

Reporting masterclass

Developing business resilience



Think Ahead

Information Classification: General

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Public

What we'll cover

1. How to demonstrate integrated thinking in an integrated report
2. Two case studies: JLL and DIMO
3. Deep dive into report excerpts
4. We want to hear from you!

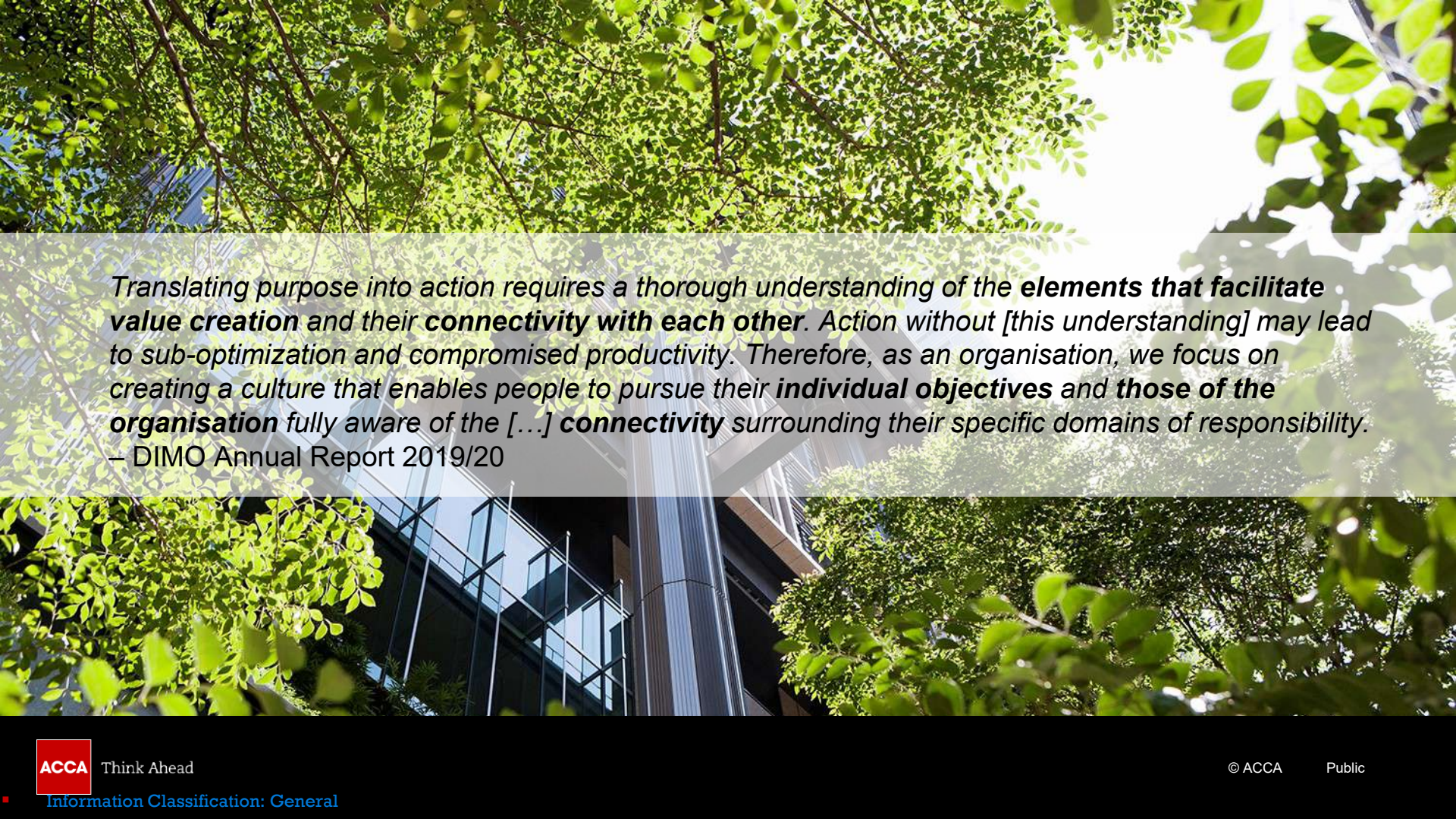


Polling question 1

- In one or two words, what does integrated thinking mean to you?

What's integrated thinking?

- One consistent understanding of strategy throughout the organisation
- Recognising the trade-offs
 - between capitals
 - between short, medium and long-term
- Taking informed action



*Translating purpose into action requires a thorough understanding of the **elements that facilitate value creation** and their **connectivity with each other**. Action without [this understanding] may lead to sub-optimization and compromised productivity. Therefore, as an organisation, we focus on creating a culture that enables people to pursue their **individual objectives** and **those of the organisation** fully aware of the [...] **connectivity** surrounding their specific domains of responsibility.*
– DIMO Annual Report 2019/20

Integrated thinking in an integrated report

Two guiding principles applied across ALL content elements:

- Strategic focus and future orientation
- Connectivity



An aerial photograph of a lush green hillside covered in terraced rice fields. The terraces are carved into the slope, creating a series of concentric, wavy lines. A small, calm pond is nestled in one of the higher terraces. The background shows a dense forest of tall trees.

Strategic focus and future orientation

“An integrated report should provide insight into the organization’s strategy, and how it relates to the organization’s ability to create value in the short, medium and long term and to its use of and effects on the capitals.”

A background image showing numerous bees in flight and clustered together, creating a sense of activity and interconnectedness. The bees are in various positions, some flying towards the camera and others away from it, against a blurred natural background.

Connectivity

“An integrated report should show a **holistic picture of the combination, interrelatedness and dependencies between the factors** that affect the organization’s ability to **create value over time.**”

“The more that **integrated thinking** is embedded into an organization’s activities, the more naturally will the connectivity of information flow into **management reporting, analysis and decision-making,** and subsequently **into the integrated report.**”

Connectivity

- Integrated thinking is demonstrated through **substantive** connectivity
 - Between past, present and future
 - Between content elements
 - Between capitals
 - Between management information, board information and information reported externally.

Preliminary observations

We're looking for:

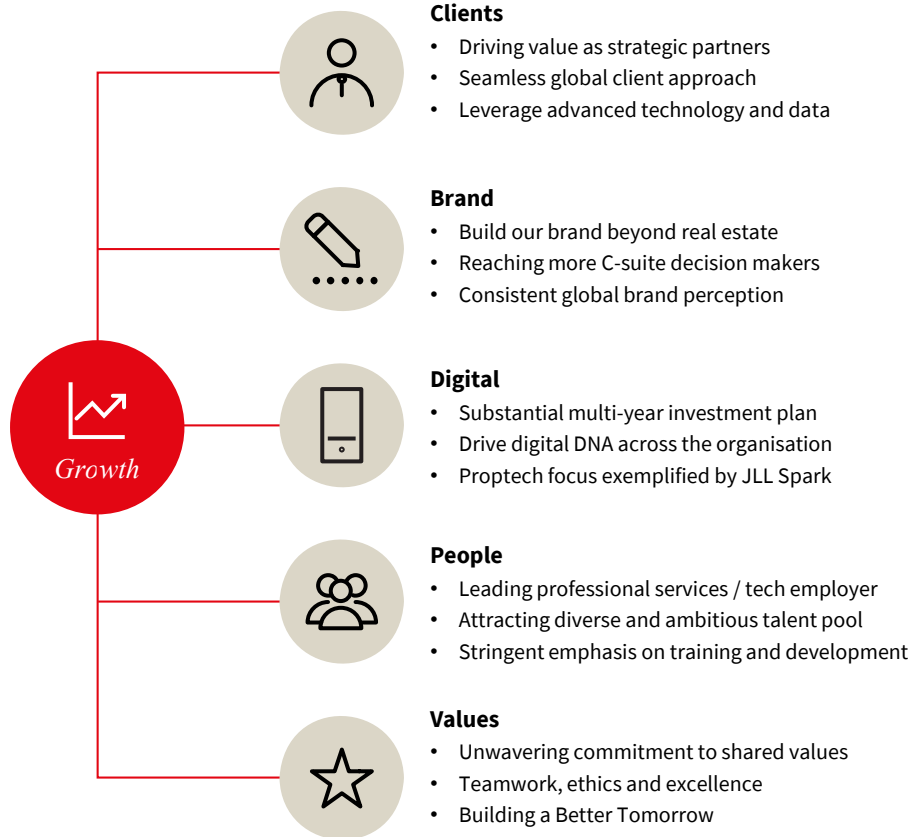
- Strategy supported by clear KPIs, specific timeframes and consideration of capitals
- Coherent strategy flowing through all content elements
- The same key capitals feature consistently in all content elements
- Consistency between internal management information and external reporting
- A concise report, focused on key value drivers



Case studies

JLL and Diesel Motor Engineering PLC (DIMO)

Our global strategic vision: Beyond



Beyond

"At JLL, we are conscious of our ability, and responsibility, to make a substantial positive impact on the world in which we live. **Our purpose is to shape the future of real estate for a better world.** We aim to realize the value that sustainability brings for our clients, our investors, our employees, and our communities by incorporating sustainability into everything we do."

Christian Ulbrich, CEO

10
YEARS OF

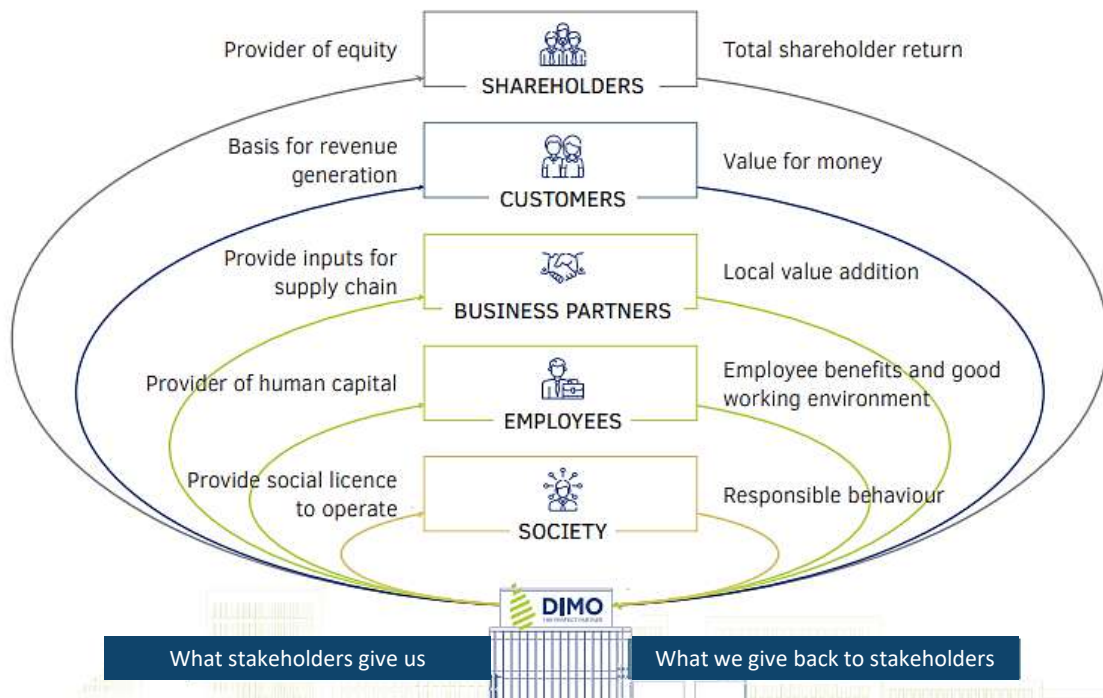
INTEGRATED
REPORTING



DIMO's Integrated Reporting Journey – Purpose, Strategy and Capitals

Sustainable value creation in an interconnected world
The IIRC's Global Conference 2020

“Fuelling Dreams and Aspirations”



“We have looked at DIMO’s brand identity from a new lens, revisiting stakeholder expectations and incorporating them in the company’s strategy formulation process. It requires external brand repositioning while internalising a new set of values. Internalising these values and revamping the corporate culture is part of the Group’s collaboration strategy and will form a key source of competitive advantage in building future resilience”

A.G. Pandithage
Director/Group Chief Executive Officer

Strategy - A Multi Capital Management Approach

COLLABORATION

Collaborate with two key stakeholders to drive the differentiation strategy.

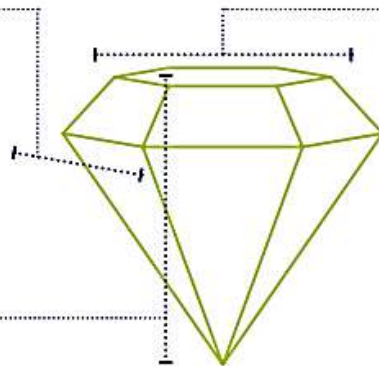
Collaboration with
Business Partners

Business partner network we have built over 80 years provides the access to most advanced and innovative products and solutions.

Collaboration with Employees

Develop an engaged, agile, innovative and talented DIMO tribe to execute our differentiation strategy.

Human capital and relationship capital form key part of DIMO's strategy



THREE DIMENSIONS OF DIMO'S CORPORATE STRATEGY

DIFFERENTIATION

Carefully designed value chain to deliver differentiation through the following.

Technological excellence

Dependability

Aftercare

Customer primacy

Market presence

Responsible behaviour

DIVERSIFICATION

Diversification strategy dominated by related diversification decides business domains in which we opt to operate. A diversified portfolio fuels growth and reduces medium and long-term risk.

Vehicle sales

Vehicle - after services

Marketing and distribution

Construction and material handling equipment

Agriculture

Electro mechanical, bio-medical and marine engineering



Any Questions?



Deep dive into reports

JLL and Diesel Motor Engineering PLC (DIMO)

DISTINGUISHING ATTRIBUTES AND COMPETITIVE DIFFERENTIATORS

We deliver exceptional strategic, fully-integrated services, best practices and innovative solutions for real estate owners, occupiers, investors and developers worldwide through an integrated wholly-owned global platform. These characteristics among others distinguish us from our competitors, drive service excellence and customer loyalty, and demonstrate our commitment to a sustainable future. While we face formidable competition in individual markets, the following are key attributes differentiating JLL for clients seeking real estate and investment management services across the globe.

- Our focus on **client relationship management** to provide superior client service on a highly coordinated basis
- Our **globally-integrated business model** with local market knowledge, including a highly diverse set of service offerings, enabling our ability to deliver expertise wherever our clients need it
- Leadership in leveraging **technology** to enhance the services we provide our clients and the way we operate
- The strength of our **brand**, including our reputation as an ethical organization
- The strength of our **financial position**
- Our **sustainability leadership**, with a sustainability strategy that addresses long-term financial, environmental, and social risks and opportunities for ourselves and our clients
- The quality and worldwide reach of our **industry-leading research** function, enhanced by digital applications and our ability to synthesize complex information into practical advice for clients
- Our **employee engagement** as well as our employee value proposition - *Achieve your ambitions* - which articulates what differentiates JLL as an employer
- The quality of our **internal governance and enterprise risk management**, which clients can rely on over the long term

Polling question 2

To what extent is the multi-capitals concept adopted in your organisation?

- a. We explicitly talk about the capitals both in corporate reporting and in management discussions.
- b. We do apply the multi-capitals concept in management discussions, but we don't explicitly refer to the capitals either internally or externally.
- c. We talk about the capitals in corporate reports, but the capitals concept doesn't feature in management discussions.
- d. We don't apply the capitals concept at all.

Polling question 3

Is your organisation's strategy informed by its uses of, and effects on, the capitals?

- a. Yes
- b. No – But we do consider the capitals in other contexts (ie business model or resource allocation).
- c. No – We don't currently apply the capitals concept at all.

VEHICLE SALES

Sale of brand-new passenger vehicles, four-wheel drive vehicles, commercial vehicles, special purpose vehicles and pre-owned vehicles.



TATA MOTORS
Connecting Aspirations



Key Focus area for 2020/21

- Increase responsiveness of cost structure to respond to volatile government regulations on vehicle imports.
- Remodel value creation through this segment exploring options available.
- Increase reach and visibility of the luxury vehicle segment.

The spill-over effects of the Easter Sunday attacks, the general slowdown in economic activity and the safety and emission standards introduced in 2018 which became effective in 2019, led to a 45% reduction in vehicle imports to the country (excluding Quadricycles and Motor homes). The shrinking market size resulted in a 32% reduction in segment revenue.

PERFORMANCE HIGHLIGHTS

KPI	2019/20	2018/19	2017/18	2016/17	2015/16
Revenue (Rs. million)	13,783	20,318	26,497	29,570	27,283
Contribution to the Group's revenue (%)	40	53	61	67	61
Segment results (Rs. million)	659	968	1,365	1,748	1,946
Contribution to the Group's segment results (%)	22	31	42	54	62
Customer Satisfaction Index (%)	91	91	90	87	88
Number of employees	207	275	299	349	324
Carbon emission (tCO ₂ e) to generate one-million-rupee turnover	0.11	0.09	0.08	0.09	0.09
Water consumption (m ³) to generate one-million-rupee turnover	1.31	1.36	0.91	0.76	0.72
Energy consumption (GJ) to generate one-million-rupee turnover	1.19	0.98	0.76	0.81	0.88

SEGMENT REVENUE

Rs. 13,783 Mn

In 2018/19: Rs. 20,318 Mn

SEGMENT RESULT

Rs. 659 Mn

In 2018/19: Rs. 968 Mn

CUSTOMER SATISFACTION INDEX

91%

In 2018/19: 91%

Polling question 4

Does your organisation set targets for KPIs beyond the next year?

- a. Yes
- b. No

Polling question 5

What are the key barriers to disclosing targets/ expectations on KPIs in your integrated report? Select all the options that apply.

- a. Concerns over stakeholder perceptions if the targets are missed
- b. Concerns over legal liability
- c. Risk that the information may benefit competitors
- d. Risk that targets may distort management decision-making
- e. Other (please explain)

Thank you

**DIMO, JLL, the IIRC, the Deakin Integrated Reporting Centre and other
colleagues on the review panel**

<https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2019/may/integrated-reporting.html>

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Over to you!