

Integrated Reporting In The New Normal Era

presented by

Erika Susanto & Uantchern Loh

Black Sun Group

SYNOPSIS

Uber, Facebook, Alibaba and Airbnb has taken advantage of the sharing economy and introduced business models that have transformed the world. The Covid-19 pandemic, with new behaviors such as social distancing and working from home, will threaten these business models and give rise to new ones..

What are business models? As defined by the International Integrated Reporting Framework, an organization's business model is its "system of transforming inputs, through its business activities, into outputs and outcomes that aims to fulfil the organization's strategic purposes and create value over the short, medium and long term."

The business model is the heart of the Integrated Report. It helps organizations to answer these crucial questions:

1. Who believes in us?
2. Do we know where to go & how to get there?
3. Have we made a difference?

This 2 hour webinar will help participants [learn how to audit business models](#) by learning how to ask these questions. Participants will also learn how to communicate their findings and help their organizations improve their business models and survive the new normal era.



SYNOPSIS

Uber, Facebook, Alibaba dan Airbnb telah mengambil keuntungan dari ekonomi berbagi dan memperkenalkan model bisnis yang telah mengubah dunia. Pandemi Covid-19, dengan perilaku baru seperti menjauhkan sosial dan bekerja dari rumah, akan mengancam model bisnis ini dan memunculkan yang baru.

Apa itu model bisnis? Seperti yang didefinisikan oleh International Integrated Reporting Framework, model bisnis organisasi adalah “sistem input transformasi, melalui kegiatan bisnisnya, menjadi keluaran dan hasil yang bertujuan untuk memenuhi tujuan strategis organisasi dan menciptakan nilai dalam jangka pendek, menengah dan panjang.

Model bisnis adalah jantung dari Integrated Report. Ini membantu organisasi untuk menjawab pertanyaan-pertanyaan penting ini:

1. Siapa yang percaya pada kita?
2. Apakah kita tahu ke mana harus pergi & bagaimana menuju ke sana?
3. Sudahkah kita membuat perbedaan?

Webinar ini akan membantu peserta mempelajari [cara mengaudit model bisnis](#) dengan mempelajari cara mengajukan pertanyaan ini. Peserta juga akan belajar bagaimana mengomunikasikan temuan mereka dan membantu organisasi mereka meningkatkan model bisnis mereka dan bertahan di era normal baru.



Pertanyaan Business Model

1. Siapa yang percaya pada kita?

2. Apakah kita tahu ke mana harus pergi & Bagaimana menuju ke sana?

3. Sudahkah kita membuat perbedaan?



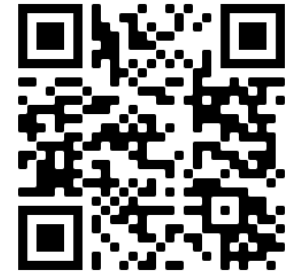
Erika Susanto (ESusanto@BlackSunplc.com)
Research Manager
Black Sun Group (UK)

Erika is data-driven researcher with a passion for Business Sustainability and with the desire to deliver insights through analytics. Educated in the United States, with over ten years of professional research experience in business consulting and financial services advisory that spans three metropolitan cities: New York, Hong Kong and London. Past work experiences include researching sustainability topics within the equity market, leading market research engagements, designing advanced statistical models for understanding market behavior and providing securities fraud research and analysis.

She is currently Manager – Research & Insight at the Black Sun Group. Her work includes the following:

- Led the UK research team of three direct reports, driving the production of thought leadership research reports around sustainability topics in corporate communications. Research projects include an analysis of trends in FTSE 100 reporting, analysis of adoption of the TCFD framework and trends in the FTSE 100 digital communication.
- Spearhead the development of a centralised, web-based research infrastructure to increase collaboration across project teams in both the U.K. and Singapore offices.

Erika graduated from Harvard University (M.A. Statistics with Concentration in Economics) and University of California at Berkeley (B.A. Statistics with Concentration in Computer Science).



Prof Uantchern Loh (uloh@BlackSunplc.com)
Corporate Culture Reporting Practice Leader
Black Sun Group (Asia Pacific)

Prof Loh works with organisations on how to communicate their corporate culture through annual reports, internal communications, websites and social media. Through their purpose, mission and values, he helps organisations understand what stakeholders (including employees, customers, suppliers, regulators and the community/public) want to know about their tone at the top and corporate culture.

As an adjunct professor, he has taught extensively on ethics and risk management. He has supervised a thesis on the “Measurement and Disclosure of Corporate Culture in Companies’ Annual Report”. He has also supervised Black Sun’s research on “The Importance of Culture Reporting” amongst listed companies. In 2020, he will be embarking on a research to determine how listed companies engage with their stakeholders through their annual reports and websites. This results of this research can help companies derive strategic value from their stakeholder engagement efforts.

Prof Loh has a Masters in Hospitality Administration and his thesis was on business continuity planning. His research areas are in risk management, corporate reporting, text analytics and behavioral science. Prof Loh is a Chartered Accountant (Malaysia, Australia and Singapore) and holds the International Certificate in Investor Relations. He was previously the President of the Institute of Internal Auditors Singapore.



Now, more than ever, businesses need the TRUST of their stakeholders to prosper over the long term.

8 COMPONENTS OF TRUST (KEPERCAYAAN)



WHAT IS INTEGRATED REPORTING?

POLL #1

I have read the International Integrated Reporting Framework.

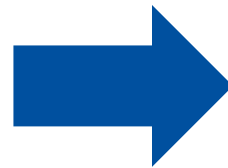
- Yes
- No

POLL #2

How important is Integrated Reporting for Indonesian companies?

- Not Relevant
- Somewhat important
- Important
- Very important

WHAT IS INTEGRATED REPORTING?



An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

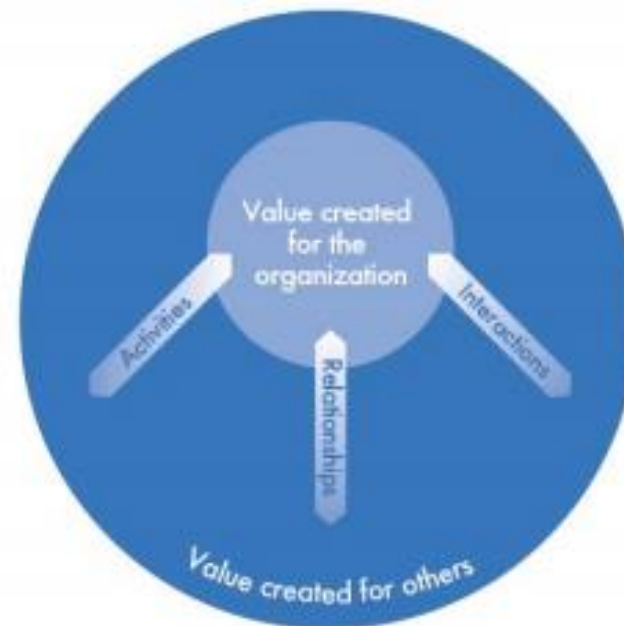
Source: International <IR> Framework

WHAT IS INTEGRATED REPORTING?

In short...

An integrated report explains how an organisation creates value over time

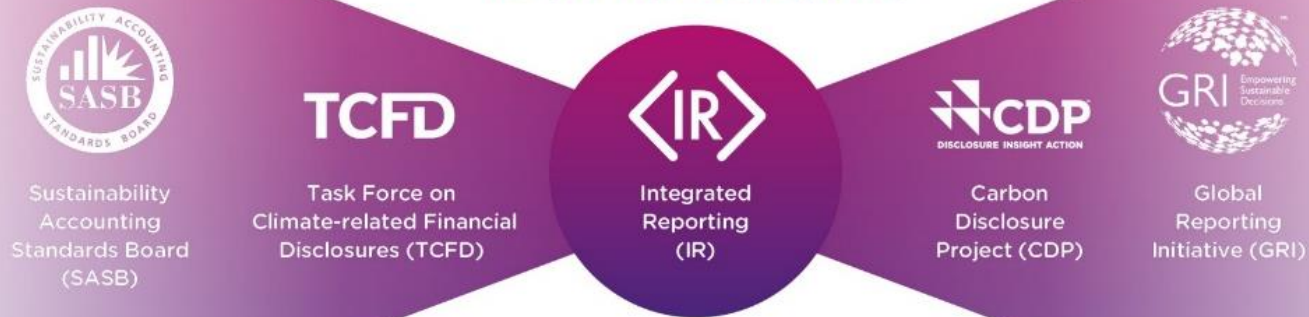
Value is not simply created by or within the organisation alone



SOCIAL ASPIRATION



REPORTING FRAMEWORKS



Outside In
How ESG issues impact the financial performance of the organisation

Integrated Thinking
How the organisation connects performance with purpose

Inside Out
How the organisation's activities impact ESG issues

CLIENT SUCCESS STORY



CCHBC successfully integrated three reports – sustainability, annual and financial – into one integrated report, meeting listing requirements of the London Stock Exchange



Financing
the future Awards
Large business award
for sustainability
communications



IR Society Award
Best Annual Report
FTSE100

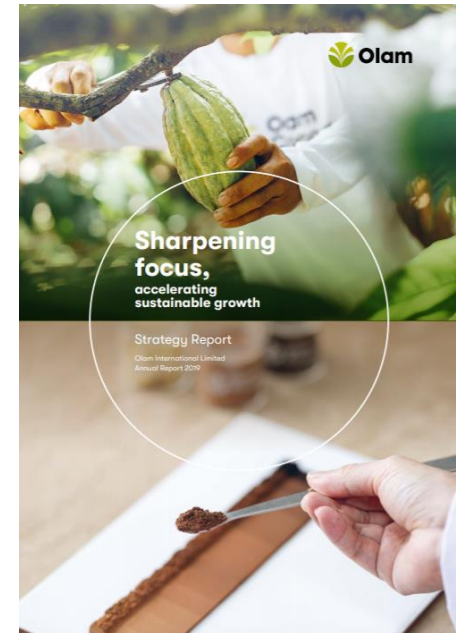




Olam conducted benchmarking, senior executive workshops and briefings, in their journey towards an integrated reporting strategy



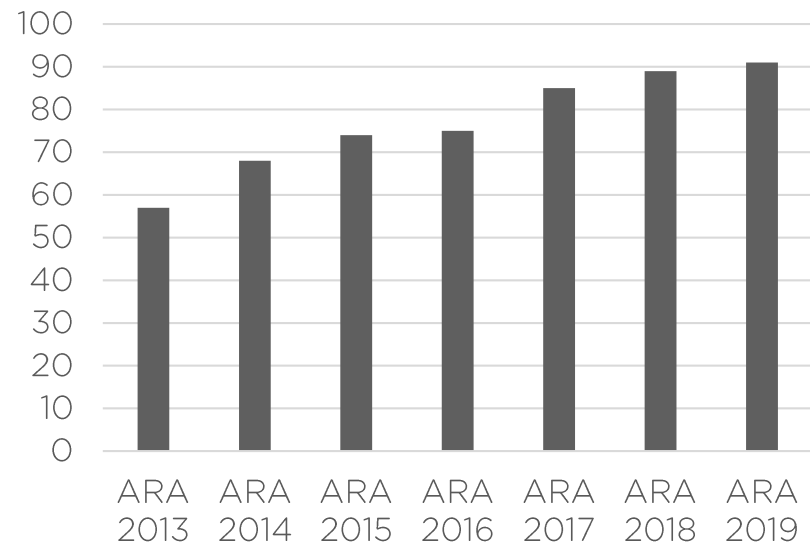
IR Society Award
Most effective integration of
sustainability into corporate
communication



GLOBAL ADOPTION OF INTEGRATED REPORTING

More organizations are adopting Integrated Reporting worldwide:

- Over 90% of Global 250 companies are already reporting on sustainability¹
- Black Sun research finds 91% of UK FTSE100 companies refer to a sustainability framework, an upward trend since 2013²



¹ GRI paper: Sustainability and Reporting Trends in 2025

² Black Sun Horizon Series Research 2020: Rewiring for Resilience

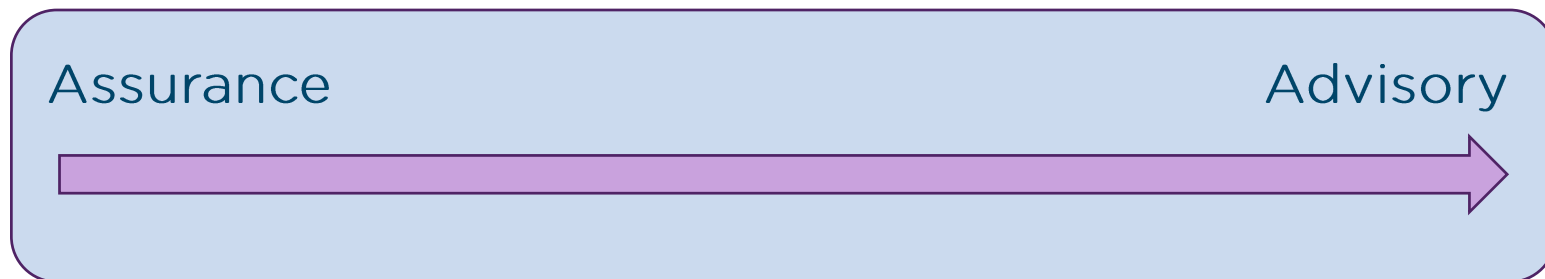


THE ROLE OF INTERNAL AUDIT IN INTEGRATED REPORTING

Two areas where internal audit can help:

- Risk management
- Governance

Evolution of internal audit's role in integrated reporting



Source: The IIA - Integrated Reporting and the Emerging Role of Internal Auditing

WHY IT IS RELEVANT IN TIMES OF PANDEMIC

Integrated reporting promotes integrated thinking, breaking down departmental silos within an organisation. This leads to:

- improves understanding of stakeholders, and the elements involved in the business
- better understanding of outputs into the world and their impacts on it (business model)



Employees



Investors



Community



Customers/
consumers



Business
partners



Regulators

WHY IT IS RELEVANT IN TIMES OF PANDEMIC

In times of crisis, integrated thinking helps businesses in making critical decisions that supports long term business sustainability

Externally, integrated reporting articulates how a business creates value to their stakeholders

- Better business case for investors
- Trust garnered from consumers/customers
- Value creation communicated to regulators



Virgin Atlantic told to resubmit bailout bid by 'unimpressed' UK Treasury

Schroders demands executives take pay cuts and 'share the pain'

City investor will back ailing groups looking to raise capital but warns of difficult decisions

After the storm passes, businesses with a solid business model who successfully garnered trust from their stakeholders, will emerge stronger

POLL #3

What prevents the adoption of Integrated Reporting in Indonesia?

(You can choose more than one answer)

- Lack of internal resources
- Lack of support from the Board
- Lack of support from Management
- Difficult concept to explain internally
- Not required by regulation



WHAT IS A
BUSINESS MODEL?

DEFINITION OF BUSINESS MODEL

An organization's business model is its:

- system of transforming inputs,
- through its business activities,
- into outputs and outcomes that aims to
- fulfil the organization's strategic purposes and
- create value over the short, medium & long term.

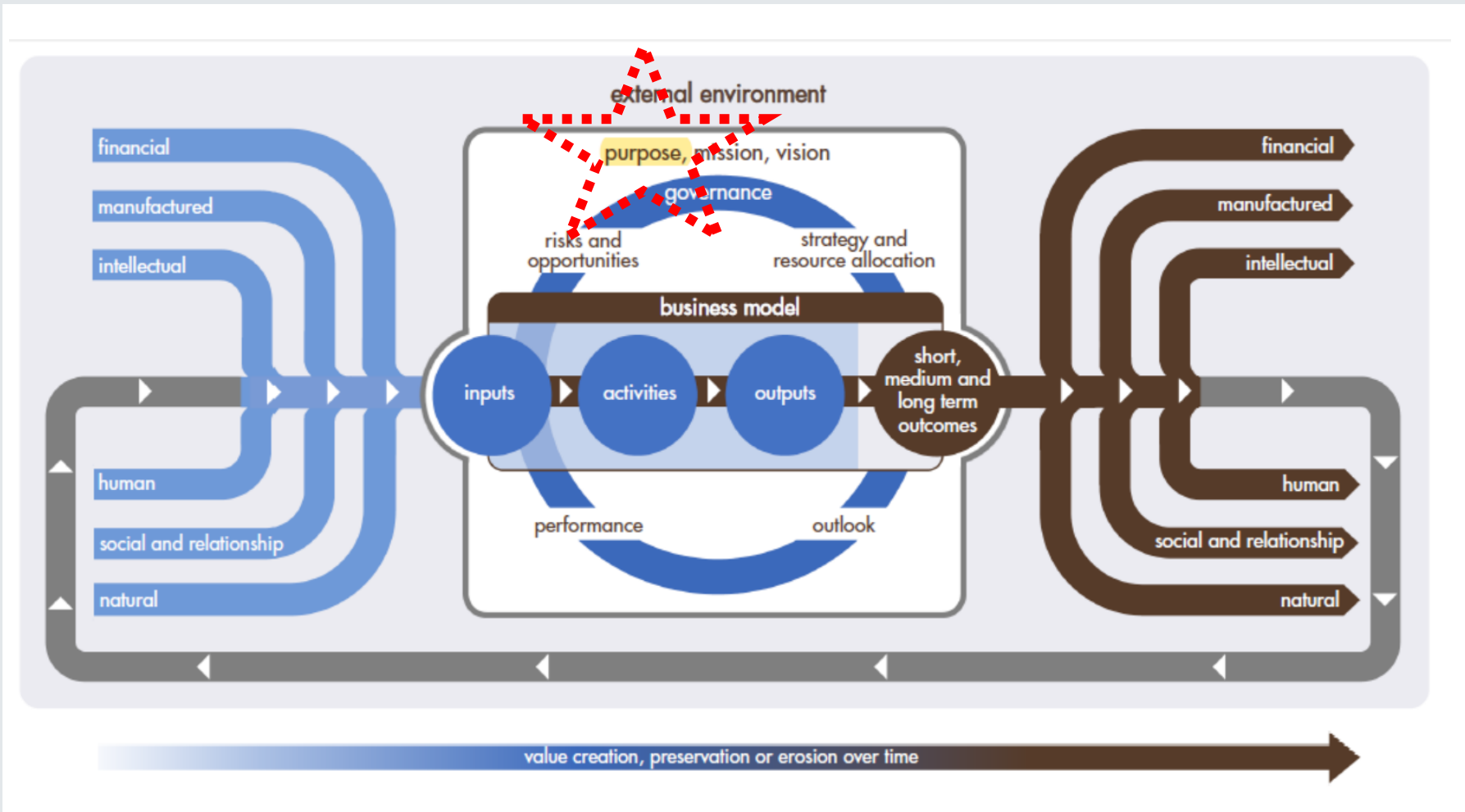
Source: International <IR> Framework



IS THIS A BUSINESS MODEL?



HOW A BUSINESS MODEL LOOKS LIKE



Source: International <IR> Framework May 2020 Consultation Draft

HOW MANY TYPES OF
BUSINESS MODELS ARE THERE?

THE STARS SHINE THE BRIGHTEST WHEN THE NIGHT IS DARKEST



How many stars are there
in the universe?

THAT'S A LOT!

There are about
1,000,000,000,000,000,000,000,000
(that's 1 billion trillion) stars
in the observable universe!



THERE ARE MANY TYPES OF BUSINESS MODELS

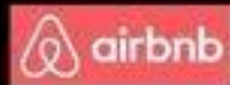
1. A mix of chain and franchise business model
2. Ad-supported (subsidized) business model
3. Affiliate business model
4. Aggregator business model
5. Agency-based business model
6. Asymmetric business models
7. Attention merchant business model
8. Barbell business model
9. Bidding multi-brand platform model
10. Blitzscaler-mode business model
11. Blockchain-based business models
12. Bundler model
13. Cash conversion cycle or cash machine model
14. Discount business model focusing on high quality
15. Distribution based business model
16. Direct-to-consumers business model
17. Direct sales business model
18. E-commerce marketplace business model
19. Educational niche business model
20. Family-owned integrated business model
21. Feeding model
22. Freemium model (freemium as a growth tool)
23. Freeterprise model
24. Gatekeeper model
25. Heavy-franchised business model
26. Humanist enterprise business model
27. Enterprise business model built on complex sales
28. Lock-in business model
29. Instant news business model
30. Management consulting business model
31. Market-maker model
32. Multi-brand business model
33. Multi-business model
34. Multi-sided platform business model
35. Multimodal business model
36. Multi-product (Octopus) business model
37. On-demand subscription-based business model
38. One-for-one business model
39. Peer-to-peer business model
40. Platform-agnostic model
41. Privacy as an innovative business model
42. Razor and blade revenue model
43. Self-serving model
44. Space-as-a-service model
45. Subscription-based business model
46. Surfer model: reverse-engineering the gatekeeper
47. Three-sided marketplace model
48. User-generated content business model
49. User-generated AI-amplified model
50. Unbundler model
51.and more



NEW BUSINESS MODELS - BENEFICIARIES OF THE SHARING ECONOMY



The world's largest taxi company owns no vehicles



The largest accommodation provider owns no real estate



The most popular media provider creates no content



The most valuable photo company sells no cameras



The fastest growing television network lays no cables



The most valuable retailer has no inventory

Some business models won't survive post-pandemic:
U.S. Federal Reserve



“Restaurants, theaters and sporting venues are particularly vulnerable since they count on packing in large crowds - exactly the kind of behavior many people will want to avoid.”

<https://www.channelnewsasia.com/news/business/some-business-models-survive-post-pandemic-fed-minutes-12754304>

DO BUSINESS MODELS LAST FOREVER?

“Doubts have also crept up about the ride-hailing model globally and on whether investors will continue pumping in massive funds into the startups.

Even before the pandemic, Grab and Gojek - like Uber and Lyft in the US and other ride-hailing firms around the world - were operating at a steep loss.”

The logo for Grab, featuring the word "Grab" in a green, stylized font with a double-stroke effect.The logo for Gojek, consisting of a green circular icon with a white dot in the center, above the word "gojek" in a black, lowercase, sans-serif font.The logo for Uber, featuring the word "Uber" in a bold, black, sans-serif font.The logo for Lyft, featuring the word "lyft" in a pink, lowercase, sans-serif font with a stylized 'y'.

<https://www.businesstimes.com.sg/garage/fifty-drivers-fight-for-one-order-south-east-asia-gig-economy-slammed-by-virus>

DO BUSINESS MODELS LAST FOREVER?

The Jakarta Post

NEWS BUSINESS SE ASIA OPINION LIFESTYLE TRAVEL MULTIMEDIA

NEWS > BUSINESS

Grab lays off 360 employees, cites pandemic

Eisya A. Eloskari
The Jakarta Post

Jakarta / Wed, June 17, 2020 / 11:45 am



“... the pandemic had shocked Grab’s business model of “burning money”, or the practice of putting more money into a business than the expected immediate return in order to build a customer base in an effort to earn larger profits later.”

<https://www.thejakartapost.com/news/2020/06/17/grab-lays-off-360-employees-cites-pandemic.html>

POLL #4

I understand my company's business model.

- Yes
- No
- Don't know

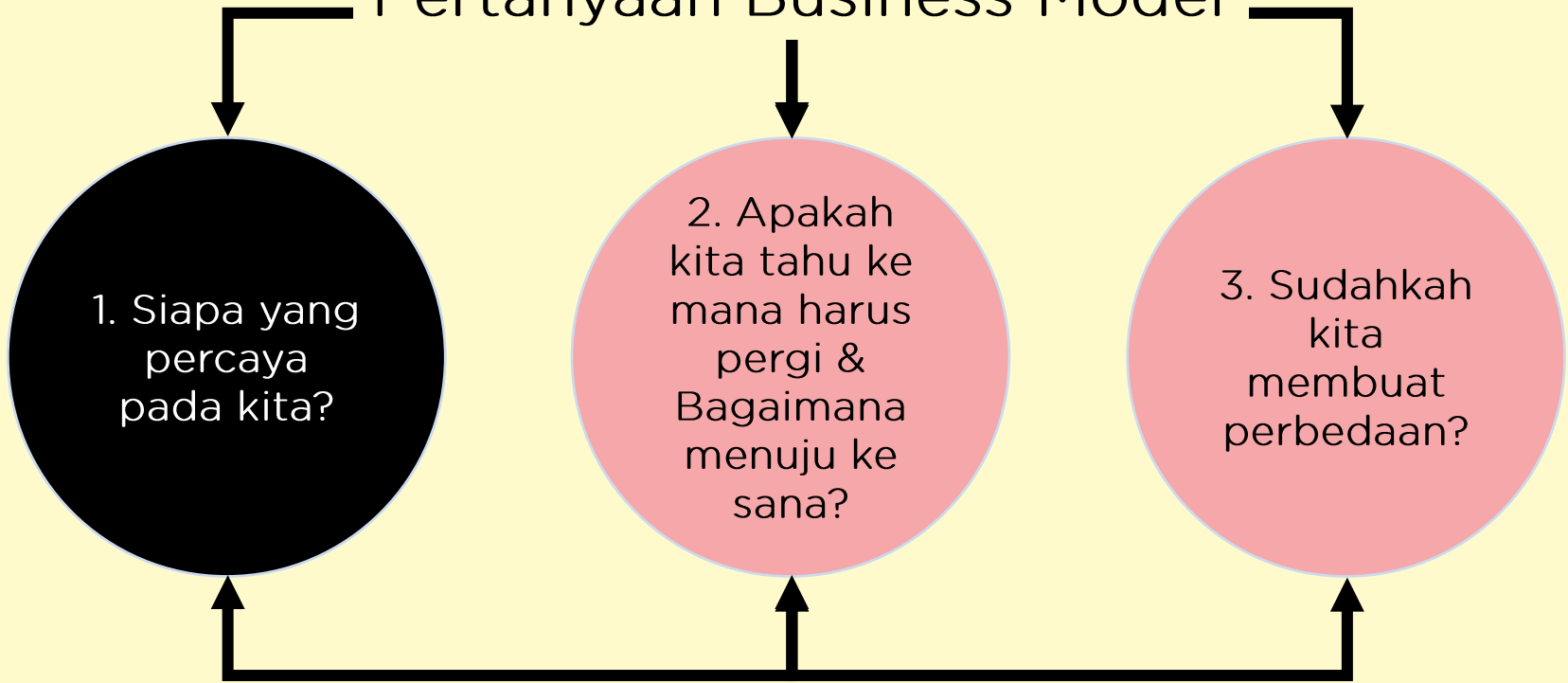


Pertanyaan Business Model

1. Siapa yang percaya pada kita?

2. Apakah kita tahu ke mana harus pergi & Bagaimana menuju ke sana?

3. Sudahkah kita membuat perbedaan?



BR Business Roundtable

- Shareholder value is no longer the main focus.
- The reimagined idea of a corporation drops the age-old notion that corporations function first and foremost to serve their shareholders and maximize profits.

<https://www.cnbc.com/2019/08/19/the-ceos-of-nearly-two-hundred-companies-say-shareholder-value-is-no-longer-their-main-objective.html>

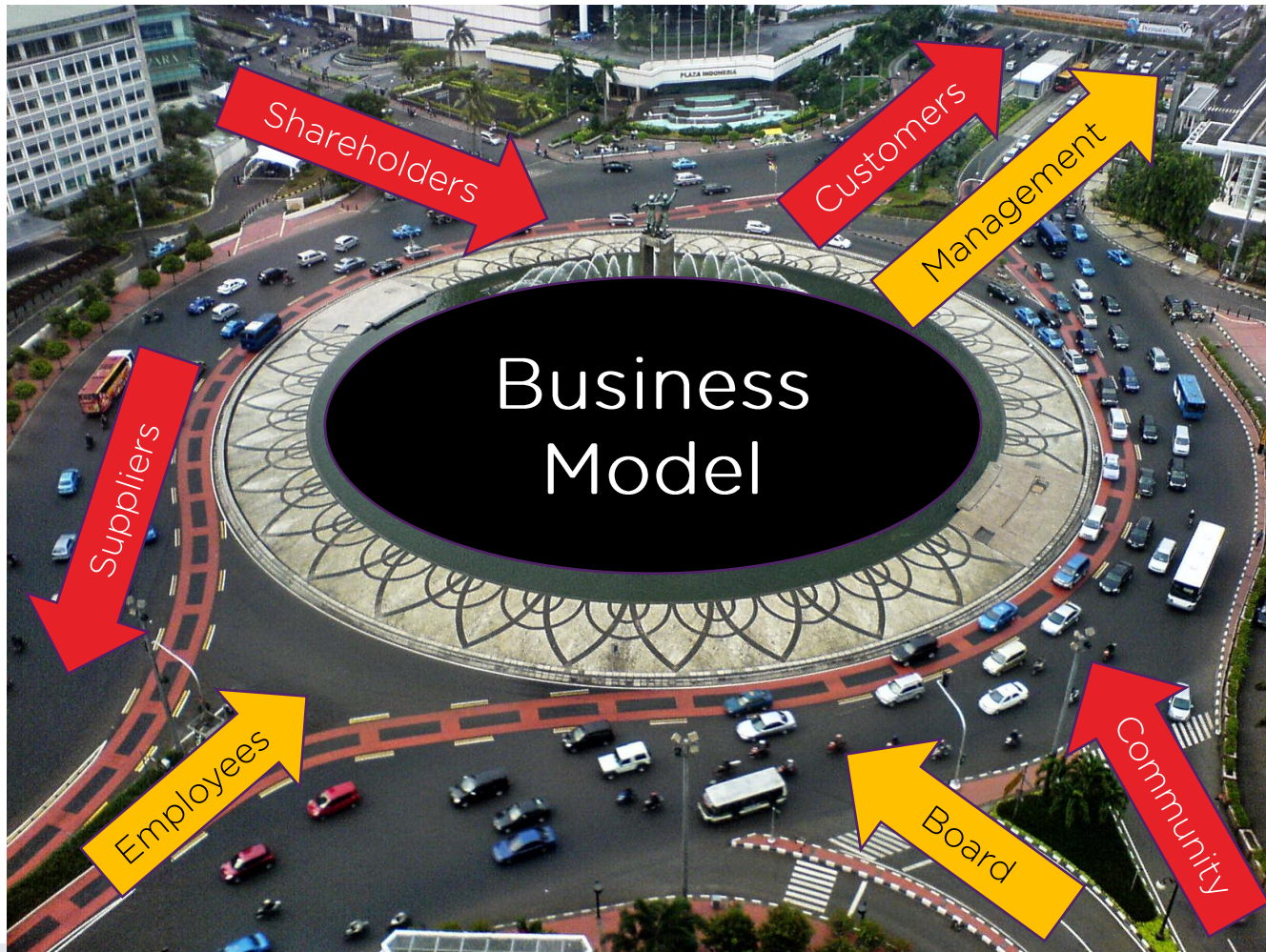
WHAT DO OUR STAKEHOLDERS BELIEVE IN?

- We believe in delivering value to customers
- We believe in investing in employees
- We believe in dealing fairly and ethically with suppliers
- We believe in supporting communities
- We believe in generating long-term value for shareholders

<https://www.cnbc.com/2019/08/19/the-ceos-of-nearly-two-hundred-companies-say-shareholder-value-is-no-longer-their-main-objective.html>



WHERE STAKEHOLDERS WANT TO GO?



POLL #5

Which are your company's most important stakeholders
(You can choose more than one answer)

- Customers
- Employees
- Suppliers
- Community
- Shareholders



1. Siapa yang percaya pada kita?

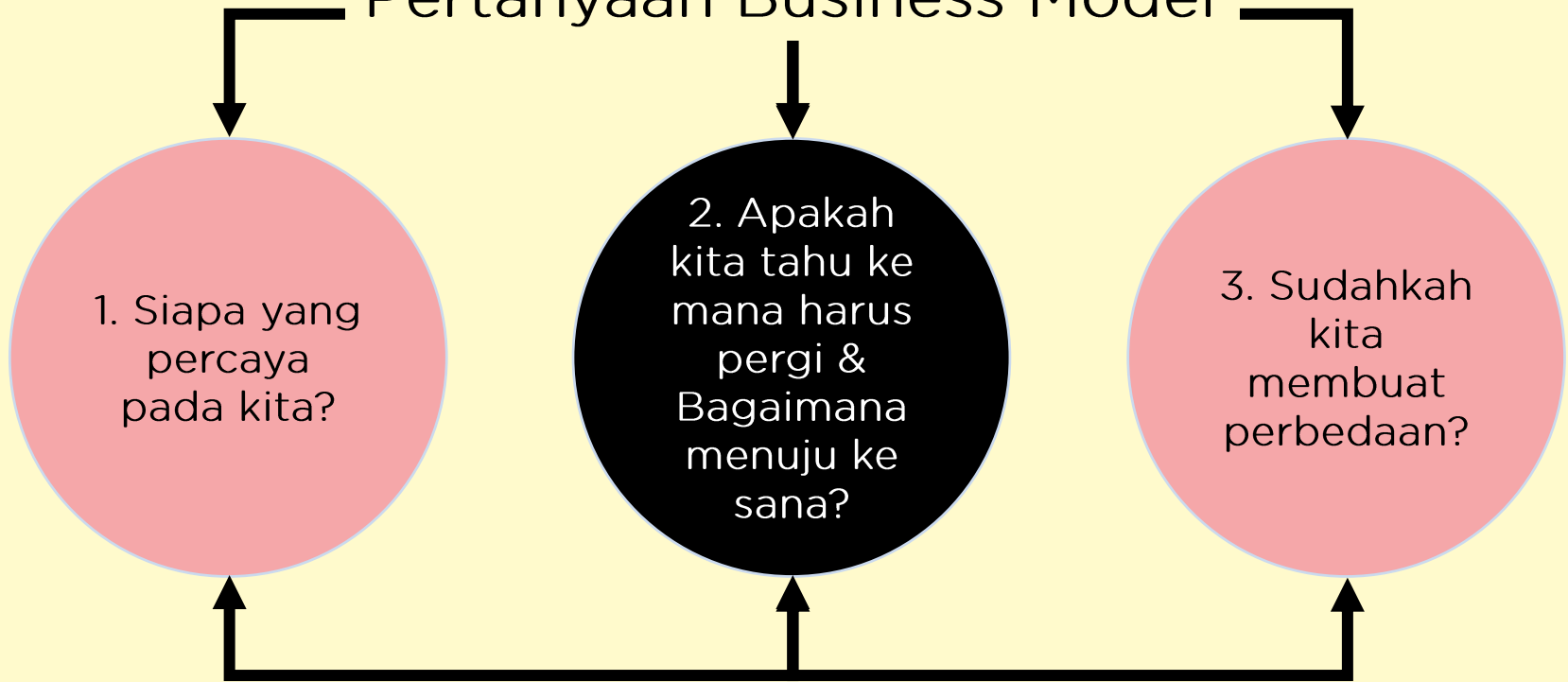
- ✓ Is there a full-time stakeholder engagement function?
- ✓ Do your stakeholders really understand your business model?
- ✓ Is there a commitment to action plans based on feedback from stakeholders?

Pertanyaan Business Model

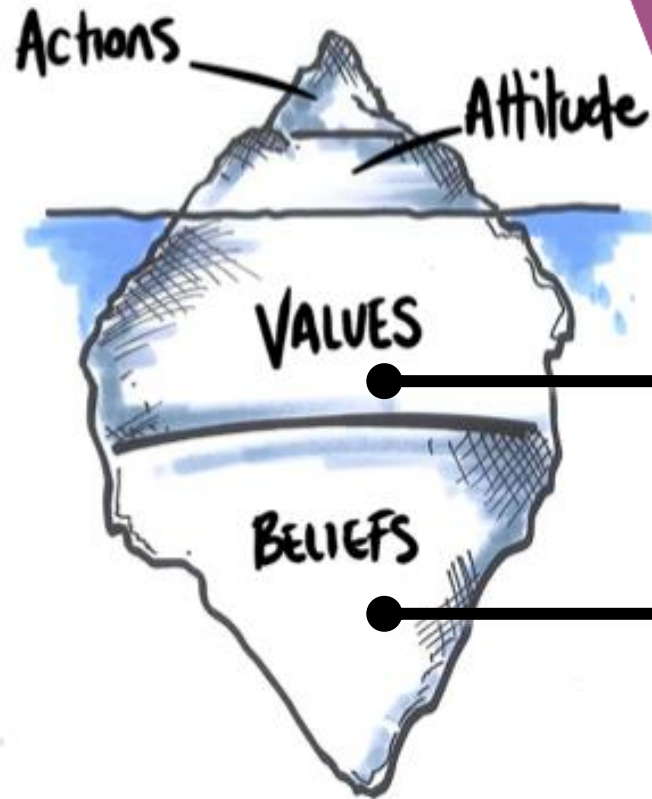
1. Siapa yang percaya pada kita?

2. Apakah kita tahu ke mana harus pergi & Bagaimana menuju ke sana?

3. Sudahkah kita membuat perbedaan?



THE BIG PICTURE



STRATEGIC OBJECTIVES

How do we get there?

CULTURE

What are the shared values, attitudes, standards & beliefs that characterize our organization & define its nature?

STAKEHOLDERS

Who are our stakeholders and how do we add value to them?

POLL #6

Who is responsible for culture in your company?

- Board
- CEO
- HR
- I don't know



2. Apakah kita tahu ke mana harus pergi & Bagaimana menuju ke sana?

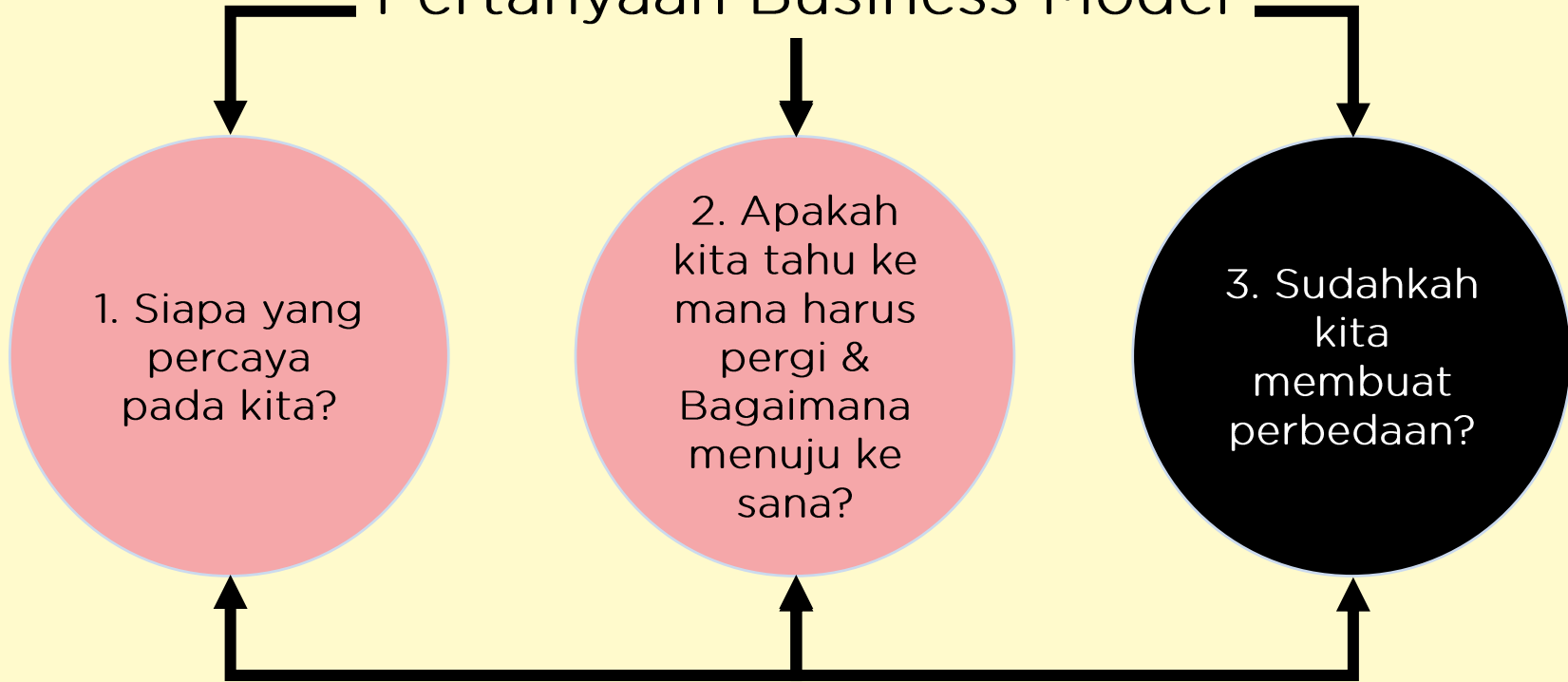
- ✓ Who are our stakeholders and how do we add value to them?
- ✓ What is the culture of our organisation?
- ✓ What is our strategic objectives and are they aligned with stakeholders' expectations?

Pertanyaan Business Model

1. Siapa yang percaya pada kita?

2. Apakah kita tahu ke mana harus pergi & Bagaimana menuju ke sana?

3. Sudahkah kita membuat perbedaan?



SUSTAINABILITY / IMPACT REPORTING

- Sustainability reporting is required under Indonesia Financial Services Authority (Otoritas Jasa Keuangan) rule number 51/POJK.03/2017: Implementation of Sustainability Finance for Financial Services Institutions, Issuers and Public Companies.
- All listed companies are required to publish Sustainability Reporting starting from:
 - Banking Corporations (from 2019)
 - Listed Companies (from 2020)

<https://sseinitiative.org/stock-exchange/idx/>



SOCIAL ASPIRATION



REPORTING FRAMEWORKS



Outside In
How ESG issues impact the financial performance of the organisation

Integrated Thinking
How the organisation connects performance with purpose

Inside Out
How the organisation's activities impact ESG issues



<https://assets.grab.com/wp-content/uploads/media/Grab-Social-Impact-Report-2018-2019.pdf>

Welcome to our social impact report

Grab started our journey seven years ago with a dream to make transportation safer for everyone in Southeast Asia. Over the years, our business has evolved and our aspirations have grown, but at the heart of Grab remains the same conviction that has fueled us since day one. That through technology, grit and empathy, we can deliver real impact to Southeast Asia and the millions of people that share this home with us.

Our vision:

We drive Southeast Asia forward, by elevating the quality of life for everyone.

In this report, we reflect on the past year's journey towards our goals, tracking the impact of our efforts and sharing stories not only from our work, but from the people that motivate us to do more and do better, every single day.

The three main sections of the report follow the key areas we are focusing on in order to achieve our vision of elevating the quality of life for everyone:



1. Creating economic opportunities at scale

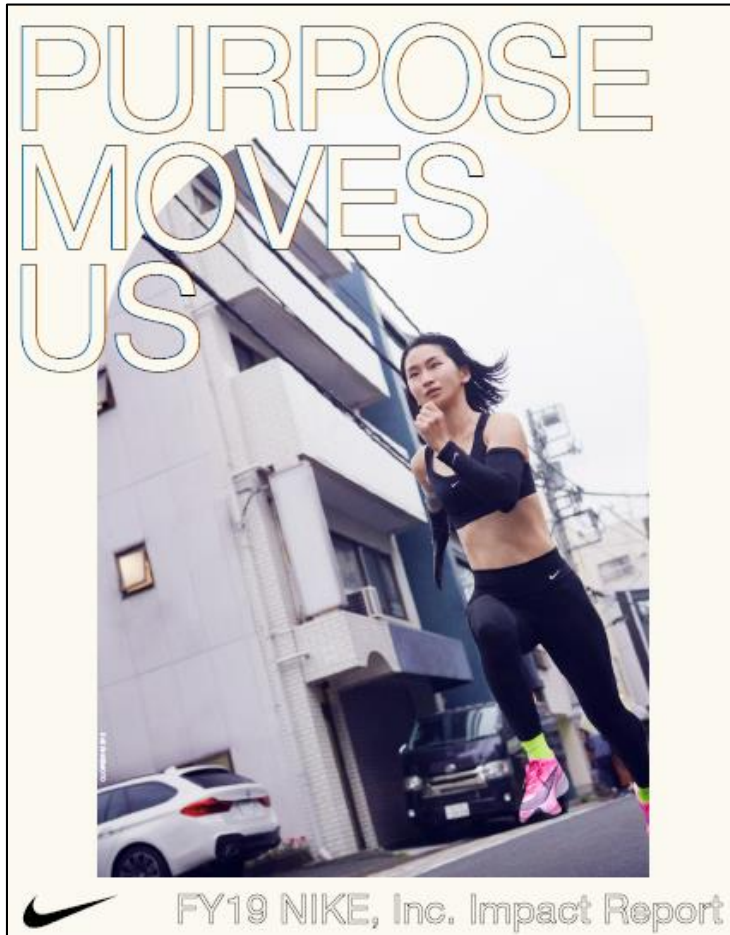


2. Enabling access to safer, high quality everyday services



3. Creating financial inclusion for the underserved

IMPACT REPORTING



Introduction Unleash Human Potential Transform Manufacturing Minimize Environmental Footprint Our Approach Appendix

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NIKE'S JUST DO IT BAW (p. 16)

SUSTAINABLE SOURCING (p. 27)

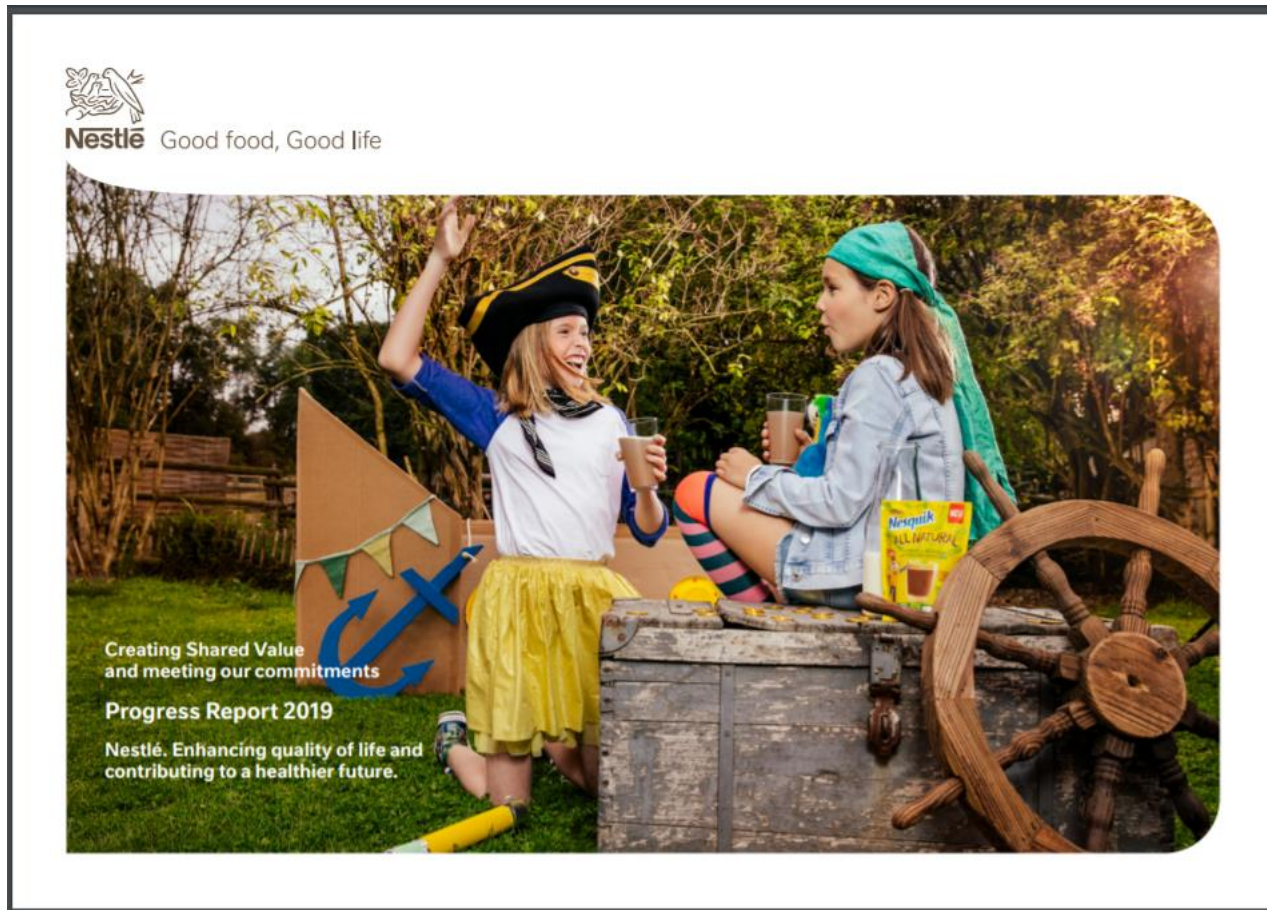
2019 WOMEN'S WORLD CUP (p. 48)

FY19 Nike, Inc. Impact Report 2

<https://purpose.nike.com/fy19-nike-impact-report>



NESTLÉ'S REGARD FOR THEIR STAKEHOLDERS



<https://www.nestle.com/sites/default/files/2020-03/creating-shared-value-report-2019-en.pdf>

Today's CEO playbook says:
business exists to maximize profit
for the shareholders.

I think that's the dumbest idea
I've ever heard in my life.

An anti-CEO playbook is about
gratitude.

Hamdi Ulukaya | TED2019

The anti-CEO playbook



https://www.ted.com/talks/hamdi_ulukaya_the_anti_ceo_playbook?language=en#t-227456

POLL #7

Does your company develop a Sustainability Report?

- Yes
- No
- Don't know

3. Sudahkah
kita
membuat
perbedaan?

- ✓ How do you define impact?
- ✓ Are approaching impact from an “outside in” or an “inside out” perspective?
- ✓ Are there plans to develop a sustainability or impact report?

BEST PRACTICES FOR
COMMUNICATING YOUR
BUSINESS MODEL

OUR GLOBAL RESEARCH - THE GUIDE TO ANNUAL REPORTS



REPORTING ON BUSINESS MODELS

Does the business model make a commitment to creating wider or shared value?	SINGAPORE	MALAYSIA
2018	17%	52%
2019	70%	77%
2020	27%	57%



REPORTING ON BUSINESS MODELS

Does the business model include value created for wider stakeholders?	SINGAPORE	MALAYSIA
2017	13%	N/A
2018	13%	45%
2020	31%	60%



CONCLUSION

Pertanyaan Business Model

1. Siapa yang percaya pada kita?

2. Apakah kita tahu ke mana harus pergi & Bagaimana menuju ke sana?

3. Sudahkah kita membuat perbedaan?



Black Sun is an international stakeholder communications company with unique capabilities and specialist expertise in corporate storytelling.

We exist to solve critical business challenges with creative communications solutions.

We articulate your purpose and communicate how you create value for your stakeholders.

We amplify your corporate story and bring it to life in all formats and across multiple engagement channels.

Annual Reports, Sustainability Reports, Integrated Reports
Social Media Strategies and Campaigns
Corporate Websites & Mircosites



COMMUNICATIONS WITH PURPOSE
BLACKSUNPLC.COM

