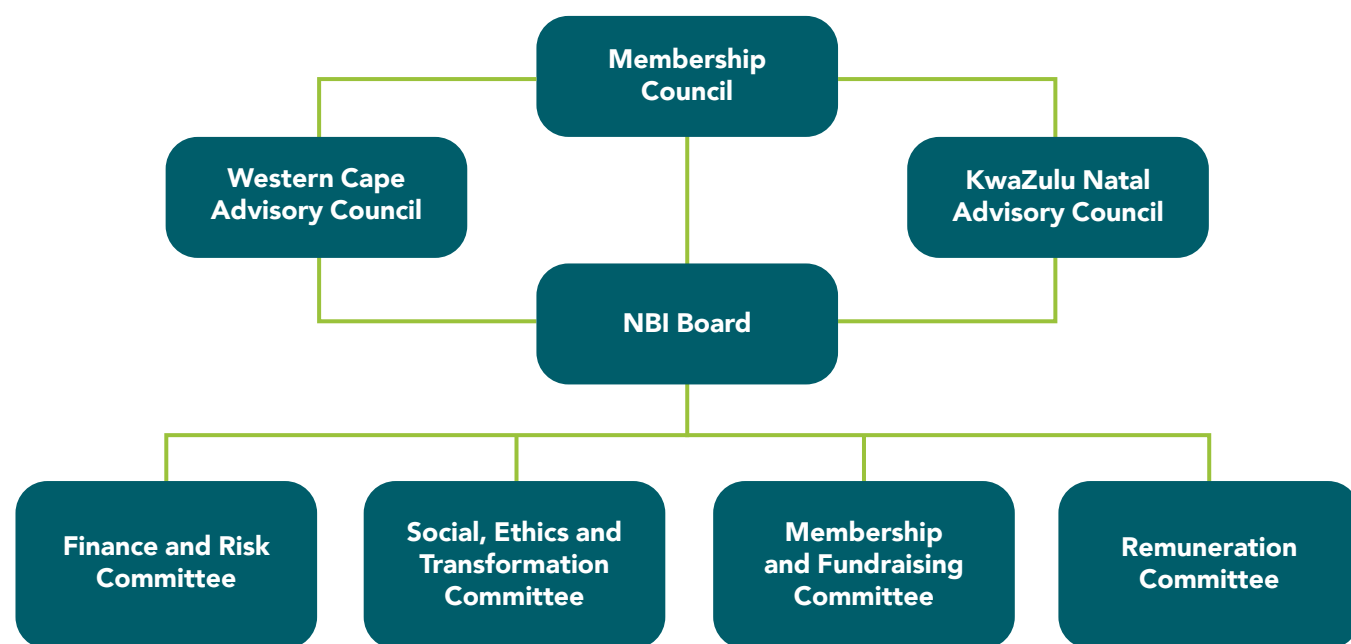
It is also important that, as a leading business organisation, the NBI demonstrates good governance and ethical leadership to encourage the wider business community to adopt and entrench these principles in their own organisations.



The Membership Council meets bi-annually and all NBI members are allocated a seat. The Council appoints NBI Board members, oversees the organisation and endorses the NBI strategy. The NBI Board and CEO report to the Membership Council on critical issues and the strategic direction of the organisation is key.

The Western Cape and KwaZulu-Natal regional advisory councils meet three times a year and provide input to the NBI Board. Members can also provide strategic input at quarterly Social Transformation Advisory Committee and Advisory Committee on Environment and Society (ACES) meetings.

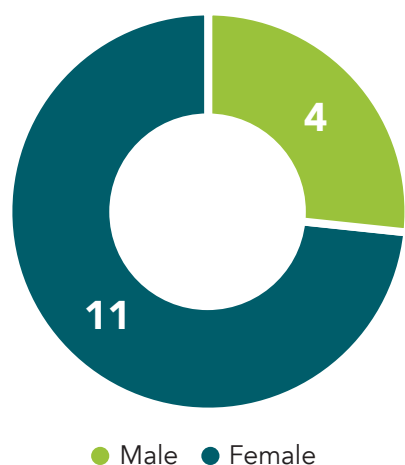
NBI GOVERNANCE FRAMEWORK



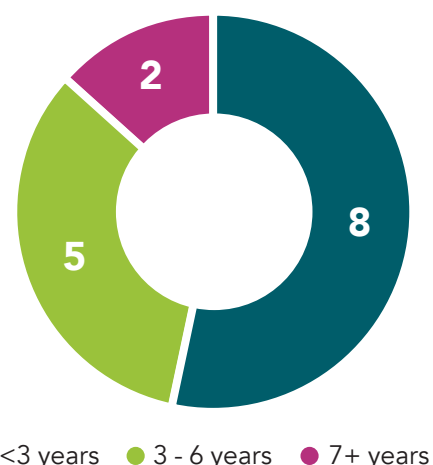
BOARD REPRESENTATION



BOARD GENDER



BOARD TENURE



The Board

The NBI Board monitors the execution of the organisation's strategy and is responsible for meeting all fiduciary requirements defined in the Companies Act, King IV and other relevant legislation and guidelines. The Board is accountable to the Membership Council. The Board meets at least quarterly, and more frequently if required.

The CEO is responsible and accountable for the implementation of the NBI's work, and accounts to the Board and the Membership Council. The Memorandum of Incorporation (MOI) allows for 13 non-executive Directors, who are appointed by the Membership Council.

Directors can serve two three-year terms, with a third term permissible if approved by special resolution at the Membership Council. Board members are volunteers and, apart from the CEO, who is the only executive Director, receive no remuneration. The Chairs of the Regional Advisory Councils attend Board meetings as ex-officio members.

The NBI places a high value on ethical behaviour and promotes a strong ethical culture. A formalised Code of Conduct is being developed and an updated Anti-Corruption Policy, signed by every staff member, is in place.

At the Membership Council meeting on March 2, 2023 three directors reached the end of their terms and retired from the Board: Ms Anita Bosch, Ms Funeka Madikizela and Ms Khanyisile Chaba.

Five new directors were appointed at the meeting: Mr Abel Sakhau, Ms Esha Mansingh, Mr Joseph Rohm, Ms Punki Modise and Ms Tracey Unser.

The Board currently comprises 14 Directors and attendance at the four meetings during the year is shown in the table below.

During the reporting period, the Board's primary areas of focus included oversight, review and approval of:

- NBI strategy and programme development against the 2023 scorecard
- Project and funding pipeline, capacity constraints and cost management
- Major risks facing the NBI and ensuring that appropriate mitigating actions were adopted

- Feedback regarding the audits
- The 2022 financial statements and Integrated Annual Report
- Reports of Board Sub-Committee and Membership Council meeting deliberations
- New and updated policies as recommended by relevant Sub-Committees
- The 2024 strategy and scorecard
- The 2024 budget
- Details of the various NBI programmes to gain knowledge and provide input and strategic direction
- The next iteration of the Just Transition work
- The selection and appointment of the new CEO
- Supporting NBI management with attracting and retaining membership

Board composition and attendance for the year to 30 June 2023	Date appointed	Member company	Attendance
Cas Coovadia (Chair)	March 2013	Independent	4/4
Abel Sakhau	March 2023	Sanlam	2/2
Bheki Khumalo	April 2019	Anglo American	4/4
Brigitte Burnett	March 2016	Nedbank	3/4
Charlotte Mokoena	December 2020	Sasol	3/4
Esha Mansingh	March 2023	DP World	2/2
Fumani Mthembu	April 2019	Independent	4/4
Funeka Madikizela ¹	September 2020	Tongaat Hulett	2/2
Joanne Yawitch ²	March 2013	NBI	2/2
Joseph Rohm	March 2023	ERM	2/2
Khanyi Mlambo ¹	April 2019	Independent	2/2
Mandy Rambharos	April 2019	Independent	3/4
Prof Anita Bosch ¹	April 2019	Stellenbosch Business School	2/2
Punki Modise	March 2023	Absa	2/2

Board composition and attendance for the year to 30 June 2023	Date appointed	Member company	Attendance
Sazini Mojapelo	September 2021	Independent	4/4
Shameela Soobramoney (NBI CEO)	April 2023	NBI	2/2
Shireen Naidoo	May 2017	Independent	3/4
Tracey Unser	March 2023	Liberty	2/2
Zinhle Mariani	April 2019	Independent	4/4
Feroz Koor	<i>Ex-officio</i> [†]		4/4

¹Board term completed, retired March 2023

²Outgoing NBI CEO, retired April 2023

[†]Chair of the Western Cape Advisory Committee

Board subcommittees

The Board is supported by four Board Committees, to which it allocates specific responsibilities

Social, ethics and transformation committee

Composition and responsibilities:

The Committee must comprise at least three directors with at least one Independent non-executive director. Four meetings were held during the year. The Committee is responsible for monitoring, advising, overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.

Areas of focus in 2023

- Updating the Committee's Terms of Reference and ensuring alignment with King IV.
- Discussing and making recommendations about the overall organisational health of the NBI, staff movements and HR issues, including the Employee Value Proposition, the Rewards and Recognition Proposal and the training and development plan.
- Recruitment to ensure appropriate capacity to deliver on all project and programme commitments.
- The Programme work of the NBI's Social Transformation work stream.
- Implementing the agreed 2023 work programme and agreeing the proposed 2024 work plan.
- Assessing how the UNGC principles are being implemented in the organisation.
- Reviewing various relevant policies, including the updated Travel, Remote Working, Anti-Harassment, Leave and Performance Management policies.
- Reviewing the Employee Value Proposition and the Rewards and Recognition Proposal.
- Reviewing alignment of the NBI strategy to an ESG framework.
- Reviewing the outcomes of COP27.
- Appointment and induction of the incoming CEO.

Members	Role	Attendance
Zinhle Mariani (Chair)	Independent non-executive Director	4/4
Abel Sakhau ²	Independent non-executive Director	1/1
Bavumile Skhosana	Independent	4/4
Charlotte Mokoena	Independent non-executive Director	3/4
Esha Mansingh ²	Independent non-executive Director	1/1
Masechaba Tekana ³	Independent	0
Prof Anita Bosch ¹	Independent non-executive Director	2/3
Tracey Unser ²	Independent non-executive Director	1/1
Xolani Magojo	Independent	4/4

¹Board term completed, retired March 2023

²Appointed to the Committee in March 2023 post the meeting held on 16 March 2023

³Resigned September 2022 before the first meeting of the Committee held on 16 September 2023

Membership and fundraising committee

Composition and responsibilities:

The Committee consists of three Board members, two independent members and two member-company representatives. One meeting was held during the year. The Committee is responsible for overall funding and membership issues, with a particular emphasis on membership retention, growth and financial sustainability.

Areas of focus in 2023

- Feedback on proposals to strengthen the NBI brand.
- Reviewing the Membership Growth and Retention Strategy, as well as the Communication and Events Strategy, and monitoring implementation.
- Considering how Board members can support the NBI to attract new members and retain members at risk of leaving.

Finance and Risk Committee Report

Composition and responsibilities:

The Committee comprises two member-company representatives and three independent members. All members of the Committee are suitably skilled and experienced. 4 meetings were held during the year.

The Committee performs those duties assigned to Audit and Risk Committees in terms of the Companies Act, 71 of 2008, as well as other duties mandated by the Board.

Members	Role	Attendance
Cas Coovadia (Chair)	Independent non-executive Director	1/1
Douglas Ramaphosa ²	Independent	0/1
Feroz Koor ¹	Independent	0
Fumani Mthembu	Independent non-executive Director	1/1
Joseph Rohm ¹	Independent non-executive Director	0
Noluvo Ngcwabe	Independent	0/1
Robyn de Villiers	Independent	1/1
Shillyboy Mothiba	Independent	1/1

¹Appointed to the Committee in March 2023 post the meeting of the Committee held on 13 March 2023

²Resigned March 2023.

Remuneration committee

Composition and responsibilities:

The Committee comprises three Board members. Two meetings were held during the year. The Committee is responsible for governing and overseeing the NBI policies and practices for recognition and reward. The Committee is also responsible for the evaluation of the performance of the CEO.

Members	Role	Attendance
Cas Coovadia (Chair)	Independent non-executive Director	2/2
Bheki Khumalo	Independent non-executive Director	2/2
Shireen Naidoo	Independent non-executive Director	2/2

Areas of focus in 2023

- Considering inflation related cost of living increases, performance bonuses and salary adjustments for certain staff, taking affordability into account.
- Monitoring the implementation of the succession plan and policy.
- The financial status of the organisation in conjunction with the Finance and Risk Committee.
- Appointment of the new CEO.



Members	Role	Qualifications	Attendance
Sazini Mojapelo (Chair)	Independent non-executive Director	Master's Degree in Development Studies and double Major Degree in Sociology and Industrial Psychology	5/5
Zinhle Mariani	Independent non-executive Director	B.Proc, LLB, Postgraduate Higher Diploma in Labour Law and Management Development Programme (Women in Insurance).	4/5
Shillyboy Mothiba	Independent	Bachelor of Commerce and Higher Diploma in Accounting, (Financial Accounting, Auditing, Finance, Taxation).	5/5
HJ Swanepoel	Independent	Diploma in Auditing, B.Compt (Hons) (Accountancy) and B Com (Accountancy).	4/5
Berenice Francis ¹	Independent	BCom (Acc); B.Compt (Hons); MBA and is a Certified Internal Auditor (CIA).	1/2

¹Appointed November 2022

Terms of reference

The Finance and Risk Committee performs the duties assigned to Audit and Risk Committees in terms of section 94(7) of the Companies Act 71 of 2008 (as amended) (the Act) as well as the other duties mandated by the Board. As the Committee includes members who are not directors of the NBI, it does not meet the requirements to be an Audit Committee.

The Finance and Risk Committee Charter sets out the Committee's formal terms of reference and role, which is approved by the Board. The terms of reference are reviewed every three years in line with the Board cycle and /or as and when there is a need due to legislative, regulatory or other changes. The last review was on the 30th of October 2019 and approved by the NBI Board in November 2019. The Committee executed its duties in accordance with these terms of reference during the year.

Duties specified in the Companies Act

The following duties were executed by the Committee:

- Nominated and appointed Mazars as external auditors for the organisation, and Johan Eloff, Partner, as the audit partner within Mazars, after confirmation of their independence.
- Approved the external auditor fees and terms of engagement.
- Reviewed and approved any non-audit services provided by Mazars.
- Held meetings with Mazars after the Finance and Risk Committee meetings, without executive management present, and no matters of concern were raised;
- Confirmed that no reportable irregularities were noted by Mazars;
- Reviewed the integrated annual report before recommending it to the Board for approval; and
- Reviewed the annual financial statements as well as the interim report during the year with the external auditors present before recommending them to the Board for approval.

Other areas of focus in 2023 include:

- Ensuring that the NBI operates as a going concern and that sound financial management processes and controls are in place.
- Overseeing cash flow and financial performance against budget, progress against audits and statutory requirements.
- Reviewing updates to the risk register.
- Financial planning against current and future projects.
- Reviewing issues reported during the 2022 audit and mitigating actions and or corrections taken during the course of the audit.
- Reviewing the management letter provided by the external auditors and actions taken in response.
- Reviewing and giving input on 2024 budgets.
- Reviewed membership and business development initiatives, including members at risk
- Review and approval of management's proposal to rotate auditors and selection of new auditors to be presented to the Membership Council for confirmation.
- Reviewing and approving the 2023 proposed audit plan.
- Reviewing and approving the proposed office refurbishment and renewal of the office lease.
- Progress in taking forward the recommendations out of the OD and Business Model Review.
- Reviewing management's mitigation plan to address capacity gaps in the finance team and new appointments to achieve this.

Risk management

The Board has delegated oversight of the risk management function to the Finance and Risk Committee, while management is responsible for risk management. The Committee is satisfied that the process and procedures followed in terms of identifying, managing and reporting on risk are adequate and that the following areas were appropriately addressed during the year:

- Financial reporting risks;
- Internal financial controls;
- Fraud risk relating to financial reporting; and
- IT risk as it relates to financial reporting.

The Committee's mandate and risk management policy and plan are in place.



Internal financial controls

The Committee reviewed the external audit scope, plans and resultant findings to determine the effectiveness of management systems and internal controls during the year. Assurance was received from management and external audit. Based on this combined assurance, the Committee is satisfied that the internal controls of the group are adequate and that there was no material breakdown in internal controls.

Regulatory compliance

Compliance forms an integral part of the organisation's risk management process. The NBI complied with all relevant laws and regulations and considers adherence to non-binding rules, codes and standards.

Internal audit

The Committee is of the view that the size of the NBI does not, at this point, warrant a separate internal audit function. Internal controls should therefore be monitored by management and the external auditors can express an opinion on whether these controls are adequate and effective as part of the financial audit.

External audit

The Committee has no concerns regarding the external auditor's independence. The Board approved management's proposal to rotate external auditors and Mazars was approved by the Membership Council to conduct the 2023 audit.

Financial manager review

The Committee has reviewed the performance, experience, resources and expertise of the financial function, headed by Mr Neil Kohler, and confirms the suitability of the financial function to fulfil its role.

Integrated annual report

The Committee has evaluated the annual financial statements of the NBI for the year ended 30 June 2023 and, based on the information provided to it, considers that the organisation complies in all material respects with the requirements of the Companies Act and International Financial Reporting Standards. The Committee reviewed the integrated annual report and recommended the report to the Board for approval.

Financial Statements



Statement of financial position as at 30 June 2023

National Business Initiative for Growth Development and Democracy (NPO)

FIGURES IN RANDS	2023	2022
ASSETS		
Non-Current Assets		
Property, plant and equipment	1 756 948	637 219
Intangible assets	11 704	45 227
	1 768 652	682 446
Current Assets		
Trade and other receivables	19 293 484	15 109 610
Project funds administered	40 806 839	19 544 852
Cash and cash equivalents	4 058 470	8 169 621
	64 158 793	42 824 083
Total Assets	65 927 445	43 506 529
EQUITY AND LIABILITIES		
Equity		
Accumulated Surplus	19 340 975	18 970 858
Non-Current Liabilities		
Project funds administered	41 150 412	20 582 651
Current Liabilities		
Operating Lease Liability	163 478	91 879
Trade and other payables	5 272 580	3 861 141
	5 436 058	3 953 020
Total Liabilities	46 586 470	24 535 671
Total Equities and Liabilities	65 927 445	43 506 529

Statement of surplus and deficit

For the year ended 30 Jun 2023

FIGURES IN RANDS	2023	2022
Revenue	42 769 837	38 164 713
Other Income	110 165	81 865
Operating costs	(44 498 815)	(38 061 659)
Operating surplus (deficit)	(1 618 813)	184 919
Investment revenue	1 990 465	740 899
Finance costs	(1 535)	(4 057)
Operating surplus (deficit)	370 117	921 761
Other comprehensive income	0	0
Total comprehensive income for the year	370 117	921 761

Statement of changes in equity

For the year ended 30 Jun 2023

FIGURES IN RANDS	General Development Fund
Balance at 01 July 2021	18 049 097
Surplus for the year	921 761
Balance at 01 July 2022	18 970 858
Surplus for the year	370 117
Balance at 01 July 2023	19 340 975

Statement of cashflows

For the year ended 30 Jun 2023

FIGURES IN RANDS	2023	2022
Cash generated from operating activities		
Cash generated from operations	20 919 848	(18 918 105)
Interest income	1 990 465	740 899
Finance costs	(1 535)	(4 057)
Net cash from operating activities	22 908 778	(18 181 263)
Cash flow from investing activities		
Purchase of property, plant and equipment	(1 652 674)	(341 968)
Sale of property, plant and equipment	52 686	0
Purchase of other intangible assets	(46 803)	(108 063)
Net cash from investing activities	(1 646 791)	(450 031)
Cash flow from financing activities		
	0	0
Total cash movement for the year	21 261 987	(18 631 294)
Cash at the beginning of the year	19 544 852	38 176 146
Total cash at end of the year	40 806 839	19 544 852



Independent Auditor's Report



To the Board of Directors of National Business Initiative for Growth Development and Democracy (NPC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Business Initiative for Growth Development and Democracy (NPC) set out on pages 9 to 12 of the annual financial statements, which comprise the statement of financial position as at 30 June 2023, and the statement of surplus or deficit, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Business Initiative for Growth Development and Democracy (NPC) as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "National Business Initiative for Growth Development and Democracy (NPC) Financial Statements for the year ended 30 June 2023", which includes the Directors' Report, as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is referred to below forms part of our auditor's report.

Appendix to Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Glossary

ACA	Alliances for Climate Action
ACES	Advisory Committee on Environment and Society
ACF	African Climate Foundation
B4SA	Business for South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BBC	Black Business Council
BCG	Boston Consulting Group
BLSA	Business Leadership South Africa
BRICS	Brazil, Russia, India, China, South Africa
BUSA	Business Unity South Africa
C40 Cities	A network of mayors of nearly 100 world-leading cities collaborating to deliver the urgent action needed right now to confront the climate crisis.
CBAM	EU Carbon Border Adjustment Mechanisms
CEO	Chief Executive Officer
CFA	Climate Finance Accelerator
COGTA	Department of Cooperative Governance and Traditional Affairs
COP	Conference of the Parties
CRM	Customer relationship management
CSO	Community service organisation
DWS	Department of Water and Sanitation
ESG	Environmental, social and governance
GBV	Gender-based Violence
GBVF	Gender-based Violence and Femicide
GCF	Green Climate Fund
GESI	Gender Equity and Social Inclusion
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPG	Gender pay gap

GW	Gigawatts
HR	Human Resources
IFC	International Finance Corporation
IRM	Installation, repair and maintenance
ISA	Infrastructure South Africa
IT	Information Technology
JET	Just Energy Transition
JSE	Johannesburg Stock Exchange
LGBTQIAP+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual, Pansexual, + (meaning 'not limited to')
MOI	Memorandum of Incorporation
NBI	National Business Initiative for Growth, Development and Democracy
NECOM	National Energy Crisis Committee
NGO	Non-governmental organisation
NPO	Non-profit organisation
OD	Organisational Design
PAC	Programme Advisory Committee
PMO	Project Management Office
PSEC	Presidential State-Owned Enterprise Council
PV	Photovoltaic
SANBI	South African National Biodiversity Institute
SDGs	UN Sustainable Development Goals
SMME	Small and Medium Enterprises
TAMDEV	Technical Assistance Mentorship and Development
TVET	Technical and Vocational Education and Training
UNGC	United Nations Global Compact
UWASP	uMhlathuze Water Stewardship Partnership
WBCSD	World Business Council for Sustainable Development
WWF	World Wide Fund for Nature



Contact Us

The NBI is a registered public benefit organisation (1995/003141/08) that was established in March 1995.

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