

NBI

National Business Initiative



Integrated Annual Report

2022



Contents

NBI at a glance	4
About this report	8
Chairperson's report	13
Our strategy	15
Our value creation model	18
CEO's report	25
Our material matters	28
Our key stakeholders	32
Our programme areas:	35
Social Transformation	35
Economic Inclusion	42
TAMDEV	46
Environmental Sustainability	50
Risk report	60
Governance	63
Board sub-committees reports	67
Financial statements	72
Independent auditor's report	76
Glossary	78
Contact us	80

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 and collective action collaboration can happen between business, society and government, and bring an informed and global perspective to these engagements and actions.

Our most material matters

COVID-19

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

The NBI is:

- A registered public benefit organisation (1995/003141/08) that was established in March 1995
- A membership organisation that derives our direction and our character from our members
- Structured to ensure that our governance framework aligns with King IV and the Companies Act
- A Level 1 Contributor to Broad-Based Black Economic Empowerment (B-BBEE) and is certified 100% Black Beneficiaries in terms of Socio-Economic Development (SED)

Delivery / Value



LEAD

Strategic thought leadership driven by robust research that uncovers areas of shared risk and opportunity. These opportunities and risks form the basis for designing collective action programmes and understanding implementation approaches.



LEARN

Build the capacity of all stakeholders, with a focus on business, to engage in potential collective action programmes. Building parity in knowledge, understanding and capacity across partners enhancing potential success of collective projects.



IMPACT

Design and implement collective action projects that lead to business led solutions which unlock developmental outcomes that drive sustainable growth; underpinning business being able to engage in courageous conversations with multiple stakeholders.

Salient features in 2022

- **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.
- **MORE THAN 70 EVENTS** that share thought leadership and build capacity were delivered in Johannesburg, Cape Town and Durban during the year ending June 2022.
- **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.
- **28 QUICK BRIEFS/NBI NEWS UPDATES** distributed providing relevant information to member companies.
- **NINE THOUGHT LEADERSHIP REPORTS PUBLISHED** sharing learnings.
- **PROGRESSED OUR WORK** on the gender pay gap and initiated the ethical leadership and anti-corruption programme.
- **COP26** – more than 30 hybrid events hosted with a variety of local and international partners and stakeholders.
- **RAISED AWARENESS** about Transition Risk and the imperative of a Just Transition to a low-carbon economy through reports, presentations and workshops.
- **GROW 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 A NEW PROGRAMME** that builds on our previous work to grow pathways to entry-level artisanal jobs in installation, repair and maintenance (IRM).
- Completed an **Organisational Development process and Business Model Review** – key actions and ways forward are being discussed and implemented.





The NBI provides a business network of strategic partners where I connect, collaborate and learn with other companies. We also engage in frank conversations on the impact of policy and regulation.

MADALEINE RONQUEST
 HEAD OF ENVIRONMENT, SOCIAL
 AND CLIMATE RISK FIRST RAND



OUR STRATEGY

Strategic objective:

Engaging our member companies in economic and social transformation

Delivery / Value	Metrics / Measure	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 and facilitate courageous conversations</p>	<p>ECONOMIC RESILIENCE: The SA economy is inclusive, equitable, competitive and sustainable</p> <p>INSTITUTIONAL CAPACITY: South Africa has the institutional capacity to support social and economic transformation</p> <p>TRUST: South Africa is a society 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

Membership advantage

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

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

About this Report

This integrated annual report covers the NBI's activities, performance, strategy and prospects for the year to 30 June 2022 as well as relevant information up to the date of publication. The report is structured around the most material financial, environmental, social and governance issues facing the organisation, as well as the activities of our primary work streams.

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 SizweNtsalubaGobodo Grant Thornton Inc and their report can be found on page 76. Our B-BBEE certificate is externally verified. The Board of Directors 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 2022 financial year.





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

We partner with some of the most influential organisations in the world to ensure that our strategic direction and work content are world class.





CAS COOVADIA NBI CHAIRPERSON

Chairperson's Report

I pen this statement at a time in our country when the environment for business growth and formation is extremely difficult.

The ongoing crises in energy, logistics and law and order, policy and political uncertainty, lack of implementation from government and a dearth of decisive leadership are but some of the issues inhibiting investment and growth and reducing confidence. The economy is flat and forecasts predict growth of 1% at best, clearly insufficient to address the significant socio-economic problems South Africa faces, which include poverty, high levels of unemployment, widespread inequality, rising social unrest, failing service delivery and increasing concerns about global warming and climate change. Progress on enforcing accountability for corruption is slow and the potential for civil unrest is rising in the context of poor service delivery and the weak state of law and order in the country.

The NBI is founded on the belief that a sustainable society is possible and that this can be achieved through a renegotiation of the social contract between

business and society. Business success and sustainability are inextricably linked to a thriving society, building trust and relationships with government and other key stakeholders. The NBI remains the pre-eminent business sustainability organisation guiding and advising business in all ESG aspects. Our programmes and projects coordinate collective action between business, government and civil society to drive large scale sustainable system change. They support the country's economic recovery in the short term, while accelerating long-term structural reform to enable growth that delivers tangible benefits for member companies, the broader socio-economy and society.

Good delivery in a difficult year

The NBI had a busy and largely successful year as evidenced by our performance against the strategic scorecard, the positive outlook for the year ahead and the good financial results. The number and scale of our active projects has grown and we have added capacity and filled key roles to ensure we can maintain momentum.

Our Social Transformation programme continues to grow in stature and impact, helping business to recognise transformation as a key priority and business imperative, both internally and in relation to their stakeholders. It gives members and other stakeholders access to thought leadership, opportunities to learn from each other and concrete tools to understand their current situations and monitor improvements. The Economic Inclusion work stimulates the growth of SMEs and inclusivity in supply chains and is showing promise in unlocking economic growth and job creation in township economies.

The TAMDEV initiative is expanding, sourcing skills from the private sector to address governance capacity issues that contribute to poor service delivery at municipal and provincial levels. The expansion of the initiative demonstrates the growing acceptance of both the need for capacity building in local government and the effectiveness of the intervention. Our work on corruption is an enduring focus to address the issues revealed by the Zondo Commission and ongoing reports of corruption.

The NBI's energy and climate work has been critical in ensuring that the transition to low-carbon energy sources will contemplate a Just Transition and led to a request to assist the Presidential Climate Commission. We successfully represented and promoted business and the country at COP26 in Glasgow.

Overseeing delivery and driving performance

The NBI Board works very well and comprises a valuable blend of relevant expertise. It provides great value in overseeing delivery on the strategy and challenging management to achieve even more. The broader governance framework, which includes board committees and staff structures, is also working effectively and staff morale is positive.

Our CEO, Joanne Yawitch, has led the organisation with incredible commitment for the last nine years. She has indicated her intention to resign in the year ahead and we have started a process to identify and recruit a successor.

Ethics is integral to the NBI's DNA and the Board ensures that its commitment to ethical behaviour is demonstrated and communicated throughout the organisation. Staff can make their voices heard in the organisation and were invited to give input on the brief for the new CEO.

An important change to board committee structures during this period was the appointment in September 2021 of Sazini Mojapelo, who has been a member of

the Finance and Risk Committee for a number of years, as Chair of that committee and as a Board member. We appreciate the fresh perspective she has brought to our deliberations.

Stakeholder engagement is a fundamental aspect of the work that we do and the value we create for members and society. This year we were particularly active in engagements both locally and internationally in the areas of energy and climate change through our participation in the Presidential Climate Commission and at COP26, where we engaged with representatives from many countries on South Africa's decarbonisation targets and plans to achieve these.

The NBI is entering the third year of the three to five-year strategy established in 2020, which will be reviewed by the incoming CEO, once appointed. In the interim, we will continue to implement and expand the scale of our existing and planned projects.

Acknowledgements

On behalf of the Board, I would like to thank the management team and NBI staff for the tremendous passion they bring to their work. Joanne continues to do phenomenal work in her role as CEO and further tightened cohesion in the team this year. I thank my fellow Board members for their excellent contributions in guiding the organisation strategically, providing guidance to management and raising issues in a very responsible way. The Membership Council is also

working well, providing members with a channel to guide the Board. We thank our members for their continued belief in and support of the NBI. We believe that the increase in member numbers and project support during the year, despite the current business conditions, reflect the ongoing recognition of the NBI's excellent value proposition for business in general and society more broadly.



CAS COOVDIA NBI CHAIRPERSON

Our Strategy

Operating context

The COVID-19 pandemic amplified socioeconomic challenges around the world, drawing attention to global inequalities in areas such as **income, race, gender and access to health care, while highlighting flaws in institutions and a lack of economic resilience.**

It also drew attention to the environmental cost of the ways we live and produce. In South Africa, the pandemic worsened an already dire economic situation with the poorest particularly affected. It is critical that the structural and socio-political factors underlying the country's social and economic problems are urgently addressed. These factors include the weakness and

corruption in state institutions, as well as a wide variety of social ills, such as gender-based violence. Business is challenged to define how best to contribute to addressing key societal issues and what its role should be in "building back better" after the pandemic to create a sustainable and equitable future.

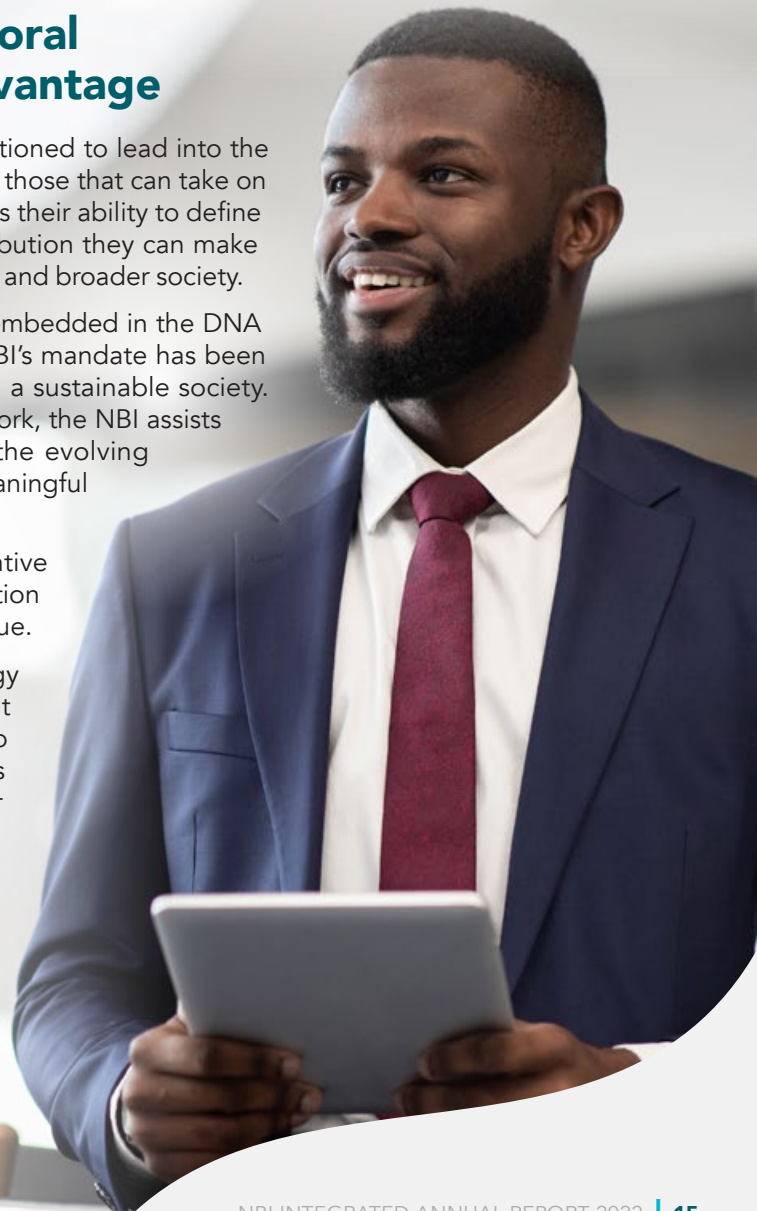
Responsible business is both a moral imperative and a competitive advantage

We firmly believe 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. This includes their ability to define their responsibility to stakeholders and the practical contribution they can make to address societal challenges, both in their own workplaces and broader society.

Social solidarity and environmental responsibility must be embedded in the DNA of every South African business. Since its inception, the NBI's mandate has been to positively influence and catalyse the role of business in a sustainable society. This purpose has never been more relevant. Through our work, the NBI assists 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 strategic goal is implemented through three iterative action areas that aim to drive conversations that lead to action on economic and social transformation to create member value.

2022 was the second year of the three- to five-year strategy approved in 2020. The strategy was reviewed to ensure that our work remains relevant in the current context and is able to show the way forward to our members. The programme areas are well-established and we attracted multiyear funding for significant areas of work to build depth and scale as existing content areas mature and the work gains traction. Our focus in 2022 was to deepen the systemic impact of our work with our members to demonstrate the positive role of business in society and the power that a deep commitment to realise ESG goals and the SDGs can have on wider society.



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 these impacts that that will be achieved by the NBI's projects and activities.



OUR STRATEGY

Strategic objective:

Engaging our member companies in economic and social transformation

Impacts	Outcomes
ECONOMIC RESILIENCE: The South African economy is inclusive, equitable, competitive and sustainable	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)
INSTITUTIONAL CAPACITY: South Africa has the institutional capacity to support social and economic transformation	Government is effectively delivering services
	Functional institutional mechanisms enabling public and private sector collaboration are in place
TRUST: South Africa is a society characterised by high degrees of trust	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

Performance indicators aligned to the strategic outcomes are set at unit and project levels that inform 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.

The scorecard also includes initiatives grouped under three additional outcomes that 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

2022 Member Survey

During the year, the NBI engaged with and collated the views of senior respondents at 30 member companies. Highest engagement was reported with the Environment and Society unit, with the top three most valued projects being Climate Change, Just Transition and Social Transformation. Members reported that they found the most value in the NBI's events, in person meetings and the Quick Briefs. The majority of respondents said that the NBI engages with them well and there was strong demand for more opportunities for engagement, collaboration and in-person meetings.



Our Value Creation Model

The NBI creates value for members and society by establishing platforms that bring business, government and stakeholders together to catalyse collective action to address society's biggest challenges.

We provide thought leadership that helps to build participants' capacity, identify areas of shared risk and opportunity, and define collective projects to implement.

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 right hand page.





NBI focal areas



ENVIRONMENT

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



BOLD AND AMBITIOUS LEADERSHIP

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



INSTITUTIONAL AND GOVERNMENT CAPACITY

Governance and capacity building



ECONOMIC INCLUSION

Skills and employability, township economies, SMEs and youth



SOCIAL COHESION AND INEQUALITY

Gender, race and intergenerational equity

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.



SOCIAL AND RELATIONSHIP CAPITAL

Our excellent relationships with our stakeholders help to enrol key public and private sector resources in collaborative platforms that enable collective action projects, allow capacity building and foster trust

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. Our Social Transformation and TAMDEV programmes address serious social challenges and build relationships with government and business

INTELLECTUAL CAPITAL

We access the experience, knowledge, skills, and expertise of our staff as well as the learning and intellectual property available through our partnerships to enable capacity building 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

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 NBI's team of 46 skilled, qualified and dedicated staff comprise key knowledge experts across a range of subject matters and specialities

The skills and experience of the NBI team continue to grow, further enhancing the thought leadership and knowledge generation potential of the organisation. This year we invested R74 000 in skills development and training, and paid R30 million as salaries

FINANCIAL CAPITAL

Our activities and projects are financed by membership fees and project funding from donors

R24 million in project funding was allocated to specific projects and R14 million in membership fees supported the organisation's core activities

NATURAL CAPITAL

Our activities primarily take place at our head office and at home offices for those working remotely. These require energy in the form of electricity to power office equipment and water for consumption, sanitation and hygiene

Our environmental programme (page 50) 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

Our manufactured capital inputs primarily comprise offices and office equipment

R342 000 invested in IT equipment and R554 000 depreciation in the value of fixed assets during the year



Outputs

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

- Strategic projects and initiatives advanced (see pages 35 to 59)
- Nine thought Leadership reports released and support events
- CEO and Intergenerational Leadership Dialogues

- Capacity Building through one-on-one interactions with members, workshops, webinars, and the TAMDEV initiative
- 76 events/webinars/workshops hosted with a variety of local and international partners and stakeholders
- 28 Quick Briefs/News Flashes and Thought Leadership mailers distributed

Capital trade-offs

In executing 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 appointed a full-time head of finance and an additional bookkeeper to address the increased volume and complexity arising from the number of projects, scale of project funds and increased reporting requirements. We also employed a membership growth and retention manager to enhance capacity to mitigate membership risks presented by the volatile operating environment and to further capitalise on the opportunities for growth. These appointments require additional financial capital but increase the human and intellectual capital available to the organisation.
- The NBI provided bridging funding for construction projects in the Economic Inclusion unit while waiting for funds held up by delays in contracting between donors and government departments. This reallocation of financial capital meant that we were able to start the projects, delivering value for donors, beneficiaries and other stakeholders, increasing social and relationship capital.
- The NBI has a small team that works across many areas. Human capital constraints meant that some focus areas (e.g. our work around the SDGs) were not progressed during 2022.





JOANNE YAWITCH NBI CEO

CEO's Report

The past year was one of growth and increasing impact for the NBI as the scale and reach of our programmes expanded significantly.

At the same time, and despite the difficult business environment, we grew membership, successfully delivered on more than 90% of our planned activities and further bolstered the NBI's reserves. Our priority remained on delivering on our projects, which are designed to encourage and equip South African business to entrench environmental, social and governance (ESG) considerations in their operations,

and to promote these issues with their stakeholders and across the country. The NBI's core strengths remain our ability to build bridges, our robust relationships with all three tiers of government and our capacity to effectively drive collective action. The organisation's strong growth through COVID-19 and beyond reflects the value we offer to forward-thinking companies.

Strengthening organisational capacity

As the threat of the COVID-19 pandemic receded, we reintroduced face to face events, which are an important part of the value we create for members and stakeholders through the networking and relationship building opportunities they create.

The organisational design (OD) and business model review process reinforced many of our strengths and proposed solutions for areas of weakness identified. It created an information base and a road map of actions to substantially strengthen the organisation and its underpinnings.

We made a number of appointments to address key capacity challenges in the last two years. Our financial management capacity was strengthened to meet the volume and complexity from the increased number of projects, scale of project funding and donor reporting requirements. We continue to realise benefits from structured and strategic communications through our growing social media presence, improved branding and positioning, and increased quality and quantity of content output.

The new head of operations role is responsible for system development and standardisation, overseeing

project planning, project management and business development, driving integration across the organisation and ensuring optimal resourcing.

Our new HR coordinator considerably strengthened human capital processes and policies, and we revised procurement policies to meet the additional requirements of international donors to ensure these meet grant conditions.

We have developed an easy-to-use project tracking tool that sets team responsibilities and identifies potential resourcing constraints and will be rolling out an online knowledge management platform and a new CRM system in the year ahead.

Delays at donors and government departments in timeously finalising contracts can defer the start of projects and risks project cancellations. We had to make bridging funding available for construction projects in the Economic Inclusion unit during the year while waiting for committed donor funds to be delivered. The additional capacity added in project management, finance and operational oversight aims to help us to manage these challenges more effectively.

Driving social transformation

The Economic Inclusion and Social Transformation Programme continues to advance its work to address structural and socio-economic challenges by identifying and understanding systemic barriers to change. The Transformation Blueprint and Maturity Curve give

practical guidance to help transform workplaces and supply tools to monitor transformation progress and identify gaps, with a focus on the Gender Pay Gap and gender-based violence (GBV).

The dialogues with CEOs and intergenerational stakeholders have taken off and will be scaled up considerably. The platform developed for anti-corruption and ethics training will be taken forward in partnership with the Joe Slovo Foundation, with further work to analyse corruption control, prevention structure and culture in corporates underway with Corruption Watch and others.

Funding was secured for the NBI's Gender Index, which has the potential for considerable expansion. The Pride in Belonging edu-series we launched raises awareness of the experiences of LGBTQIAP+ employees and promotes belonging in the workplace. The Pink Hub is a virtual platform addressing transformation in supply

chains. The Social Transformation unit also provides strategic insights on gender equity and social inclusion for NBI projects across work areas.

A bold and ambitious 15-year strategy was set for the Economic Inclusion work to build on the foundation established by the Installation, Repair and Maintenance (IRM) programme and achieve scalability. This work advances youth employability, stimulates township economies and helps small enterprises to employ and up-skill young people. Four cohorts of artisans were trained at partner TVET (Technical Vocation Education and Training) colleges and we are implementing IRM Hubs in three locations.

Supporting service delivery

The Technical Assistance, Mentorship and Development (TAMDEV) initiative brings together stakeholders from business and government to foster collective action to strengthen the capacity of the state to delivery services. TAMDEV had another successful year and grew substantially. There is significant need for its services to address capacity gaps at municipal and provincial levels, as well as in other spheres of Government.

Technical resources supported by the initiative helped Infrastructure South Africa (ISA) in their mandate to unlock thousands of catalytic infrastructure projects and assisted the Presidential State-Owned Enterprise Council. Other capacity building projects included the Eastern Cape Project Management Office, Waterberg District Municipality, the Nelson Mandela Drought Mitigation Strategy and Tsantsabane local municipality.

Promoting environmental responsibility

Our climate work has become very impactful, particularly around the Just Transition and Climate Pathways. We aim to implement these programmes more strongly at regional levels and work with members to implement the outcomes and proposals. We gave extensive input to the National Green Finance Taxonomy released by National Treasury and are extending this work to include elements of transition taxonomies.

The COP26 Pavilion, co-hosted by the NBI, business and government, was a resounding success. It provided numerous attendees from a wide range of organisations with more information about the NBI's work and South Africa's approach to climate change, with CEOs from nine local companies attending. The NBI, BUSA and BCG produced sector decarbonisation reports for several key economic sectors, creating an information base for South African business that reflects the official industry views. Our Water work aims to strengthen the

capability of local government to deliver services and identify water investment opportunities. This work is located in key economic hubs through well-established regional partnerships in water-scarce areas of the country (uMhlathuze, Western Cape and Gauteng). This year, we prioritised a partnership in the Eastern Cape that is also a TAMDEV partnership, working with the Nelson Mandela Bay Metro and the Department of Water and Sanitation.

We lacked capacity to materially implement our work to help companies and sectors in integrating the Sustainable Development Goals (SDGs) into strategy and operations. We look forward to reigniting this work as our pilots have shown that our methodology can unlock tremendous value.

Finances

I am pleased to report that, despite the challenging conditions, the NBI further strengthened its financial position during the year. Membership income increased by 6% and project income by 18%. Costs were well managed, with growth of 24% reflecting increased personnel costs as we added capacity and implemented

a cost-of-living increases, as well as increased consulting costs to support project implementation and travel costs resuming following the decrease in severity of COVID-19. Unit expenditure costs were kept within budget. The NBI ended the year with a surplus of R922 000.

Outlook

There is currently no shortage of environmental and social red flags that highlight the urgent need for the NBI's work to address environmental issues, inequality and the structural weaknesses in the country. We have a robust pipeline of existing projects that drive improved ESG performance in business and society with strong potential for additional projects. We are focused on continuing this work and extending the scale and reach of

our collective action projects, while helping business and government to build capacity and providing strategic thought leadership.

A key focus in the year ahead is identifying ways to increase integration and unlock synergies across programmes, while strengthening alignment and coherence in messaging.

J. Yawitch.

JOANNE YAWITCH NBI CEO



Our Material Matters

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

These matters are identified and prioritised from our risk assessments, board and management discussions, engagements with stakeholders, strategic planning sessions and in the reporting process. They influence the organisation's strategy, focus areas, decisions on capital trade-offs and activities, and determine the information disclosed in this report.

COVID-19

COVID-19 has deeply impacted all aspects of business and society, affecting the way we work and where business should be focusing its efforts to support the most vulnerable during the pandemic and to strengthen the country's recovery once it is over. The 2022 financial year started at the height of the COVID-19 third wave and included the fourth wave. We continued to work in a largely remote/hybrid fashion, with a partial return to work from January 2022 following the end of the fourth

wave. The pandemic's ongoing impact in exacerbating inequality and exclusion in South Africa led to demand for the NBI's Social Transformation work but affected stakeholder engagement and in-person events. Many businesses remain under pressure, which affected our ability to grow membership and raise funding. Despite these challenges, the NBI's Membership Head managed to maintain membership and even attract new members in an extremely challenging economic context.

Strategic positioning

There are a number of business organisations active in South Africa and it is essential that the NBI clearly demonstrates and articulates our unique position and strategy, and the value we provide for members. The NBI strategy has been adapted to ensure that we remain relevant and aligned with member priorities post COVID-19. The NBI communication strategy and additional content resources aim to ensure that we clearly and consistently communicate our value proposition.

The goal of the NBI membership journey is to integrate new members into the organisation and support them in progressively increasing their level of commitment to the NBI principles. These include eliminating GBV, setting science-based targets, committing to net-zero, driving transformation, demonstrating ethical leadership and building trust in the role of business in South Africa through action.



Human capital

The NBI's primary assets are the trust relationships we have with our stakeholders, the intellectual capital created through our ways of working and our ability to effectively implement programmes. The quality of these resources is directly attributable to the skills, experience and motivation in our human capital – management, workstream heads and employees.

Our sustainability and capacity to create value for members depend on our ability to attract, develop and retain high-calibre employees. Skills development mainly comprises on-the-job and internal training, which is complemented by the exposure provided through our team-based approach.

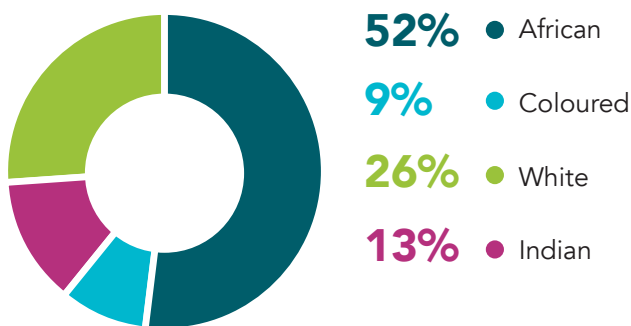
Individual performance contracts include key performance indicators aligned to unit goals and the organisation's strategic outcomes. Biannual meetings as part of the performance management and review process track progress against deliverables, identify

barriers to performance and training needs for ongoing development. We appointed a new Human Resources coordinator who led the process to appoint additional staff to build capacity, introduced more substantive inductions and drove the review and strengthening of policies around succession, promotion and wellness. An Employment Equity committee was established and we are developing standard job profiles for key roles.

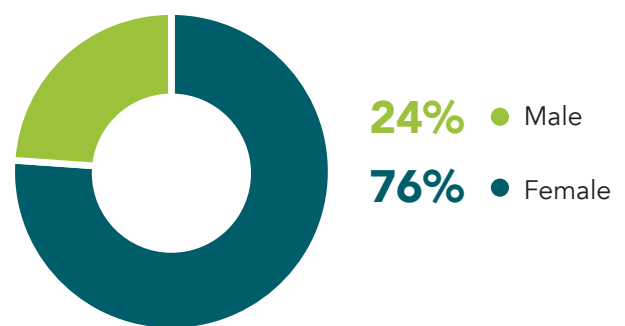
Other learnings from the OD and business model review will be implemented in the next year with a focus on creating a work environment that stimulates creativity and productivity, and promoting staff development, talent development and succession planning.

At the end of June 2022, there were 46 staff members (2021: 33). The additional staff were appointed to align capacity with the increased number and scale of projects. These appointments were made across the organisation, dependent on operational requirements.

STAFF SPLIT BY RACE



STAFF SPLIT BY RACE



Organisational Development Process and Business Model Review

During the year, the NBI concluded an externally facilitated organisational development process and business model review. The participatory process involved extensive interactions with staff and culminated in a workshop with all staff. The processes focused on the organisation's values, culture, operations, ways of working and key business model dilemmas. The results and recommendations were processed through the management and leadership team, and the whole

organisation. There was an emphasis on strengthening the quality of conversation across the organisation to make interactions and solutions more robust. A management teambuilding session in February 2022 consolidated this work and agreed further key steps to implement the recommendations. Key actions and ways forward are being discussed and taken forward across the organisation.

Ethics and governance

Our reputation, ability to establish effective stakeholder collaborations and attract new members depend on the level of trust business, government and society have in the NBI. 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. The NBI's governance structure and practices align with the principles of King IV and support compliance with the Companies Act.

Project execution

The NBI's long track record and experience in implementing impactful and effective projects sets us apart from other business organisations and strengthens stakeholders trust in our ability to deliver while responsibly stewarding financial resources. Project implementation is monitored by management and overseen by the Board in regular updates against the Board Scorecard. Ensuring that projects are adequately resourced in terms of both funding and personnel is an ongoing priority.

We developed an easy-to-use project tracking tool that outlines team responsibilities and identifies potential resourcing constraints to help to understand real-world staff resourcing challenges, based on existing project and pipeline requirements. In the year ahead we will be implementing an online knowledge management platform to enable common access to documents, policies and templates, as well as a new CRM system.

Financial sustainability

The NBI relies on membership donations and project income to fund its activities and projects. Our financial sustainability depends on how well we deliver on projects and demonstrate our value to current and prospective members. We remain focused on cost containment, within the need to adequately resource our units and projects, while continuing to investigate new ways to diversify funding sources.

Membership income increased by 6% on the 2021 financial year and project income rose 18%. Employee costs comprise 82% of value distributed, reflecting the organisation's reliance on its human, intellectual and social and relationship capitals. 14% of value distributed was allocated to infrastructure costs, 2% to member-related activities (primarily consulting costs) and 2% was retained to increase reserves, which stood at R19 million at the end of June 2022.

REVENUE BY SOURCE



- 62% ● Project income
- 2% ● Interest received
- 36% ● Membership donations income

VALUE DISTRIBUTED



- 82% ● Employee cost
- 14% ● Infrastructure
- 2% ● Member-related activities
- 2% ● Retained in the organisation



Our Key Stakeholders

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

Stakeholder engagement is an ongoing focus to maintain our deep understanding of the evolving interests and concerns of our stakeholders, which informs our strategy 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 and Twitter, as well as our YouTube channel and website.

Our key stakeholder groups, their concerns and how we address these, are described below and on the following pages.

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 respond:

We engage with members on an ongoing basis to understand their needs, provide relevant thought leadership and support, and to communicate the value the NBI creates for members and society. Members are represented on the NBI's Board and in the regional and national membership councils. They also participate in programme advisory structures and partner in publications, dialogues and events. The NBI provides significant thought leadership, bold leadership platforms and networking opportunities for members. We play a 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. The NBI leverages its strong relationships with government to play a bridging role between government and business.



EMPLOYEES

Key concerns:

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

How we respond:

The NBI is committed to responsible HR practices and fair pay. The small size of the organisation promotes good communication and regular performance management reviews provide opportunities for employees to communicate concerns, training needs and obstacles to their development. Skills development includes on-the-job training, internal programmes and exposure gained from our team-based approach. Effective health and safety protocols are in place, including COVID-19-related protocols. The organisational development process and business model review was informed by extensive interactions with employees that culminated in an in-person workshop attended by all staff.



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 respond:

We interact with government at regional and national levels on an ongoing basis as part of specific projects. Our core projects align with government priorities and successful delivery drives progress towards these goals.



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 respond:

We interact with project beneficiaries and sponsors during project setup, delivery and at closure/exit. Projects are designed to maximise benefit and sustainability. 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 11)

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 respond:

We work closely with our strategic partners on core projects and when developing thought leadership to ensure that these consider the local context. 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.



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 respond:

Regular interactions with these stakeholders ensure strategic alignment and delivery on 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.

* *BASA, BUSA, BLSA, BBC*

† *CDP, specialist consultants*



Our programme areas:

Social Transformation

The NBI's Social Transformation programme aims to identify and understand systemic barriers to change and develop appropriate interventions to address the serious structural and socio-economic challenges facing South Africa. We provide the tools, structures and thought leadership business needs to play an essential role in helping to reduce inequality, intolerance, corruption and high unemployment, particularly youth unemployment.

The programme comprises three pathways:



The expansion and growth of these pathways have created opportunities for the NBI to make a significant impact working across key stakeholders in government, the private sector and civil society organisations (CSOs). Expansion plans are in place and we are busy raising the necessary funding. The plans aim to propel integration

of the unit's key focus areas and underline increasing synergies, especially around Gender Equity and Social Inclusion (GESI) and the Ethical Fitness Course, by mobilising collective action, thought leadership and capacity building.

Transformation and Equity | Towards Equality and Social Cohesion

In the context of South Africa's history and continued discrimination and exclusion, we regard addressing inequality as a critical lever for change. The goal of our Transformation and Equity work is to break down structural barriers and biases by prioritising business's

role in addressing inequality and exclusion, while supporting social cohesion through the transformation of workplaces. The NBI engages companies to promote interventions to achieve these goals through dialogues, working groups, research and advocacy.

Strategic goals	Focus areas
<ul style="list-style-type: none"> • Increase advocacy and drive commitment in addressing transformation • Develop practical guidance and support to support change • Establish critical government and civil society relationships • Collectively contributing to the eradication of Gender-Based Violence (GBV) by leveraging a multi-stakeholder approach and integrating GESI 	<ul style="list-style-type: none"> • Striving towards equity and social cohesion in addressing income inequality, workplace transformation, pay disparity and gender inequality • Contributing to eradicating gender-based violence (GBV) • Promoting gender parity • Helping to drive belonging at work and transformation in the workplace • Supporting an inclusive workplace culture

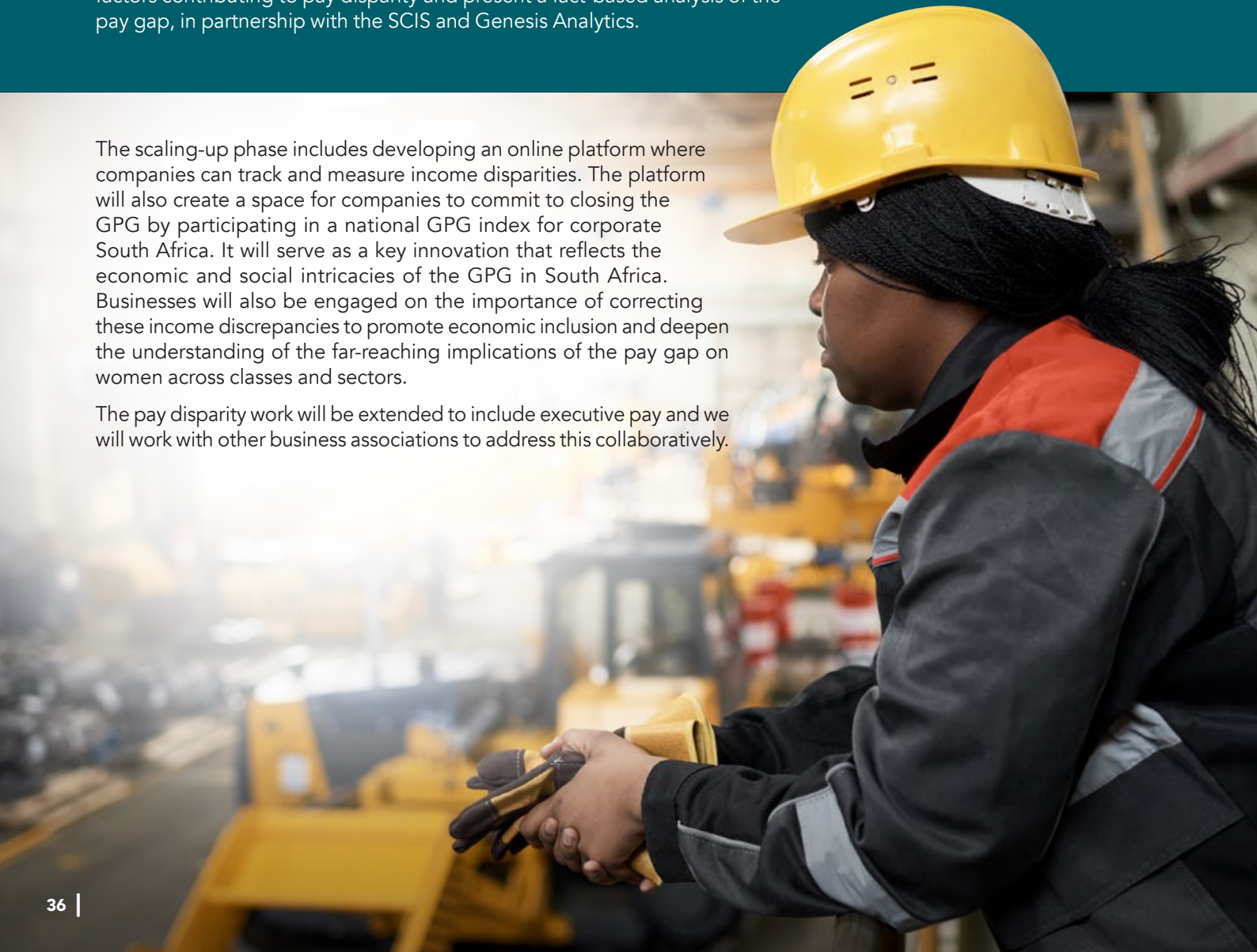
Income Inequality: Pay Disparity | Gender Pay Gap Pilot

The NBI’s Social Transformation Gender Pay Gap (GPG) pathway has a multi-tiered approach. Following the conclusion of the research phase of the project in 2019, we published the GPG calculation methodology in 2020. In partnership with the Southern Centre of Inequality Studies (SCIS) at the University of Witwatersrand (WITS), we developed an econometric model from the report that will assist companies to calculate and measure their GPG.

The GPG pilot is still underway but is now scaling up the next phase to identify the key factors contributing to pay disparity and present a fact-based analysis of the pay gap, in partnership with the SCIS and Genesis Analytics.

The scaling-up phase includes developing an online platform where companies can track and measure income disparities. The platform will also create a space for companies to commit to closing the GPG by participating in a national GPG index for corporate South Africa. It will serve as a key innovation that reflects the economic and social intricacies of the GPG in South Africa. Businesses will also be engaged on the importance of correcting these income discrepancies to promote economic inclusion and deepen the understanding of the far-reaching implications of the pay gap on women across classes and sectors.

The pay disparity work will be extended to include executive pay and we will work with other business associations to address this collaboratively.



GBV Private Sector Support

South Africa is one of the most unsafe countries in the world to be a woman or gender non-conforming person, with among the highest rates of intimate partner violence, rape and sexual violence. The NBI supports companies to play an active role in eradicating this shadow pandemic by declaring a 'zero tolerance' approach for GBV in all forms and strengthening existing interventions through collaboration and accountability.

The GBV Community of Practice (CoP) (previously known as the GBV Working Group) seeks to collaboratively respond to GBV by enabling knowledge sharing and best practices and creating a space to co-create solutions. The CoP's objective is to identify and implement a collective action intervention that will serve the call for the private sector to address GBV. The working group comprises 13 member companies and a mixture of other representations, including CSO representation and members of the Social Transformation Unit.

This area of work is continuously developing to support the broader narrative of the National Strategic Plan in addressing GBV and Femicide (GBVF NSP). Our current activities are:

- Mobilising the NBI GBV CoP to develop responses to the issue.
- Developing a GBV Blueprint: We have signed an MoU with the WE-DARE project. We are tailoring existing and emerging learnings from the NBI member pool (GBV CoP) and identifying further practices and opportunities for pre-analysis research and impact.
- Further supporting the WE-DARE project, the NBI is developing a Social Impact Assessment Tool.

The Transformation Blueprint

We are rolling out a Transformation Maturity Curve to support the implementation of the Transformation Blueprint launched last year. The tool helps companies to understand, at organisational and employee levels, where they are positioned in the journey to becoming a transformed workplace. The tool provides important insights into how organisations are actively driving inclusion and transformation, as well as the experience of employees. We tested the tool internally during the year and the results provided input into the organisational design process. The survey will be rolled out at two member companies in the year ahead before launching it more broadly.

The Transformation Blueprint and Maturity Curve is one of the flagship works of the NBI that enables an ongoing assessment of the transformation journey of corporate South Africa. The Blueprint focuses on three critical aspects to be addressed by companies on their transformation journey, based on gaps identified and opportunities to make real change:

- Bold Leadership
- Inclusive Policies and Procedures
- Transformative Social and Workplace Culture

This piece of work speaks to various aspects of social and economic transformation, and we are committed to maintaining ongoing advocacy and engagement to deepen and enrich it.

Further development on this pathway, albeit still at an early stage, will be a partnership on an ISO diversity and inclusion (D&I) training course, tailoring additional guiding principles to five NBI member companies, and rolling out our Transformation Blueprint and Maturity Curve surveys. This will create focused offerings that drive social sustainability, transformation, and diversity and inclusion with the key objective of developing a transformed private sector in the context of the complex and nuanced transformation agenda in South Africa.

Gender Index Implementation

In partnership with ABSA, we are developing a Gender Index, which will benchmark company efforts to achieve gender equality and equity against a set of themes and key indicators based on the United Nations Women Empowerment Principles (UN WEP). Companies will be able to track and measure their performance on an online portal against indicators that reflect the economic and social intricacies of the UN WEP in South Africa. In 2022, research was concluded on the benchmark study for the index.

The Gender Index aims to gain a deep understanding of how companies are contributing to achieving equality and equity against a set of themes measured against key indicators.

We aim to roll this work out in May 2023 and are planning to create a Thought Leadership Series to mark the launch of the index and highlight our work to address the Gender Pay Gap.



Belonging at Work: LGBTQIAP+ Edu-Series

We launched six educational videos as part of our Pride in Belonging Edu-Series on the experiences of LGBTQIAP+ employees in the workplace. It provides a platform where employees who identify with the LGBTQIAP+ community can elevate their experiences and advocates for companies

to make structural and social changes that prioritise belonging. Companies that have a deeper understanding of these experiences are in a better position to formulate transformative policies and create inclusive cultures which prioritise belonging.

Belonging at Work: The Pink Hub Development

The Pink Hub will serve as a one-of-a-kind virtual platform to provide LGBTQIAP+-owned and led businesses with a digital space to connect with corporates and explore possible opportunities. As the site grows, we hope to extend its offering to regional (Southern Africa) business owners and private companies.

The platform will provide support for economic development for companies by:

- Providing a business database for the private sector to promote LGBTQIAP+ diversity in their supply chains.
- Linking SMEs to share information on an accessible online platform.
- Expanding reach for companies to communicate supply chain and ESD opportunities.

- Strengthening and growing economic participation by LGBTQIAP+ businesses.
- Ensuring an expanded profitable market that promotes a socially progressive earning potential for the LGBTQIAP+ market.
- Publicising dialogues and events on economic ownership.

At a later stage, we aim to improve accessibility by adding a downloadable application. The platform will also host emerging knowledge from LGBTQIAP+ business leaders through thought leadership discussions as well as communication of business opportunities from private and public entities.

Gender Equity & Social Inclusion (GESI) Integrated Support

The NBI recognises that gender equity and social inclusion are of central concern in our society. The NBI sees gender equity and social inclusion (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 on GESI for numerous areas across the NBI (specifically towards our Economic Inclusion and Environment Climate Finance Accelerator programmes). This intervention ensures that the organisations in these projects operate accountably, build public trust, dismantle barriers faced by marginalised groups and ensure equitable access to opportunities.

Activating Bold and Transformative Leadership

Strategic Goals	Focus areas
<ul style="list-style-type: none"> • Activate private sector leaderships' commitment to contribute actively and meaningfully to change within our society by dealing with inequality, inequity, and exclusion • Reinforce leadership commitment to support approaches and interventions that drive transformation within workplaces and strengthen business' role in society • Enable access and engagements with senior leadership, and champion leadership that drives collective action through implementable and innovative approaches • Provide a platform for young leaders to hold a central role and contribute to shaping an equal and inclusive society 	<ul style="list-style-type: none"> • Intergenerational Leadership Dialogues • CEO Thought Leadership Dialogues

The CEO Thought Leadership Dialogues and Intergenerational Leadership dialogues are fundamental access points in the development and shaping of all our key pathways under Social Transformation that deepen engagement with C-Suite executives, activate meaningful commitments to promote transformation and provide a platform for young and diverse voices in the discussion and debate on issues of inclusion and equity.

During the year, five dialogues were held:

CEO Thought Leadership Dialogues	Intergenerational Leadership Dialogues
<ul style="list-style-type: none"> • Gender Diversity and Women Empowerment in the Workplace with Imperial (August 2021) • Nation Building in the Time of a Crisis with Shell (October 2021) • Courageous Leadership, with the Woolworths Inclusive Justice Initiative (February 2022) 	<ul style="list-style-type: none"> • Cultivating Bold Young Leadership for the Future (September 2021) • Women in Sports (April 2022)

Building Trust and Accountability through Ethical Leadership and Anti-Corruption

Corruption and unethical behaviour are ongoing impediments to effective economic and social transformation in South Africa. Our work in this area strengthens the relationship between business and broader society by promoting an ethical and responsible private sector.

Strategic Goals	Focus Areas
<ul style="list-style-type: none">• Deepen and broaden this area of work beyond the capacity building platform• Build the capacity of organisations to build ethical leadership, good governance and address corruption beyond compliance• Facilitate critical dialogue and engagement within the private sector	<ul style="list-style-type: none">• Addressing corporate corruption in South Africa through the Corporate Corruption Case Studies• Ethical Leadership and Anti-Corruption training (Ethical Fitness Course)• Accountability Talks

Addressing Corporate Corruption in South Africa

In partnership with Corruption Watch and the Overseas Development Institute, the NBI is participating in a project that examines corruption in and by corporations. EOH and Transnet agreed to be case studies.

The project aims to:

- Develop a protocol to analyse a corporation's distinctive structure and culture from the perspective of corruption control and prevention.
- Test the protocol through at least two in-depth company case studies.
- Revise and supplement the protocol, based on lessons learned from the case studies, to be a guide to customising the content of anti-corruption policies and programmes.

Online Capacity Building Curriculum Development

The NBI, together with the Basel Institute on Governance and the Center for International Private Enterprise (CIPE), took a deep dive into the evolving role of business in reducing illicit financial flows in Southern Africa to boost market growth, and develop and strengthen governance systems. As part of the solutions required to combat

corruption in the private sector, the NBI launched the first training series under our Building Trust and Accountability Pathway work. The NBI Ethical Leadership and Anti-Corruption Course aims to build capacity to address the current and fast-growing culture of unethical behaviour and corrupt activities in the private and public sectors.



The training seeks to expand opportunities for knowledge and best practice to help organisations to establish an awareness base about anti-corruption and unethical behaviour in the workplace and provides a letter of endorsement for participation. The training platform will allow 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. The course has been handed over to the Joe Slovo Foundation, which will house and support the platform for the course delivery.

Accountability Talks

We have identified the need for dialogue, creating learning by sharing spaces and promoting best practices by modelling transparency, governance and integrity, and supporting accountability.

In hosting the Accountability Talks, the NBI seeks to unearth authentic stories and case studies of challenging corruption, dissect unethical behaviours, and show how ethics and governance can take shape to shape industry norms. The NBI is partnering with KPMG for this initiative, which includes clear branding and presence on all relevant communications, publications, and the NBI and KPMG websites. In 2022, we shot a video with KPMG. We hope

to further develop the Accountability Talk series and acquire a residency at Constitution Hill, where video shoots would be exclusively recorded. Each thematic concept for the dialogues would be shot in a suitable room on the Hill that aligns with the messaging of the dialogue. This will create an ongoing platform for candid and constructive discussion on ethics and anti-corruption, with a focus on leadership and the private sector's role in dealing with these challenges.

Priority in 2022	Achieved in 2022
<ul style="list-style-type: none"> The practical roll out of the Transformation Maturity Curve and Gender Pay Gap tool 	<ul style="list-style-type: none"> The Transformation Blueprint enhances workplace transformation by moving organisational guidelines beyond compliance. The rollout of the maturity curve increases company's exposure to the importance of cohesive approaches to transformation in the workplace The Gender Pay Gap pilot catalyses companies to commit to closing the pay gap by 2030. In the last year we have focussed on attitudinal change, including how to assist executives in addressing income inequality & pay disparity
<ul style="list-style-type: none"> Encouraging member companies to support youth employability work with regard to their enterprise development and supply chain 	<p>Engagement from member companies has improved and continues to increase. In the period we had several strategic engagements with a wide range of member companies that have committed to supporting the programme</p>

Priority for 2023:

- Roll out Ethical Leadership and Anti-Corruption training

Economic Inclusion

The Economic Inclusion programme focuses on addressing the systemic barriers historically disadvantaged groups face in accessing opportunities in the economy. The magnitude of the challenge requires an ecosystem-wide and partnership-driven approach to innovative interventions.

Our approach has been to leverage years of experience in skills development and training to unlock the demand for jobs and support young people in gaining relevant skills to access these opportunities. At the core of the work is the Installation, Repair and Maintenance (IRM) programme, which is set to scale significantly. The

enlarged programme will demonstrate the efficacy of the IRM township economy model in an integrated ecosystem intervention that supports governmental strategic initiatives, particularly the Economic Reconstruction and Recovery Plan and the Presidential Youth Employment Intervention (PYEI).

Strategic Goals	Focus Areas
<p>Create an ecosystem that:</p> <ul style="list-style-type: none">• Unlocks the potential for enterprises across the formal and township economy to provide demand for skilled, productive labour across the local infrastructure and industrial development value chains• Equips young people with skills to enable them to access sustainable employment or self-employment opportunities in IRM roles within these value chains	<ul style="list-style-type: none">• Identify and unlock market opportunities for formal and township IRM entrepreneurs in local value and supply chains through partnerships with government and industry (linked to local infrastructure and industrial development investment)• Identify township based IRM entrepreneurs and offer support in enterprise development, skills development and market access, on the proviso that they train and employ IRM trainees• Capacitate TVET Colleges to provide the necessary enterprise development support (through IRM hubs) as well as demand-led vocational skills training• Create an enabling environment for the provision of recognised IRM skills for workers, unemployed and new entrants in IRM enterprises

The IRM Initiative

The Installation, Repair and Maintenance (IRM) Initiative is a multi-sector partnership that expands and grows pathways for youth into artisanal roles, with a particular focus on the green economy. It operates across the formal and township economy and prioritises plumbing, electrical, electronics, solar PV, automotive, and infrastructure development and maintenance. The initiative worked with more than 80 township - based IRM SMEs across Gauteng and KwaZulu-Natal during the year, with support ranging from

intensive mentorship and training to more high-level online support and advice. This support opens up market access to grow revenues and increase the demand for skills and jobs. Training is based on demand to ensure that as many of the candidates as possible have opportunities at the end of the training.

Highlights for the year include:

- 45 IRM candidates were trained as plumbing hands and/or general repairers in Gauteng and the Western Cape.
- An additional 15 IRM candidates trained at Northlink College in the Western Cape completed their work placed training in July 2022.
- 49 youth in the Mandeni area of KwaZulu-Natal were enrolled into the IRM general repairer training with Umfolozi TVET College.
- 30 IRM candidates were trained as plumbing hands in Richard's Bay Campus with Umfolozi TVET College.
- 10 Artisan Recognition of Prior Learning candidates were trained as plumbing hands in Mandeni Campus with Umfolozi TVET College.
- 12 candidates from Soshanguve completed their general repairer training and entered work in April 2022.
- A further cohort of 30 general repairers was rolled out in Pretoria with Tshwane North TVET College.
- Our first cohort of 60 general repairers in Atlantis, Cape Town, with the West Coast TVET College.
- Funding was secured to equip the Mamelodi campus of Tshwane North College to deliver IRM skills, to support demand for skills for contractors participating in the construction of the Tshwane Automotive special economic zone looking to take on 60 IRM candidates.

Support for Public Health Facilities

During the Covid-19 pandemic, the IRM Initiative engaged township enterprises to provide repair and maintenance of public health care facilities in the City of Johannesburg as well as Chris Hani Baragwanath Hospital (CHBH). Overall, 60 unemployed youth received training in welding, carpentry and upholstery under the mentorship of Soweto-based artisans to repair medical equipment and furniture at CHBH for future auction. In the end, 30 of these candidates received further training and the programme was rolled out to nine other hospitals across the province.

The programme also provided 33 Gauteng township plumbing businesses with enterprise development support and skills upgrading. This included enabling township plumbers to have their competencies assessed, skills gaps addressed and undergo a trade test towards the full plumbing trade qualification and registration.

IRM Township Hubs

Research and analysis show that SMEs hold significant potential for job creation. Yet many SMEs in South Africa are excluded from the formal economy for a variety of reasons. The NBI's work aims to unlock the potential in the many township IRM enterprises by nurturing an ecosystem to stimulate demand for IRM candidates, providing opportunities for training and creating sustainable employment or self-employment opportunities.

Last year, we launched our first IRM Hub in Ekurhuleni, Gauteng with our second in iLembe, KwaZulu-Natal opening in October 2021. These hubs identify entrepreneurial IRM enterprises in townships, provide support to strengthen them and enhance their market access, and also provide entrepreneurial IRM candidates with the opportunity to incubate new business ideas.

Once these businesses achieve sufficient levels of compliance and readiness, they can be linked to formal supply chains. The NBI is mobilising its members, the business and government community more broadly to participate in ESD investments in the township enterprises, which will be supported through the IRM hubs.

The Ekurhuleni Hub worked with ten township SMEs and saw positive benefits in growth and increased market access. 12 TVET College graduates in marketing and financial management were placed with these SMEs as part of their work-based learning. The iLembe hub enrolled ten township based IRM businesses and an additional seven SMEs were supported by SAPPI through the Hub as part of their ESD programme.





Scaling up the IRM Township Hubs

The Ekurhuleni and Covid Response projects ended in March 2022 and the iLembe project was extended to the end of September 2022. These projects not only achieved notable results and impact, but also helped to test the model, informed our strategy going forward and built key partnerships and relationships.

We have mapped out a bold 15-year strategy to scale up impact by finding the right partners to shift the system significantly. The enlarged programme retains its focus on removing structural barriers facing township-based SMEs to unlock sustainable growth and create employment opportunities for young people through enterprise development and skills development initiatives in IRM township hubs. The primary target group is black youth, particularly graduates, unemployed youth and young people living with disabilities, with a particular emphasis on women. GESI is being integrated into the IRM training,

with targets of 50% female participation for colleges and supported workplaces to ensure these are appropriate and create inclusive, safe environments.

The IRM programme will transition from on-the-ground implementation to ecosystem management relying on implementation partners to deliver the work, switching the NBI's focus to systemic capacity building and transformation through a model that is manageable and aligned to our way of working. This includes our work with the PYEI, which will support the Presidency's immediate and short-term infrastructure development goals by addressing system blockages and unlocking the full potential for workforce development and employment creation in the infrastructure development value chain.



INFRASTRUCTURE DEVELOPMENT

Linking township contractors to public and private sector construction and maintenance supply and value chains.



GREEN ECONOMY

Leveraging off demand for sustainable construction and maintenance practices, as well as downstream renewable energy products and services.



LOCALISATION & REINDUSTRIALISATION

Aligning to sectoral and local industrial development nodes including industrial parks, eco-industrial parks, special economic zones and industrial development zones.

The programme aims to launch nine hubs over the next three years in Gauteng, KwaZulu-Natal and the Western Cape. The Atlantis IRM project will test the IRM initiative's role in facilitating a Just Transition, working closely with the NBI Environmental team to explore a green value chain

approach. To support the focus on the green economy, we are developing a toolkit that will facilitate access to knowledge, skills and business opportunities in the green economy for township IRM enterprises so they are not left behind in the Just Transition journey.

Priority in 2022

- Implementing the IRM strategy and expansion plans

Achieved in 2022

We made significant progress in scaling and growing the project and broadened the geographic focus with the addition of Atlantis in the Western Cape

Priority for 2023:

- Deepen the scope of the IRM SME and Township Economy focus



TAMDEV

Technical assistance, mentorship and development (TAMDEV) is a technical assistance and mentorship programme that brings together stakeholders from business and government to foster collective action to strengthen the capacity of the state to effectively delivery services.

Improved service delivery benefits business, government and, ultimately, broader society. Retirees and technical experts from the private and public sector are recruited as mentors and technical experts to build capacity and transfer skills.

Technical assistance is provided according to identified needs, with most areas focusing on building technical capacity in water, energy and financial management. Funding is provided by NBI members and partners, who also actively participate in the projects, building trust between the private and public sector. TAMDEV's presence in various joint Provincial and National Governance structures creates opportunities for

the private sector to participate in decision-making processes to improve service delivery.

Our engagements show that capacity building in local municipalities can have a catalytic impact on service delivery. For example, poor project preparation affects municipalities' ability to access grant funding. By improving the quality of proposals, TAMDEV supported the Lephhalale Local Municipality to access R400 million in funding with 19 other local municipalities in the Eastern Cape securing approval for 13 new projects. Town planning support has improved local municipalities' ability to effectively plan projects, reducing delays and unblocking infrastructure development.

Strategic Goals

- Facilitating active collaboration between government and business
- Fostering trust
- Coordinating collective effort

The conclusion of the pilot projects during the year provided an opportunity for review and reflection on the impact of the Unit's work. Independent evaluations of the mentoring programme showed positive results in planning, communication, resource management and strategic thinking. Mentors, mentees, funders and relevant role-players assisted in identifying success factors and opportunities, which informed the development of

standardised key activities and a mentor handbook that will assist in the scaling of TAMDEV.

Our partners in government acknowledge the value of the programme, cooperation continues to improve and the projects were extended and expanded during the year, with most existing funding partners pledging to continue their support.

National Projects

Infrastructure South Africa (ISA)¹

ISA has identified 4 000 catalytic infrastructure projects across the country valued at more than R1 billion. TAMDEV provided technical assistance with due diligence, financial modelling as well as project design and structuring, to appraise and evaluate the projects. This support is provided by 14 technical engineers and project managers, as well as an independent monitoring and evaluation specialist. During the first stage, we helped to develop a transitional secretariat, standardised documentation development and

established the Project Management Office (PMO) and Provincial Project Management Units (PMUs). The project officially ended on 31 December 2021, but was extended to December 2022, with additional support expanded to include strategic, financial and technical support to ISA's PMO, Centre of Excellence and Shared Services Office.

Project partners: Department of Public Works and Infrastructure, ASISA

Presidential State-Owned Enterprise (SOE) Council (PSEC)

We provided 14 technical experts in financial and property analysis, governance as well as oil and gas, to support the assessment of turnaround plans for 34 SOEs.

Project partners: Department of Public Enterprises, ASISA and BLSA



¹ ISA is a programme within the Ministry of Public Works and Infrastructure established in 2020 to create a single point of entry for accelerated infrastructure investment, with a particular focus on both public and private sector catalytic social and economic infrastructure projects.

Provincial and Local Projects

Eastern Cape COGTA PMU

Since April 2020, TAMDEV has helped to establish and capacitate a PMU to effectively manage infrastructure projects in the Eastern Cape Province. Support was further extended to selected municipalities for infrastructure planning and revenue management. The PMU created a platform for rigorous engagements between government and business to co-create solutions in selected areas. The project will officially end in March 2023. EC COGTA entered

into a direct memorandum of understanding (MoU) with the NBI to ensure continuity of the collaboration. The second phase of the project will prioritise unblocking infrastructure projects, providing financial management support for municipalities in distress and supporting local economic development projects.

Project partners: EC COGTA, DBSA and BLSA.

Technical Mentorship Programme in the Waterberg District Municipality (Limpopo)

This project focused on strengthening the capacity of the Waterberg District Municipality and Lephalale Local Municipality in the areas of infrastructure, financial management, local economic development, project management and strategic planning. The pilot officially ended in March 2022 and was extended for another two years. Initially, ten mentors were appointed and matched to 16 mentees. A further 39 mentees were identified from

both municipalities for the second phase and joint planning sessions were held to agree focus areas and specific goals. These include improving project management, water and energy infrastructure, disaster management and financial management.

Project partners: Exxaro, National COGTA, the District Hub and the Public Private Growth Initiative.

Nelson Mandela Metro Drought Mitigation Strategy (Eastern Cape)

TAMDEV is providing technical assistance and mentoring to support the Metro's public awareness strategies and campaigns, as well as a project to fix leaks at schools and improve water infrastructure maintenance and planning.

35% of the Metro's water loss originates from schools. The Adopt-a-School programme paired 84 schools with various corporates to train and mentor 25 Community Work Programme trainees in basic plumbing skills to assist with

leak repairs at eight schools. Four mentors were deployed in the metro to assist with communications, mitigation strategies and to mentor six engineers in critical mechanical and electrical repairs to reduce turnaround times when repairing pumpstations.

Project partners: Local business chambers, the Ministerial intervention Team, Beyond Advocacy Fund (BAF) and BLSA

Tsantsabane Local Municipality (Northern Cape)

TAMDEV provides mentorship to the Municipality's finance department to assist the CSIR in implementing Anglo American's capacity building programme. The programme was extended to September 2022 with six mentees identified. Focus areas were drawn from recurring

issues identified in the Attorney General reports of the past three years.

Project partners: Anglo American and the CSIR.

Ad hoc Projects

TAMDEV's trusted relationship with government positions us to respond to ad hoc requests in times of disaster. During Covid-19 we installed 208 foot-operated standpipes and handwash units in various municipalities across South Africa. We also provided technical support to assess flood

damaged assets in the Eastern Cape by deploying three engineers to the OR Tambo District Municipality. The engineers assessed and costed damages in the affected areas, which included the collapse of the Mthombe Tsitsa Bridge, which affected approximately 800 households.

Priority in 2022	Achieved in 2022
<ul style="list-style-type: none"> Take ISA projects to market for job creation (unblock projects via a platform that can raise problems and offer support) 	<p>Technical assistance was offered and the project extended to December 2022 (see page 47)</p>
<ul style="list-style-type: none"> Help to bring financial stability to municipalities 	<p>Group coaching was provided to finance teams in five municipalities, three of which achieved unqualified audit outcomes</p>
<ul style="list-style-type: none"> Strengthen the capacity of the State in critical areas, e.g. infrastructure and strategic planning 	<p>TAMDEV supported a range of government entities, including the PSEC, the Nelson Mandela Bay Metro (Drought Mitigation) and the Minister of DWS. Functional PMOs were also established for the ISA, Waterberg District Municipality and EC COGTA)</p>

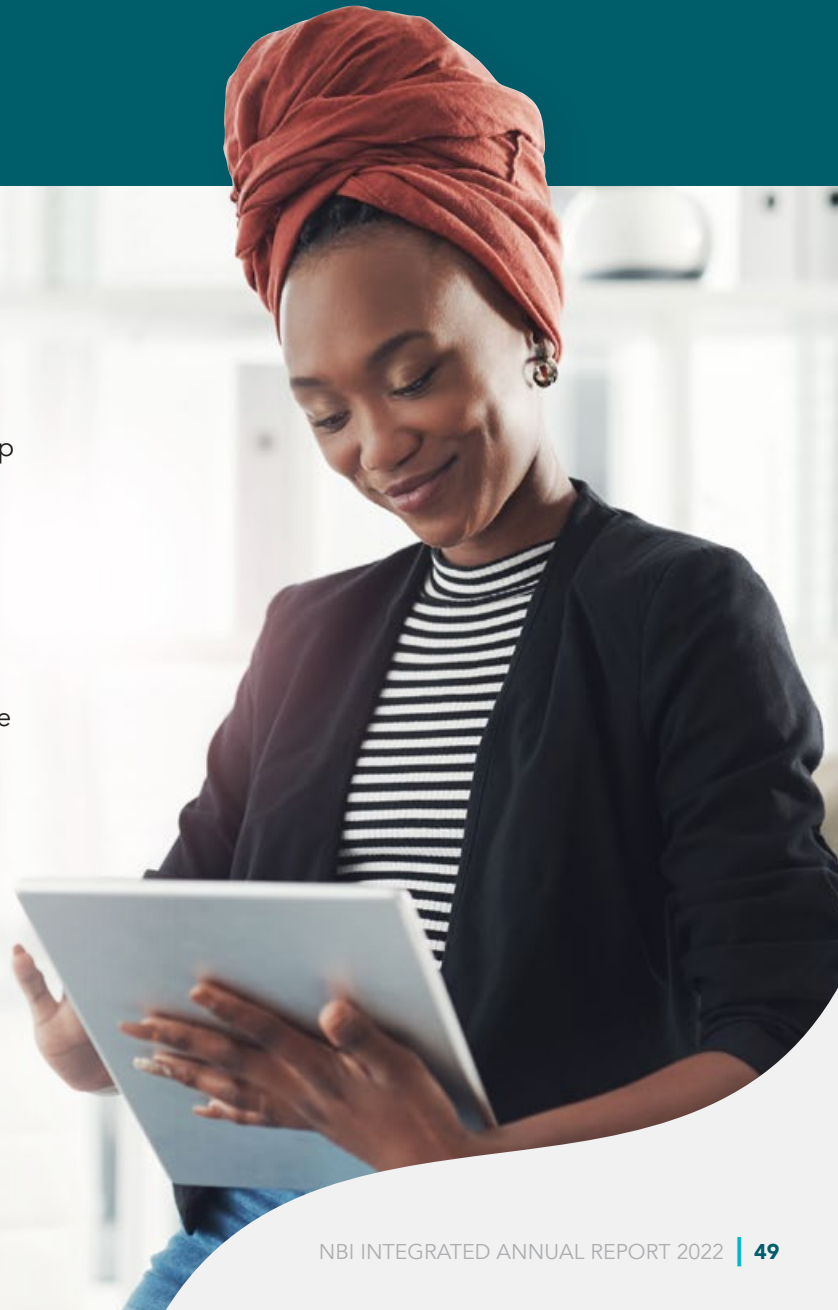
Looking Ahead

Ongoing discussions have identified many potential opportunities in the public sector and demonstrated continued commitments from business partners to provide support. Additional Memorandum of Understanding

are in progress with the Department of Water and Sanitation and the Department of Public Works and Infrastructure for the additional projects planned in the year ahead.

Priorities for 2023

- Continue to progress our current projects
- Identify and secure resources to scale the model up to meet the significant scale of need
- Improve the sustainability of TAMDEV by securing long-term funding
- Expand the footprint of TAMDEV in the country, especially in the critical areas of water and energy
- Implement all the TAMDEV pillars (technical assistance, mentoring and development) across the three tiers of government



Environmental Sustainability

The NBI's environmental projects and initiatives have generated considerable expertise in the NBI in the most pressing aspects and **business impacts of environmental issues, particularly climate change, energy, the Just Transition and water.**

We have made a significant contribution to advancing business leadership on adaptation and climate resilience in recent years. This includes developing a strong set of private sector case studies, conducting an initial scoping of business adaptation related opportunities, undertaking certain capacity building activities, and implementing a national water resilience programme. Our work is informed by a deep understanding of the entrenched social injustices and development imperatives that South Africa faces.

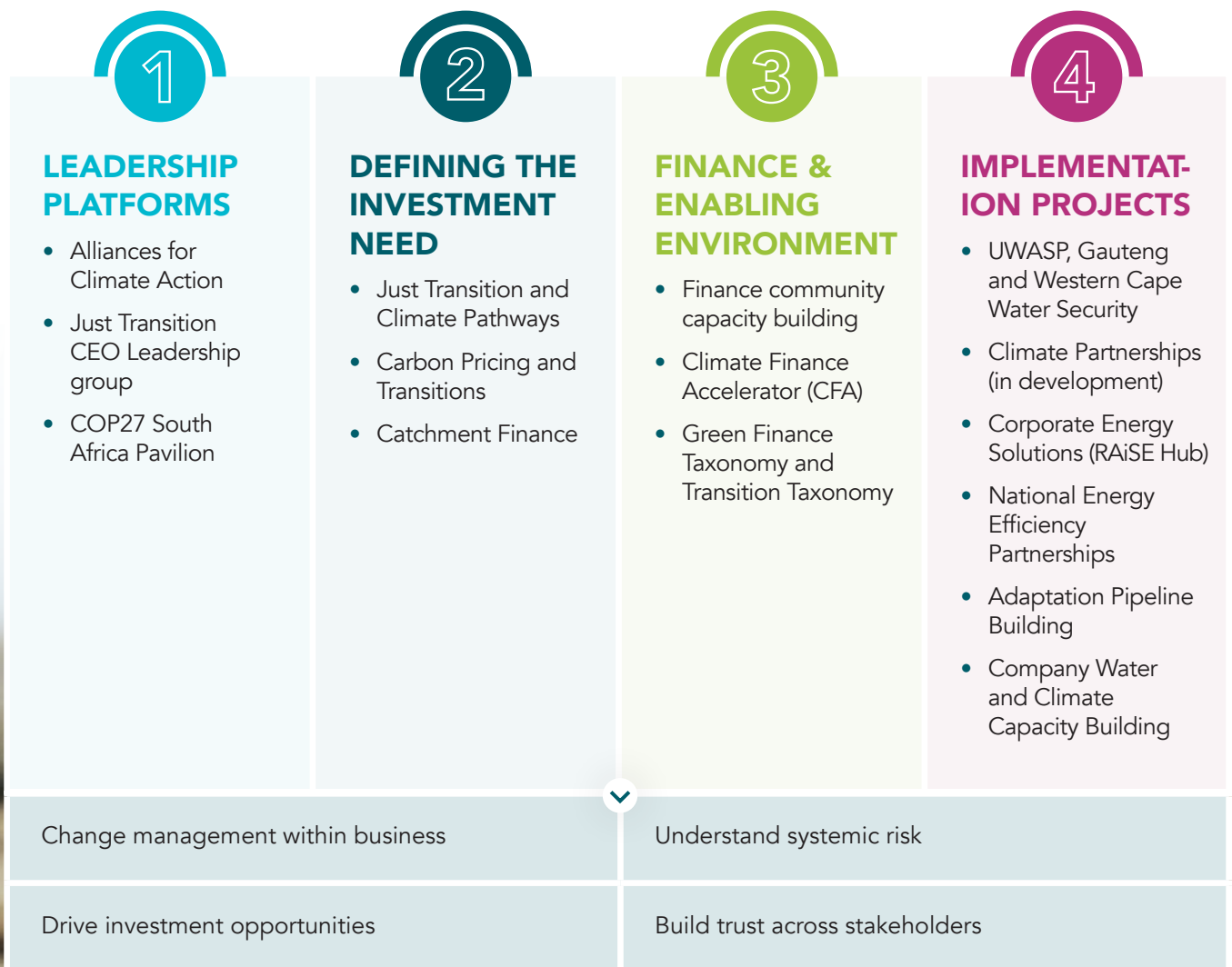
The goal of the Environmental Sustainability unit is to emphasise the environment as a strategic priority for business, identifying and exploring the links between the environment, society and the economy. We help business to develop the capacity to respond to environmental trends and provide opportunities to participate in collective action to strategically reduce environmental risks, support an economic transition and promote social transformation.



Strategic Goals

- Help corporates to grasp the full impact of environmental risks on their businesses
- Support them to develop the ability to respond to environmental risks, opportunities and trends
- Provide a collaborative platform for business to take decisive collective action to manage environmental risks and to realise opportunities

The NBI's environmental strategy is built on four key pillars designed to deepen company ambition and engagement in climate change issues and to identify investment and project opportunities:



Leadership platforms

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

- The Alliances for Climate Action (ACA), comprising the NBI, WWF South Africa and C40 Cities, advocates for and works towards a resilient net-zero economy by 2050.
- The Just Transition CEO Leadership Group brings together 30 CEOs from across the private and public sectors committed to long-term climate action.
- The NBI has co-hosted the South African pavilion at the last five UN COP Climate Conferences. This year, we signed an agreement with the Department of Forestry, Fisheries and Environment (DFFE) extending this role for the next five years. The COP 26 pavilion created a valuable forum for government and business to engage on the Just Transition and highlight key

investment opportunities in South Africa. The COP27 South Africa Pavilion in Sharm El-Sheikh, Egypt in November 2022 presents an excellent opportunity to position South Africa's commitment to developmental decarbonisation informed by ambitious climate action and to build strong partnerships across government, business and other stakeholders.

- Our regional water partnerships in KwaZulu-Natal, Western Cape and Gauteng offer member companies the opportunity to work with a range of catchment critical stakeholders to understand water supply and demand challenges and craft collective solutions.

At a member level, we engage regularly to provide specific, tailored value. Engagements 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.

Defining the Investment Need

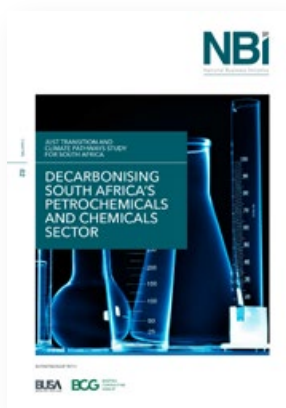
The **Just Transition and Climate Pathways project** is a flagship initiative in partnership with Business Unity South Africa (BUSA) and the Boston Consulting Group (BCG) that has created a robust and well-researched knowledge base to inform policy and planning. The project articulates detailed sector- and economy-wide pathways to net-zero by 2050 for key economic sectors and contributed to South Africa's enhanced Nationally Determined Contribution (NDC). The work demonstrably contributed to the groundbreaking International Just Energy Transition Partnership. Work has been done around the elements of a Just

Transition and a framework was developed in collaboration with key stakeholders that highlights the key areas where business needs to play a role in implementing the Just Transition to achieve broader socioeconomic benefits for employees and communities.

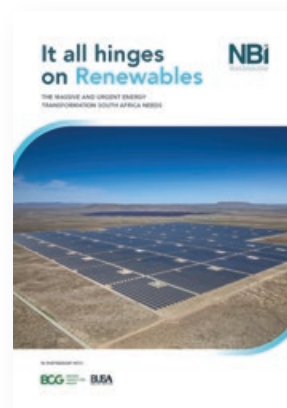
During the year we completed work and released reports on the electricity, mining and petrochemicals sectors as well as the agriculture, forestry and land-use sector. We also released a report on the role of gas in the path to net-zero, as well as reports on renewables and climate finance.



nbi.org.za/report/decarbonising-the-agriculture-forestry-and-land-use-sector-in-south-africa



nbi.org.za/report/decarbonising-south-africas-chemicals-and-petrochemicals-sector



nbi.org.za/report/it-all-hinges-on-renewables

The pathways project has been expanded to cover all major emitting sectors of the economy and the team is developing reports for the transport, cement, heavy manufacturing and buildings sectors, as well as cross-cutting reports on green finance and overall integration. The study is now able to present a consolidated view of the national net-zero scenarios and the preliminary cost of net-zero transition determined, identifying key technical enablers and regret actions, policy actions and trade-offs. As part of the Pathways work, we have developed a Just Transition framework that enables business to determine its role and responsibilities

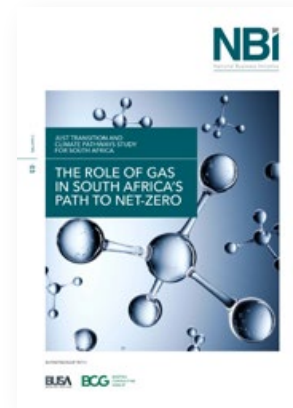
in ensuring that the path to net-zero is inclusive, opens-up economic opportunities and does not exacerbate poverty and inequality. Work is underway with a government working group comprising the DFFE, the Department of Trade Industry and Competition, the Department of Public Enterprises, and the Department of Science and Innovation to identify investment opportunities. We will continue to work with members to define and articulate the role and opportunities for business, unpacking case studies of Just Transition implementation. Other reports released during the year include a CEO guide on climate change.



nbi.org.za/report/decarbonising-the-south-african-mining-sector



nbi.org.za/report/decarbonising-south-africas-power-system-3



nbi.org.za/report/the-role-of-gas-in-south-africas-path-to-net-zero

Finance and the Enabling Environment

We continue to work to build the capacity of the financial sector to respond to ESG investment opportunities. We provided extensive input to the **National Green Finance Taxonomy** released by National Treasury, which will enhance green financial products and enable a refinance industry through bond issuance. This is an important project in the national conversation around directing investment towards low carbon development in South Africa, in a manner that is socially and environmentally responsible. We are extending this work to include elements of **transition**, as well as work on defining what a **Just Transition** transaction could look like.

Working with Just Share, WWF and the Lewis Foundation we are developing a set of investment grade sector-based climate risk research papers and a financial sector capacity building programme. These will influence equity and debt allocation, as well as build the capacity of the financial services sector to incorporate climate considerations.

The NBI is the delivery partner of Phase 2 of the **Climate Finance Accelerator (CFA)**, a global initiative implemented in countries including Mexico, Colombia, Turkey, and Nigeria. NBI is implementing Phase 2 of the CFA South Africa. The CFA is a technical support programme, enhancing the capacity of innovative low carbon projects to access finance for scaling up implementation. The CFA also showcases projects selected from participating countries at a global CFA event hosted in London to attract international finance for larger CFA projects. In quarter three, we held an event highlighting the thirteen projects selected for technical support through the programme.



nbi.org.za/focus-areas/environmental-sustainability/the-cfa-programme/#reports





Implementation projects

Renewables Ambition in South African Electricity (RAiSE) was formed by NBI, Climate Group, CDP and the World Business Council for Sustainable Development (WBCSD), supported by the We Mean Business (WMB) coalition to unlock opportunities for corporate procurement of renewable electricity.

RAiSE is engaging with key stakeholders across the renewable electricity value chain in South Africa and building a community of companies with enhanced ambition that wish to work together to enable a renewable electricity and energy efficiency rollout, especially in partnership with cities.

Establishing public sector **Climate Partnerships** at provincial, municipal and agency level will be key to implementation. Our vision is to establish these partnerships in key provinces to unlock investment for the Just Transition, stimulating 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 has 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 and the Carbon Trust have helped develop a programme of **National Energy Efficiency Partnerships**, working with multiple government departments, led by the Department of Mineral Resources and Energy. The programme is funded by a national CAPEX grant, Nationally Appropriate Mitigation Actions (NAMA) facility support and private sector sponsors and is applying for funding from the Green Climate Fund (GCF). These programmes will result in over a hundred million Rand of investment in municipal energy efficiency. While the NBI, in partnership, with the Carbon Trust, has commenced on the capacity building workstream, final approval for the programme from government unfortunately suffered further delays during the year.

Water

The NBI has a well-established water programme that includes **regional water security partnerships** such as the uMhlathuze Water Stewardship Partnership (UWASP) in KwaZulu-Natal and the Gauteng Water Alliance, as well as a partnership in the Eastern Cape that is a TAMDEV-led initiative. These are strategic NBI assets that focus on enhancing water security in key economic hubs and water scarce areas of the country that convene businesses,

government and civil society to identify and implement projects that impact long-term water security. The UWASP project focuses on implementing four key opportunities and has made progress on embedding the catchment-wide water monitoring tool with Department of Water and Sanitation (DWS) and partners.

The Gauteng partnership continues to identify water security and water conservation opportunities in the Vaal catchment. Mapping of Vaal users has been completed and we are focusing on establishing long-term corporate and local government partnerships. We have also begun engagements with new civil society and public sectors partners.

A consultative roundtable was held with the City of Johannesburg, Joburg Water, business and civil society, to map out future priority areas for the region, with a strong emphasis on scaling water conservation and water reuse projects. This work was undertaken in collaboration with our Gauteng partners EcoCiv and SOS NPO and has led to ongoing engagements on forming a long-term partnership on water with local government in the region.

As part of our work on water security, the NBI worked closely with the DFFE to engage a range of private sector partners on potential practical financing opportunities for the clearing and beneficiation of alien invasive plants. This resulted in a number of short-listed opportunities that could

facilitate social upliftment, ecological improvement and yield a financial return for participating companies.

A water monitoring mobile phone app and desktop-based decision support tool was designed and implemented in the uMhlathuze River catchment in 2022. This was supported by GIZ, the NBI, WWF, Mondi, South32 and the Association for Water and Rural Development (AWARD), with the strong support of the Regional DWS Office, civil society partners and business. The project included upgrading priority monitoring stations in the catchment.

In partnership with the TAMDEV unit, and through TAMDEV's support role to national DWS in addressing water related challenges in specific geographies, we have expanded our water projects to include additional municipalities, with work initially commencing in the Free State.

In quarter two, we hosted the seventh annual Water Stewardship Event with the Danish Government, the Strategic Water Partnership Network, the DWS and the GIZ.

Adaptation Pipeline Building

The NBI has worked closely with the South African National Biodiversity Institute to develop a pipeline of adaptation projects focusing on ecosystems and biodiversity-based adaptation projects suitable for collective action initiatives and scaling-up. The NBI has implemented awareness raising events, developing a suite of videos online and social media campaigns to support increased awareness

of company level adaption. Three themed collaboration convenings were held to encourage partnerships to scale up projects. Phase 3 shortlisted six high promise projects of which three were shortlisted, where SANBI and the NBI provided support in writing pre-concept notes for GCF funding.



Priority in 2022	Achieved in 2022
Ecological infrastructure for water security: Focus on getting private sector investment into natural catchment areas with the added benefit of achieving financial sustainability	Several potential practical financing opportunities were shortlisted (see page 56)
Developing and implementing a water data-monitoring tool in the context of uMhlathuze	The tool was implemented in 2022 (see page 55)
Building and scoping work in respect of the Gauteng Water Alliance and creating a collective leadership platform	Progress in progressing the Gauteng Water Alliance is discussed (see page 55)
Scaling up work on adaptation	Raised awareness and convened collaborations to encourage partnerships to scale up projects (see page 56)
Working more closely with cities in regard to the renewable energy projects	RAiSE in partnership with the Alliances for Climate Action South Africa hosted a city-business workshop to accelerate the scaling up of renewable electricity. The workshop hosted shared insights on the Climate Action Plans developed by cities and on how cities and business could work together, to achieve electricity security through renewable electricity. The workshop also supported engagement on potential opportunities for public and private sector collaboration to build a local movement that will increase the uptake of renewable electricity in South Africa
Secure investment for the Just Transition work	As part of advancing and unpacking our work on the Just Transition and strengthening the linkages between Environment and Social Sustainability teams, NBI kicked off the implementation of a project called Skills and Investment for the Just Transition in South Africa. This work seeks to unlock investment, develop necessary skills and increase employment in the green economy, in a manner that supports the just transition in South Africa, using the country's Western Cape Province as the initial target region



Priority in 2022

Achieved in 2022

The partnership between GIZ-GreenCape-NBI-WWF was the successful bidder for the large Internationale Klimaschutz Initiative project to begin in 2022. This project will be focused on enhancing investment in a Just Transition in Mpumalanga

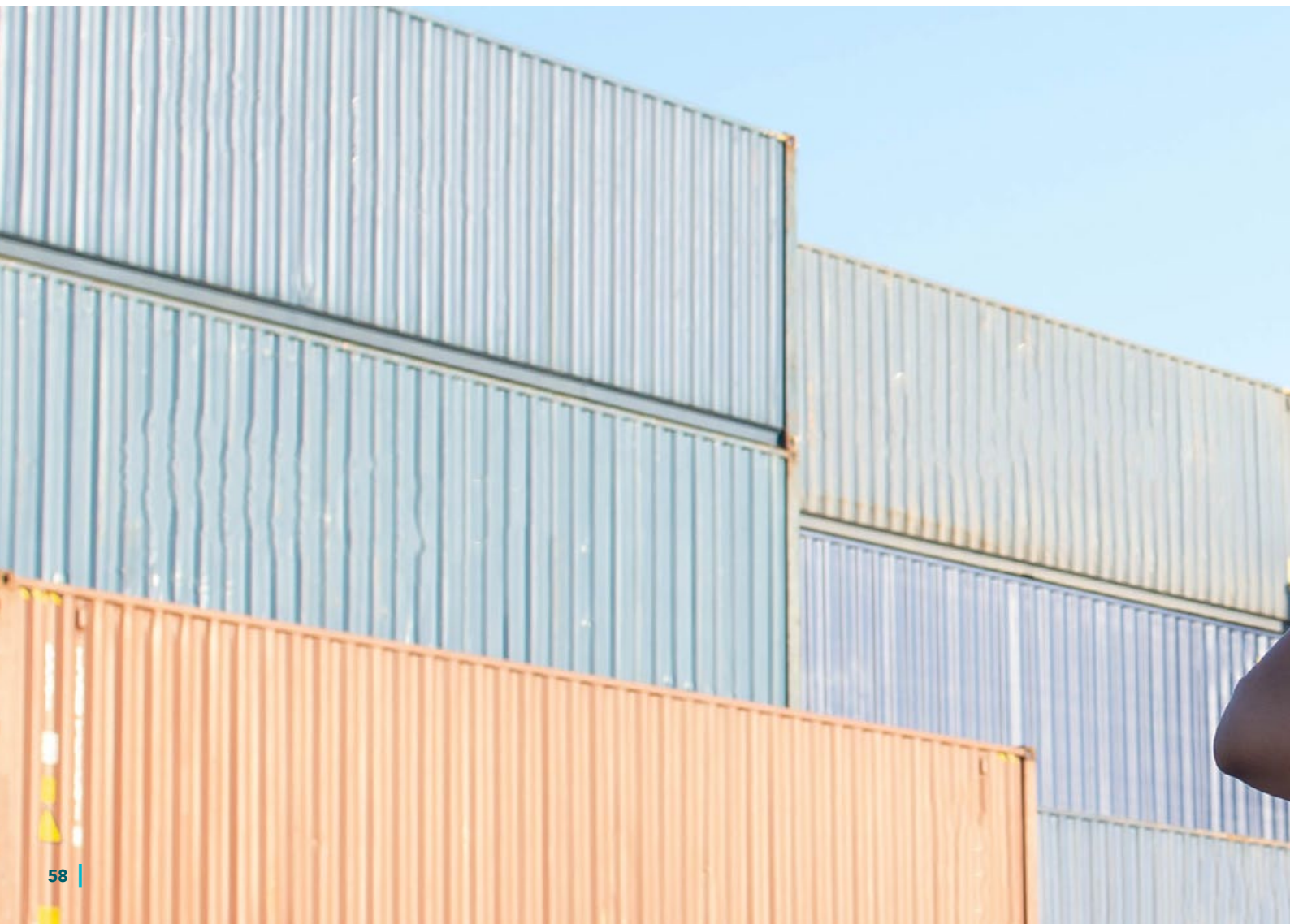
This work will also allow the NBI to establish climate partnerships in key provinces to enable investment in South Africa's transition to a net zero way in a manner that is inclusive and just

Our ambition for the Transition Pathways project has increased and we are attempting to raise US\$500,000 to complete this project

A further round of funding was secured from the We Mean Business Coalition to support the broader implementation of the Just Transition with business in South Africa

Extending our water work with municipalities in partnership with TAMDEV

We are working with the TAMDEV unit to address water-related challenges in additional municipalities



Priorities for 2023

- Strengthen the role of TAMDEV and the NBI water team more broadly in delivering support on key water challenges and infrastructure projects in multiple provinces.
- Work to unlock further tangible opportunities for investment, through the CFA, RAiSE and our climate partnerships at local level, with a strong focus on advancing renewable energy and other low carbon investments.
- Identify implementation and investment opportunities for business and create and support effective enabling environments at local level as well as to develop and test a model for project conceptualisation, preparation, finance and implementation.
- Unlock renewable energy implementation at scale by ramping up our work with the RAiSE Hub as well as to engage on key energy policy and planning processes and support industry level projects for the renewable energy value chain. Part of this work includes recruiting additional companies to join the RE100 and EP100 commitments.
- Build the business case for coordinated and urgent adaptation research and implementation at sector level and raise co-funding for a large-scale piece of work in this space.
- Sharing broadly the learnings and insight from the Just Transition Pathways project locally and abroad, particularly beyond those who were involved in the process.
- Continue to drive company leadership through participation in our work **programmes** and provide **support to companies** to make bold commitments through the ACA and WMB coalition initiatives and to disclose their climate action through CDP and TCFD.
- Continue to convene the CEO champions group, to drive and support robust and transparent business participation in the implementation for a Just Transition in South Africa.



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 Finance and Risk Committee and the Board review the risk registers and mitigating actions.

	Description	Management
1. Funding Risk	a) Reduced membership funding due to the country's economic situation, company distress or the NBI's value proposition not being seen as relevant	a) 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	b) 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	c) Build up a sufficient liquid cash reserve. Maintain the overdraft facility. Spread out membership funding monthly
2. Business Model Risk	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	a) Diligently implement the project and proposal qualification process, including strategic alignment
	b) Inadequate recovery of resources on projects	b) Ensure cost reflective charge out rates or overhead recovery taking into account reasonable utilisation targets. Review project proposal budgets to ensure these are realistic. Resource planning and monitoring. Implement standardised recovery requirements
	c) Increasing funder compliance and contractual risks	c) Implement a contract management process with adequate legal support



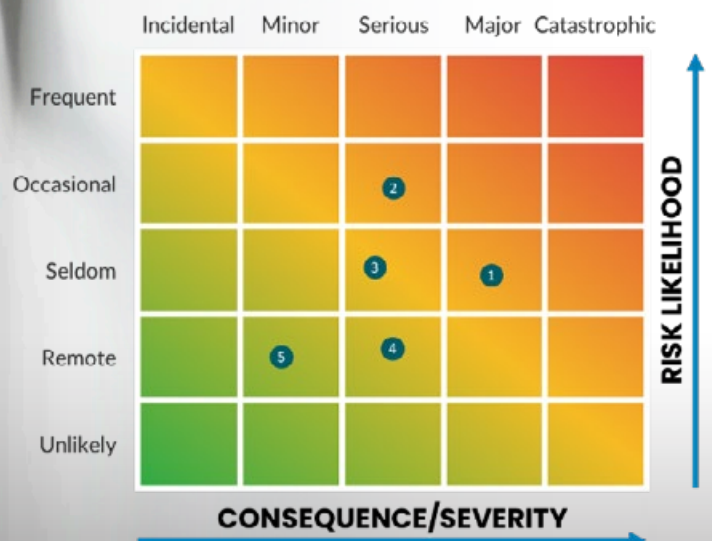
	Description	Management
3. Staffing Risk	a) Overworked, unwell and demotivated staff	a) Implement the NBI Wellness Strategy addressing COVID impact and remote working. Managers to do regular one-on-one check-ins with team. Implement salary benchmarking. Publish the NBI's employee value proposition. Ensure equitable performance assessment and recognition of top performers. Ensure professional development plans are in place and are implemented. Implement regular resource time monitoring
	b) Staff lack organisational cohesion and common purpose resulting in inefficiencies and inconsistencies	b) Implement the internal communication strategy and standard operating procedures
	c) Succession planning is not adequately implemented in ways that keep junior staff engaged and learning	c) Align recruitment processes to succession and transformation targets. Establish an employment equity committee. Implement succession plans deliberately and include KPIs in performance contracts
	d) Projects overly rely on specific individuals to deliver	d) Project oversight and broad stakeholder engagement
4. Project Implementation Risk	a) Inadequate resourcing for project delivery	a) Establish a panel of pre-procured consulting support per programme. Lengthen contract terms against realistic project pipelines
	b) Project delays between signing of agreements, funding approvals, staff recruitment and project implementation impact delivery	b) Realistic programme delivery plans and time frames. Centralise and prioritise project contracting anchored with a project financial manager
	c) Inefficiencies in increasing project administration	c) Adequate internal training of staff to enhance efficiencies. Common project management systems in place across the team. Implement an operational head with oversight over all programme timelines, deadlines, budgets, staffing and deliverables

	Description	Management
5. NBI Profiling Risks	a) Inability to access member C-suites	a) 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	b) Increased focus on opinion-led communications. Increased focus on networking as the COVID-19 threat recedes. 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	c) Continue to implement the NBI communications strategy
	d) Lack of government participation	d) Government stakeholder plan and monitoring established



Residual Risk Assessment Matrix

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



Governance

The principles of good governance ensure effective functioning, resilience and trust, and support sustainable value creation for members and beneficiaries. 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.

As a leading business organisation, it is important that we demonstrate good governance and ethical leadership to encourage the wider business community to adopt and entrench these principles in their own organisations.

All NBI members are allocated a seat on the Membership Council, which meets bi-annually. It is responsible for appointing NBI Board members, overseeing the organisation and endorsing the NBI strategy. Regional

advisory councils in the Western Cape and KwaZulu Natal meet three times a year and provide input to the NBI Board. The NBI Board and CEO report to the Membership Council on critical issues and the strategic direction of the organisation. Members can also provide strategic input at quarterly Social Transformation Advisory Committee and Advisory Committee on Environment and Society (ACES) meetings.



NBI governance framework

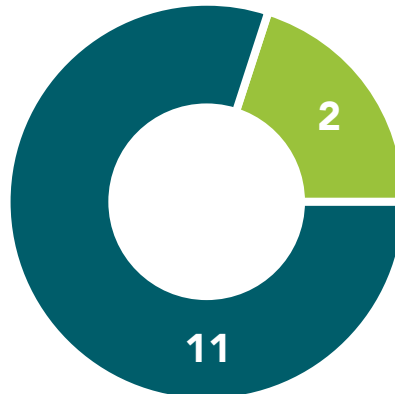


BOARD REPRESENTATION



● Black ● Indian ● White

BOARD GENDER



● Male ● Female

BOARD TENURE



● <3 years ● 7+ years ● 3 - 6 years

The Board

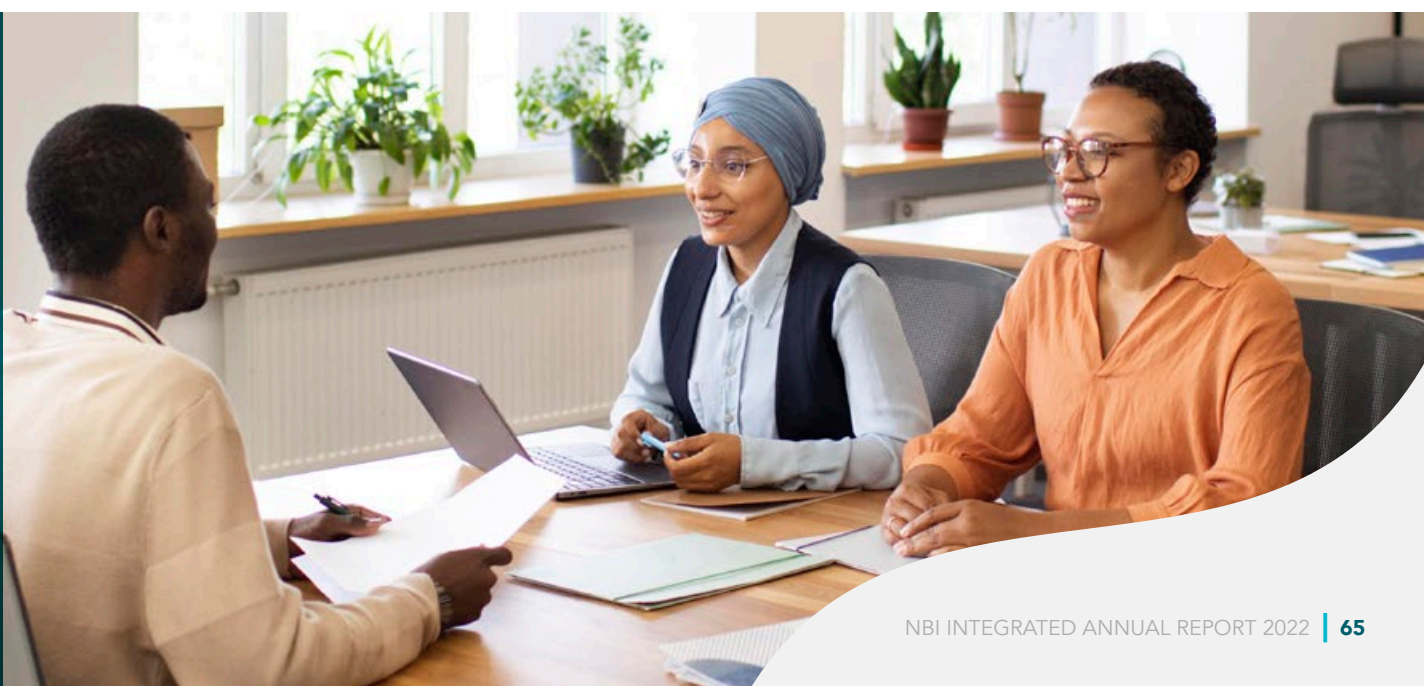
The NBI Board monitors the execution of the organisation’s strategy and is responsible for meeting all fiduciary requirements defined in the Companies Act, King IV and other relevant legislation and guidelines. The Board is accountable to the Membership Council. The Board meets at least quarterly, and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

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

Board composition and attendance for the year to 30 June 2022	Date appointed	Attendance
Cas Coovadia (Chair)	March 2013	4/4
Prof Anita Bosch	April 2019	3/4
Bheki Khumalo	April 2019	3/4
Brigitte Burnett	March 2016	3/4
Charlotte Mokoena	December 2020	4/4
Fumani Mthembi	April 2019	3/4
Funeka Madikizela	September 2020	3/4
Joanne Yawitch (NBI CEO)	March 2013	4/4
Khanyi Chaba	April 2019	4/4
Mandy Rambharos	April 2019	1/4
Sazini Mojapelo	September 2021	4/4
Shireen Naidoo	May 2017	1/4
Zinhle Mariani	April 2019	4/4
Cathie Lewis	<i>Ex-officio*</i>	2/4
Feroz Koor	<i>Ex-officio†</i>	4/4

* Chair of the KwaZulu Natal Advisory Committee. The Committee is being reconfigured currently in consultation with members regarding its future.

† Chair of the Western Cape Advisory Committee



During the reporting period, the Board's primary areas of focus included:

- Reviewing the organisation's response to COVID-19, including the approach to vaccinations
- Reviewing delivery of the NBI strategy and programme development against the 2022 scorecard
- Reviewing the project and funding pipeline, capacity constraints and cost management
- Reviewing the major risks facing the NBI and ensuring that appropriate mitigating actions were adopted
- Reviewing feedback regarding the audits
- Reviewing and approving 2021 financial statements
- Reviewing and approving the 2021 Integrated Annual Report
- Reviewing reports of Board Sub-Committee and Membership Council meeting deliberations
- Reviewing and approving new and updated policies as recommended by relevant Sub-Committees
- Reviewing the 2023 strategy and scorecard
- Reviewing and approving the 2023 budget
- Engaging with the detail of the various NBI programmes to gain knowledge and provide input and strategic direction
- Reviewing the outcomes of the business model review and Organisational Development process outcomes and recommendations
- Succession planning for the CEO role
- Supporting NBI management with attracting and retaining membership



Board Sub-Committees Reports

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

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Responsibilities:

Monitors, advises, oversees and reports on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.

Areas of focus in 2022:

- 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
- The Programme work of the NBI's Social Transformation work stream
- Implementing the agreed 2022 work programme and agreeing the proposed 2023 work plan
- Monitoring how the outcomes of the OD and Business Model review are being implemented
- Assessing how the UNGC principles are being implemented in the organisation
- Reviewing various relevant policies, including the Vaccination, Promotions and Training policies
- Reviewing alignment of the NBI strategy to an ESG framework
- Reviewing the outcomes of COP26 and the actions taken by the NBI to increase signatories to the Alliances for Climate Action Net-Zero Commitment

The Committee must comprise at least three directors with at least one Independent non-executive director. Four meetings were held during the year. Charlotte Mokoena, Professor Anita Bosch and Bavumile Skhosana were appointed to the Committee on 15 October 2021, 28 July 2021 and 17 June 2021 respectively.

Member:

Zinhle Mariani (Chair)
Charlotte Mokoena
Prof Anita Bosch
Masechaba Tekana
Xolani Magojo
Bavumile Skhosana

Independent non-executive Director
Independent non-executive Director
Independent non-executive Director
Independent
Independent
Independent

Attendance:

4/4
2/3
4/4
3/4
4/4
4/4



MEMBERSHIP AND FUNDRAISING COMMITTEE

Responsibilities:

Overall funding and membership issues with a particular emphasis on membership retention, growth and financial sustainability.

Areas of focus in 2022:

- 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
- Reviewing the outcome of the Membership Survey
- Considering how Board members can support the NBI to attract new members and retain members at risk of leaving



The Committee consists of two Board members, two independent members and two member-company representatives. Two meetings were held during the year. Fumani Mthembu was appointed to the Committee on 27 June 2019.

Member:

Cas Coovadia (Chair)	<i>Independent non-executive Director</i>	2/2
Fumani Mthembu	<i>Independent non-executive Director</i>	2/2
Douglas Ramaphosa	<i>Independent</i>	1/2
Noluvo Ngcwabe	<i>Independent</i>	2/2
Shillyboy Mothiba	<i>Independent</i>	2/2
Robyn de Villiers	<i>Independent</i>	2/2

Attendance:

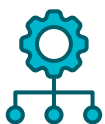
REMUNERATION COMMITTEE

Responsibilities:

Governs and oversees the NBI policies and practices for recognition and reward. The Committee is also responsible for the evaluation of the performance of the CEO.

Areas of focus in 2022:

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



The Committee comprises three Board members. Two meetings were held during the year.

Member:

Cas Coovadia (Chair)	<i>Independent non-executive Director</i>	2/2
Bheki Khumalo	<i>Independent non-executive Director</i>	2/2
Shireen Naidoo	<i>Independent non-executive Director</i>	2/2

Attendance:

FINANCE AND RISK COMMITTEE REPORT

Responsibilities:

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.

Areas of focus in 2022:

- 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
- VAT matters
- Financial planning against current and future projects
- Reviewing issues reported during the 2021 audit, mitigating actions taken and/or corrections made 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 2023 budgets
- Reviewing membership and business development initiatives, including members at risk
- Reviewing outcomes of the NBI Business Model review and Organisational Development process
- Overseeing discussions regarding the lease renewal for the NBI's offices
- Updating the Procurement Policy and Procedures
- Reviewing management's mitigation plan to address capacity gaps in the finance team and new appointments to achieve this
- Further amending the "Use of the NBI Reserves" policy to support operational requirements
- Reviewing the updated Delegation of Authority and Procurement Policy



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

Member:	Attendance:	Qualifications:
Sazini Mojapelo (Chair) <i>Independent non-executive Director</i>	4/4	Master's Degree in Development Studies and double Major Degree in Sociology and Industrial Psychology
Zinhle Mariani <i>Independent non-executive Director</i>	4/4	B.Proc, LLB, Postgraduate Higher Diploma in Labour Law and Management Development Programme (Women in Insurance).
Shillyboy Mothiba <i>Independent</i>	3/4	Bachelor of Commerce and Higher Diploma in Accounting, (Financial Accounting, Auditing, Finance, Taxation).
HJ Swanepoel <i>Independent</i>	4/4	Diploma in Auditing, B.Compt (Hons) (Accountancy) and B Com (Accountancy).

Note: Anine Pheiffer was appointed to the Committee on 2 March 2022 and resigned on 6 September 2022. She tendered her apologies for the 9 June 2022 meeting that was held during this time.

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 and 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 re-appointed SNG Grant Thornton as external auditors for the organisation, and Jeanine Nellmapius-Clarke, Partner, as the audit partner within SNG Grant Thornton, after confirmation of their independence
- Approved the external auditor fees and terms of engagement
- Reviewed and approved any non-audit services provided by SNG Grant Thornton
- Held meetings with SNG Grant Thornton 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 SNG Grant Thornton
- Reviewed the integrated annual report before recommending it to the Board for approval
- 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 are shown in the list on page 69.

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
- IT risk as it relates to financial reporting

Management was however requested to incorporate data security and IT risks into the risk register and do further work to review the sufficiency of the IT protections currently in place. 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 and SNG Grant Thornton South Africa was recommended to the Board to be re-appointed for 2022.

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 2022 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



Balance sheet

For the year ended 30 Jun 2022

FIGURES IN RANDS	2022	2021
ASSETS		
Non-Current Assets		
Property, plant and equipment	637 219	848 929
Intangible assets	45 227	15940
	682 446	864 869
Current Assets		
Trade and other receivables	15 109 610	10 093 078
Cash and cash equivalents	19 544 852	38 176 146
Project funds administered	8 169 621	1 564 715
Total Assets	42 824 083	49 833 939
Total Assets	43 506 529	50 698 808
EQUITY AND LIABILITIES		
Equity		
Accumulated Surplus	18 970 858	18 049 097
Liabilities		
Non-Current Liabilities		
Project funds administered	20 582 651	29 032 837
Current Liabilities		
Operating Lease Liability	91 879	226 159
Trade and other payables	3 861 141	3 390 715
Bank overdraft	0	0
	3 953 020	3 616 874
Total Liabilities	24 535 671	32 649 711
Total Equities and Liabilities	43 506 529	50 698 808

Statement of surplus and deficit

For the year ended 30 Jun 2022

FIGURES IN RANDS	2022	2021
Revenue	38 164 713	33 620 030
Other Income	81 865	237 662
Operating costs	(38 061 659)	(30 819 540)
Operating surplus (deficit)	184 919	3 038 152
Investment revenue	740 899	750 795
Finance costs	(4 057)	(474)
Operating surplus (deficit)	921 761	3 788 473
Other comprehensive income	0	0
Total comprehensive income (loss) for the year	921 761	3 788 473

Statement of changes in equity

For the year ended 30 Jun 2022

FIGURES IN RANDS	GENERAL DEVELOPMENT FUND
Balance at 01 July 2020	14 260 624
Surplus for the year	3 788 473
Balance at 01 July 2021	18 049 097
Surplus for the year	921 761
Balance at 01 July 2022	18 970 858



Statement of cashflows

For the year ended 30 Jun 2022

FIGURES IN RANDS	2022	2021
CASH GENERATED FROM OPERATING ACTIVITIES		
Cash generated from operations	(18 918 105)	16 652 920
Interest income	740 899	750 795
Finance costs	(4 057)	(474)
Net cash from operating activities	(18 181 263)	17 403 241
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(341 968)	(298 991)
Sale of property, plant and equipment	0	0
Purchase of other intangible assets	(108 063)	(74 833)
Sale of other intangible assets	0	0
Net cash from investing activities	(450 031)	(373 824)
CASH FLOW FROM FINANCING ACTIVITIES		
	0	0
Total cash movement for the year	(18 631 294)	17 029 417
Cash at the beginning of the year	38 176 146	21 146 729
Total cash at end of the year	19 544 852	38 176 146

Independent Auditor's Report

To the members of National Business Initiative for Growth Development and Democracy (Non Profit Company)

Adaptation Pipeline Building

We have audited the annual financial statements of National Business Initiative for Growth Development and Democracy (Non Profit Company) set out on pages 11 to 27 which comprise the Statement of Financial Position as at 30 June 2022, and the Statement of Profit or Loss and Other Comprehensive Income, 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 (Non Profit Company) as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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 group 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 (Non Profit Company) (Registration number 1995/003141 /08) Financial statements for the year ended 30 June 2022", 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 report thereon. Our opinion on the financial statements does not cover the other information and we do not express 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 Standards 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 are necessary to enable the preparation of financial statements that are free from material misstatements, 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. As part of an audit in accordance with the 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 entity 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.

JEANINE NELLMAPIUS-CLARKE SNG GRANT THORNTON DIRECTOR

Registered Auditor
**SizweNtsalubaGobodo Grant
Thornton Inc**

14 December 2022
Summit Place Office Park, Building 4 221
Garstfontein Road
Menlyn, Pretoria Gauteng

 **SNG
Grant Thornton**
An instinct for growth™


Glossary


ACA	Alliances for Climate Action
ACES	Advisory Committee on Environment and Society
ASISA	Association for Savings and Investment South Africa
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.
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
DBSA	Development Bank of South Africa
DFFE	Department of Environment, Forestry and Fisheries
DWS	Department of Water and Sanitation
EC	Eastern Cape
ESD	Enterprise and supplier development
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
HR	Human Resources
IFC	International Finance Corporation
IRM	Installation, repair and maintenance
ISA	Infrastructure South Africa
IT	Information Technology
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
NDC	Nationally Determined Contribution (under the Paris Agreement)
OD	Organisational Design
PMO	Project Management Office
PMU	Project Management Unit
PSEC	Presidential State-Owned Enterprise Council
PV	Photovoltaic
PYEI	Presidential Youth Employment Intervention
SANBI	South African National Biodiversity Institute
SCIS	Southern Centre for Inequality Studies
SDGs	Sustainable Development Goals
SECO	Swiss State Secretariat for Economic Affairs
SME	Small and Medium Enterprises
TAMDEV	Technical Assistance Mentorship and Development
TCFD	Task Force on Climate-Related Financial Disclosures
TVET	Technical and Vocational Education and Training
UNGC	United Nations Global Compact
UWASP	uMhlathuze Water Stewardship Partnership
VAT	Value-added Tax
WMB	We Mean Business
WWF	Worldwide Fund for Nature

Contact us



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 National Business Initiative

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GILLIAN HUTCHINGS

Head: Membership and
Communications



AMY MARSHALL BLAIR

Communications and
Events Manager