

HOW CORONATION CREATES VALUE FOR SOCIETY

Coronation is aligned with the national imperative to promote a just and inclusive society across race and gender, and the upliftment of the communities in which we operate. We do this through our transformation and CSI initiatives.



1st

EMPLOYEE-ONLY
BEE DEAL

4

BLACK-OWNED
FINANCIAL SERVICES
BUSINESSES ESTABLISHED

Transformation

Since opening our doors in 1993, we have delivered on our pledge to create jobs and launch new businesses that support the transformation of our country. While we are by no means at the end of that journey, we are proud of the significant strides that we have made.

United Nations Women's Empowerment Principles

Coronation is now a signatory to the United Nations Women's Empowerment Principles, which provide guidance to business on how to promote gender equality and women empowerment in the workplace, marketplace and community. This emphasises our commitment to diversity and ensuring women, who make up almost half our workforce, are strongly represented in senior roles and on our Board.

B-BBEE scorecard

Our significant contribution to industry transformation, preferential procurement and critical skills development has earned us a Level 2 B-BBEE contributor status according to the Financial Sector Code.

Ownership

In 2005, Coronation launched the Imvula Trust, the first employee-only black economic empowerment deal in the country. By working exclusively with our own people, we created a partnership that we believed would have a meaningful impact on our business and, over time, achieve true social change. In the creation of a new generation of owners, we made a long-term investment in 187 people, our business and the economy.

Black business development

First black-owned transfer agency in South Africa

In 2017, Coronation supported the creation of Intembeko Investment Administrators, which provides dedicated and independent transfer agency services. Intembeko is the first black-owned and managed transfer agency service provider in South Africa.

The business obtained the necessary licensing and met all regulatory requirements needed to provide a full unit trust, pension benefits and investment platform administration service, which commenced in November 2018. Intembeko is now in its third year of operations and continues on its journey to become a world-class service provider.

Black-owned asset managers

Pre-dating black economic empowerment legislation in South Africa, we pioneered a number of corporate initiatives that contributed to transformation and the development of skills in the asset management and financial services industry in southern Africa. Our most notable successes* include:

- Partnering in the launch of the first Namibian majority-owned asset manager – leading to the establishment of Namibia Asset Management in 1996.
- Establishing and funding African Harvest Asset Management in 1999 (subsequently bought out by Cadiz Asset Management).
- Launching Kagiso Asset Management, a joint venture with Kagiso Trust Investments, in 2001.

* Coronation holds no interest in these businesses.

R340m

TO BLACK BROKERAGES

148

BLACK IFA BUSINESSES
SUPPORTED

Supporting black brokerages

In 2006, we launched the Coronation Business Support Programme; an intervention to grow emerging black stockbrokers.

We allocate a minimum of 10% of our South African equity brokerage to a group of black-owned stockbrokers annually. The allocations are guaranteed for periods of three to five years. Critical to the programme's success is Coronation's dedicated allocation to skills development, which was one of the key criteria for ongoing inclusion in the programme.

Since 2006, Coronation has allocated R340 million in brokerage to the programme participants. As a result of this, a number of the businesses have evolved into sustainable stockbroking houses with value-added offerings to the investment community as a whole. For both the industry and the companies themselves, the transformation has been material.

The programme's success inspired the creation of a broader industry programme. In 2016, ASISA launched its Stockbroker Development Programme, with Coronation as one of its sponsoring managers. Five other large fund managers are also now supporting the programme.

Preferential procurement

We practice preferential procurement in order to contribute to the economic growth and empowerment of South Africa. In this way, we aim to broaden our reach to a growing number of predominantly black-owned and black female-owned supplier businesses, thereby encouraging the formation of new enterprises and the creation of much-needed employment opportunities.

The strict implementation of our Procurement Policy guides the continual increase in the procurement of services from B-BBEE-accredited suppliers. It also requires that we identify potential future B-BBEE-accredited suppliers. Through our Supplier Oversight Programme, regular due diligences are conducted to confirm existing and prospective supplier credentials. Where necessary, we exert our influence over those suppliers where their transformation progress conflicts with our Procurement Policy or the objectives upon which we have agreed with suppliers. We remain committed to awarding a greater proportion of spend to empowered suppliers over time.

Training and education

Black financial advisers

As an original sponsor and ongoing supporter and sponsor of ASISA's Independent Financial Adviser (IFA) Development Programme, we provide business development support and skills training to black IFAs. Since the programme's inception in 2016, it has trained 148 black IFA businesses and created internship opportunities for 141 individuals, 42 of whom have been absorbed into the practices.

Vunani Training Academy

Vunani Securities is an original beneficiary of our Business Development Programme. Today, it is a significant South African stockbroker. Through its academy, Coronation has provided financial assistance for 29 graduates, many of whom now fulfil influential roles in the industry.

Bursaries and skills development

The Coronation Exceptional Students Bursary Programme

Since 1993, more than 120 students from underprivileged areas all over South Africa have been given the chance to achieve their dream of a better future through the Coronation Exceptional Students Bursary Programme. The programme provides students with full tertiary bursaries to study at any recognised university in South Africa.

These bursaries are awarded on merit and financial need. Over the period of study, students are supported by trained tutors and matched with a Coronation mentor to assist with integration into university life. Furthermore, all students have the opportunity to gain practical work experience through vacation work, primarily at our Cape Town office. We extended the programme to include high school students in 2012.

“

The interview process was challenging but after going through that meticulous scrutiny, I felt extremely honoured and was quite excited to join this winning team.”

Kgaugelo Makgatho,
Client Reporting intern

“

Coronation gave me the opportunity to prove to myself that I can do better and grow through experience and hard work.”

Ntokozo Yolanda Kumalo,
YES Programme participant

Student financial aid

In addition to the Coronation Bursary Programme, we provided support to the second pilot of the Ikusasa Student Financial Aid Programme, which is a public-private partnership that will fund students studying towards occupations in high demand.

Work experience

To assist in growing and deepening the investment industry's pool of talent, we introduced internship programmes into our Company and black trainee analyst roles within our investment team. Our intention is to create a skills development pipeline that will nurture talent within our business and the industry as a whole. We established a successful two-year work experience programme for unemployed graduates in 2012. In 2020, we hired nine graduates from across these programmes.

Internships

Our focus is to create employment by offering internships in roles that allow for the training and development of graduates. Interns are hired into available permanent roles and trained with the intent of making them permanent and providing them with real life work experience. In 2020, nine new graduates joined Coronation as interns. Over the past nine years, a total of 67 graduates have benefited from our programme and, as at the end of the 2020 financial year, of the 67 interns hired into the business, 87% are black and 55% are black females. We have permanently employed 33 of the 67 interns within our business, of whom 29 are black. To further transform the industry through the development of much-needed skills, we launched our External Intern Programme during 2016. This course is run in partnership with one of our suppliers and provides graduate internships for a 23-month period. The programme is aimed at developing specific skills that are in short supply in the marketplace.

Coronation Brilliant Minds

In 2020, we introduced a graduate development programme as part of a larger integrated approach adopted by the business to help address youth unemployment in our country. It is a 23-month programme designed specifically to create purposeful employment and meaningful professional development for newly qualified graduates.

In 2020, we recruited five graduates into various functions. All five graduates are black and three are female and are offered personal development and training as part of their graduate experience. We intend to grow this programme in the coming years.

Investment Administration and Client Servicing Programme

We also continue to support the partnership between the ASISA Academy and TSIBA Education, which sees students completing the Investment Administration and Client Servicing (IMACS) Programme. Coronation sponsors these IMACS students to complete a six-month internship within our business as part of their programme. These programmes are aimed at developing specific skills currently found to be in short supply in the marketplace.

YES Programme

In 2018, President Ramaphosa introduced the Youth Employment Service (YES) Programme as a means to alleviate the high unemployment rates. In 2020, we partnered with the ORT South Africa Foundation (ORTSA) to deliver a YES Programme, which involved placing 30 youths in schools as teacher assistants. 20 youths were placed in schools in the Western Cape and 10 in schools in Gauteng. These youths are provided with fixed-term employment for 12 months as well as monthly training sessions and one-on-one mentoring by ORTSA for the duration of their employment. This is in the hope that their experience will encourage them to pursue a career in education.

“

Standout aspects for me are exposure to many intelligent people with a wide array of knowledge and the amount of effort Coronation invests in its people.”

Leila Joseph,
intern ESG analyst

1.8m

FOOD PARCELS
FUNDED

R0.7m

TO VICTIMS OF ABUSE

SMME

PAYMENTS ACCELERATED

3rd-party

SUPPLIERS SUPPORTED

Corporate social investments

Coronation is dedicated to supporting schools and communities in building promising futures by collaboratively solving the education crisis in South Africa, with a focus on primary school learners and educators. We also support entrepreneurship and food security through our partnership with community-based farming initiatives. For much of the year under review, our focus was on supporting communities through the pandemic.

Covid-19 relief

Covid-19 was a disruptive factor in the already-challenged South African business and education sectors. As a business, along with our employees, we supported several relief initiatives, including the provision of personal protective equipment, food parcels, WhatsApp learning programmes, supporting teachers and making charitable donations to the most needy communities.

Our CSI programmes

As a proudly South African business, we are committed to developing our youth into becoming authors of their future opportunities and not just once-off beneficiaries of our initiatives.

We believe that by focusing on literacy and numeracy at the primary school level, we can aid in achieving this. Also, by extending our efforts to include supporting the parents, teachers and principals, we believe we can better unlock the potential of the children and students under their care.

1. We are in it for the long term

- ▶ Just like our investment approach, we commit to programmes for the long term.
- ▶ We form enduring relationships with our CSI partners and the communities we support.
- ▶ We believe consistency and sustainability determine success.

2. We take a holistic approach

- ▶ We understand that providing children with quality education cannot be done in isolation.
- ▶ We help parents, teachers and principals with training and tools to help them achieve better learning outcomes too.
- ▶ We support personal money management and entrepreneurship initiatives to strengthen these skills within households and communities.

3. We are directly involved in all our projects

- ▶ Senior employees have adopted schools in the Western Cape and provide regular, ongoing mentorship to principals and teachers regularly.
- ▶ Employees across our business are represented on our CSI Committee.
- ▶ Employees are encouraged to participate in all our CSI initiatives.

4. We monitor the outcomes of our programmes

- ▶ Each programme has specific stated and quantified objectives, along with desired outcomes.
- ▶ We monitor these every quarter in our Social, Ethics and Transformation Committee.
- ▶ Where needed, we implement the required changes and programme enhancements.

Cradle to Entrepreneur

CORONATION'S LEARNING-CENTRED PROGRAMMES



Note: All figures are for 2020. Social distancing and data affordability affected the numbers of participants in some programmes.