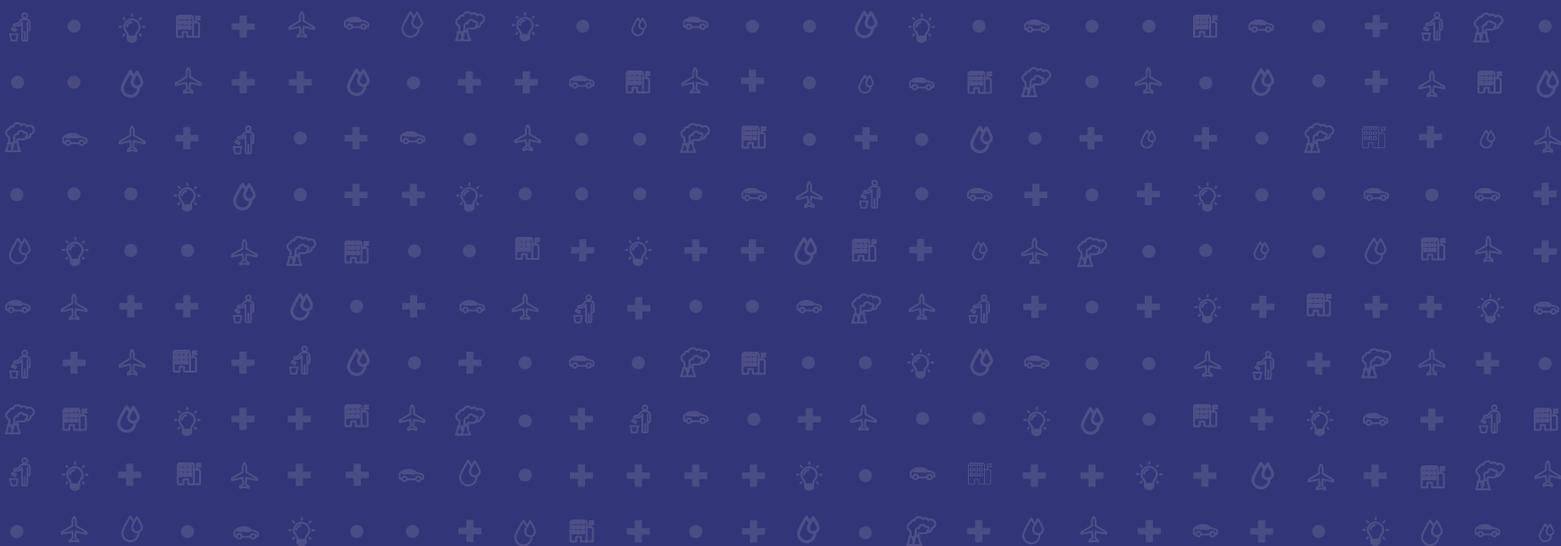




# Carbon Footprint Assessment

2022



**CORONATION**

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# 1. Our carbon assessment

This is the third year we have reported on our operational carbon footprint. The reports for 2020 and 2021 reflect a period when operations were affected by Covid-19 lockdowns. The impact of the lockdowns included a reduced number of employees commuting and working in our offices, and a reduction in on-site electricity and water consumption and waste generation. The lockdowns also affected business travel, including flights, accommodation and car rental.

During the financial year under review, we returned to business-as-usual operating levels, although the first half of the financial year was impacted by the Omicron variant that emerged in November 2021. Still, in this emissions assessment, resource consumption and travel emissions are significantly higher, with this year's assessment showing a 70% increase in overall emissions from the 2021 reporting period. As we begin to assess off a more normalised base, we will continue to strengthen our approach to emissions monitoring and improving our operational sustainability. At the end of this assessment, we highlight the progress we have made in implementing the recommendations from the previous reporting period and outline our future focus on limiting our contribution to greenhouse gas (GHG) emissions.

## 1.1 THE ROLE OF A CARBON FOOTPRINT

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, published by the World Business Council for Sustainable Development and the World Resources Institute (WBCSD/WRI) has become the global standard for voluntary GHG emissions reporting by companies. The Protocol highlights the need for companies to understand and manage their emissions contribution to maintain their licence to operate and to allow them to comply with national or regional policies aimed at reducing corporate GHG emissions. Understanding a carbon footprint is also the first step in identifying exposure to transition risks. These are the risks associated with exposure to national and global actions to address climate change (such as carbon taxes and penalties) and changing markets and technologies. Understanding transition risks is critical to ensuring long-term success in a competitive business environment.

## 1.2 A GLOBAL AND NATIONAL IMPERATIVE

*“Cooperate or perish” - Antonio Guterres, UN Secretary General, COP27*

Increased levels of GHGs in the atmosphere poses a threat to humanity through disrupting global climate systems and impacting negatively on society and the ecosystems that sustain life. Developed and rapidly developing nations are responsible for a disproportionate contribution to current and historical emissions, while developing nations are at greater risk from the social and economic impacts of a climate change transition. The urgency of reducing global emissions, and the unequal consequences of not doing so for developing countries, was reiterated at COP27 held in Sharm el-Sheikh this year, where delegates heard that if decisive action is not taken to curb runaway temperature increases, 64% will be wiped off Africa’s GDP by 2100.

The groundbreaking 2015 Paris Agreement signed at COP21 aims to limit global temperature increases to well below 2°C and strives to limit temperature increases to 1.5°C above pre-industrial levels. However, subsequent to the signing of this Agreement, it has become clear that limiting warming to 2°C is, in fact, insufficient. Therefore, we need to remain within the 1.5°C target to avoid the worst impacts of climate change.

In response to the Paris Agreement and the more recent science, governments are pledging to reduce emissions, including through a green energy transition, towards limiting global emissions to net zero by 2050 while remaining within a fixed total emissions limit. However, achieving these pledges is becoming increasingly challenging, as indicated by data presented at COP27, which indicates that the world is more on track for 2.4°C. This highlights the need for decisive and urgent action by all participants of the global economy – governments and the private sector alike. Unfortunately, the outbreak of war, escalating geopolitical tensions and the resultant energy crisis are strong headwinds to progress.

South Africa is a signatory to the Paris Agreement and has submitted its updated Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC). The NDC includes the country’s proposed actions for adapting to the impacts of climate change and contributing to global efforts to mitigate emissions. It also describes the finance and investment required for both.

South Africa’s NDC is underpinned by the environmental rights set out in section 24 of the Constitution, and the National Development Plan, which provides a 2030 vision to guide the country’s sustainable development trajectory. However, there are myriad challenges that threaten the nation’s ability to meet its emissions reduction pledges, not least of which are unemployment, the state of Eskom and the weight of coal in the domestic economy. As a leading JSE-listed company, Coronation is committed to managing our carbon footprint in line with the national goals.



## 2. Assessment methodology

### 2.1 GENERAL PROCEDURE

As per last year's report, this GHG emissions assessment has been undertaken to estimate the overall magnitude of and key contributors to Coronation's corporate carbon footprint. The assessment methodology used follows the reporting principles and guidelines provided in the GHG Protocol's Corporate Standard (Revised Edition):

1. Establishment of the assessment boundaries (including the selection of GHGs and operational boundaries).
2. Data collection.
3. Evaluation of data quality and sources.
4. Calculation of emissions using appropriate conversion factors.
5. Identification of recommendations for future action.

### 2.2 ASSESSMENT BOUNDARIES

#### GREENHOUSE GASES

A GHG emissions assessment can include all seven GHGs covered by the Kyoto Protocol, namely: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulphur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>), perfluorocarbons (PFCs) and hydrofluorocarbons (HFCs). However, in this assessment, we only include the first three gases and emissions of refrigerants used in office refrigerators. Together, these represent the majority of our emissions.

To allow for aggregation and comparison, emissions of the different gases are converted to a consistent unit, namely carbon dioxide equivalents (CO<sub>2</sub>e), using the applicable global warming potential (GWP). The GWP of a gas represents its relative potential contribution to climate change over 100 years, compared to carbon dioxide (see glossary for a full definition). In this report, GWPs are based on the Intergovernmental Panel on Climate Change's fourth assessment report (AR4).

#### REPORTING BOUNDARIES

The GHG Protocol defines GHG emissions according to three scopes:

- ▶ **Scope 1:** Direct GHG emissions from sources owned or controlled by the Company.
- ▶ **Scope 2:** Indirect emissions from generation of purchased electricity, steam or cooling consumed by the Company, but not generated in-house. The emissions occur at the power station and/or heating/cooling source.
- ▶ **Scope 3:** Other indirect GHG emissions that occur as 'a consequence of activities of the Company but occur from sources not owned or controlled by the Company', upstream/downstream of the business. These include, among others, the production of purchased materials, transport of materials, emissions from business travel and employee commuting and investment activities.

The GHG Protocol mandates that Scope 1 and 2 emissions are reported as a minimum. Scope 3 emissions reporting is optional but is particularly significant for the asset management industry.

This report covers Coronation's Scope 1 and 2 emissions and a selection of Scope 3 emissions. When deciding where to allocate GHG emissions from companies, operations and facilities that are not wholly owned, it is important to draw clear organisational boundaries. Provision is made in the Protocol for either equity share or control approaches to be used for this purpose (see glossary). In this assessment, our organisational boundary comprises our operational activities in South Africa, the UK and the Republic of Ireland. The emissions of our Namibian strategic partner were excluded. Coronation does not own any of the real estate in which we have our offices. Certain equipment (including air conditioners) falls under the ownership, financial responsibility and operational control of our landlords. Electricity, fuels and refrigerant gases consumed by our landlord's equipment thus fall outside of our organisational boundary and are therefore not included in our Scope 1 emissions.

As indicated above, the GHG Protocol defines emissions associated with investments as Scope 3 emissions. For an organisation such as Coronation, this will be a significant emissions category, likely to exceed any other emissions categories by orders of magnitude. Consequently, this category is excluded from this Carbon Footprint Assessment, although information on the carbon intensity of our key equity portfolios is provided in our *2021 Stewardship Report*.<sup>1</sup>

## 2.3 DATA COLLECTION, SOURCES, QUALITY AND APPROACH

The GHG emissions presented in this report are not based on direct measurement of emissions, but rather on detailed records of material, energy and other activity data from which emissions are calculated using emission factors (e.g. amount of carbon dioxide produced per litre of fuel consumed). This approach is considered the most pragmatic since the volume of GHGs produced by most activities is well understood. Most emission factors are sourced from the UK Department for Environment, Food and Rural Affairs (DEFRA)'s GHG reporting: conversion factors 2022. South Africa and the UK's grid electricity emission factors are based on Carbon Footprint's 2022 Country Specific Electricity Factors report.<sup>2</sup>

The accuracy of the emissions estimates depends on the accuracy, relevance and completeness of the input data and emission factors utilised. Therefore, all assumptions and emission factors are clearly presented to ensure transparency for the reader to be comfortable that the reported emissions are based on best practice.

<sup>1</sup> Our stewardship reporting is on a calendar year basis

<sup>2</sup> [https://www.carbonfootprint.com/docs/2022\\_03\\_emissions\\_factors\\_sources\\_for\\_2021\\_electricity\\_v11.pdf](https://www.carbonfootprint.com/docs/2022_03_emissions_factors_sources_for_2021_electricity_v11.pdf)



## 3. Data: sources, quality and assumptions

Data utilised for the calculation of emissions were collated by Coronation for its offices in Cape Town, Johannesburg, Durban, Pretoria, London and Dublin, for the financial year ended 30 September 2022.

A complete list of data for the emissions categories included in this report, data sources, and the assumptions/extrapolations used to fill data gaps is as follows.



### Fuels consumed in stationary equipment

Coronation owns a back-up generator for times when grid electricity is unavailable and the landlord's generator is non-operational. In the current financial year, Eskom's ability to generate electricity has come under significant pressure, with over 1 858 hours of loadshedding experienced. The extreme loadshedding has resulted in a significant increase in diesel consumption. Diesel purchase records were available for this emissions category.



### Refrigerant gas

Fugitive refrigerant emissions included in this carbon footprint arise from office refrigerators. The current refrigerator systems utilise both R134a and R22 refrigerants, with consumption of refrigerants used for recharging being available from procurement records.



### Electricity

Information on electricity consumption in the South African offices was collated from utility bills. Annual electricity consumption in the London office was based on monthly consumption in months for which invoices were available. Electricity consumption in the Dublin office was unknown and assumed to be negligible, as the office serves seven people (approximately 2% of Coronation's employees).



### Materials: paper

Paper consumption data was available for all offices based on procurement records.



### Business travel

Business travel includes flights, vehicle hire, non-commuting personal vehicle use and accommodation. Flight data, including travel distances and class, and accommodation data are known from travel records. Vehicle-use data is known from a combination of car hire records, Uber payment records and travel kilometre claims. It is assumed that all vehicles have similar emissions to UK vehicles as per those included in the DEFRA 2022 dataset.



### Employee commuting

Employee commuting statistics were based on a combination of survey data and assumptions. Commuting distances were calculated based on home address postcodes, while the general transport type (i.e. car, train, etc.) utilised for commuting was based on employee surveys. It was assumed that, unless otherwise known, all privately owned vehicles were medium-sized petrol cars. The number of commuting days for each employee was based on office scan-in records. Commuting data includes outsourced contractors and staff.



### Municipal water

Water consumption was known for the Cape Town, Johannesburg and Pretoria offices from utilities bills. However, water consumption for the Durban, London and Dublin offices was unknown and assumed to be negligible based on the offices serving only 5% of Coronation employees.



### Waste

Municipal solid waste quantities were not known for any of our offices; however, the nature of Coronation's business means that emissions from landfilling or other treatment routes for waste are likely negligible.

Recycled waste quantities were known for the Cape Town office. Recycled quantities for the other offices were unknown and assumed to be negligible based on the offices serving only 7% of Coronation's employees.



## 4. Results

The GHG emissions from Coronation’s operations for the year ended 30 September 2022 are presented in Figure 1.

**Figure 1: 2022 GHG emissions**

Scope	GHG emissions (tonnes CO <sub>2</sub> e)	Source
Scope 1	110.5	Stationary combustion and refrigerants
Scope 2	726.8	Grid electricity
Scope 3	860.7	Paper consumption, business travel, employee commuting, water and waste
<b>Total</b>	<b>1 698.0</b>	

*Note: All emissions are higher than in the previous reporting year due to employees returning to the office and the resumption of business travel*

The US Environmental Protection Agency’s equivalencies calculator is used to put our 2022 emissions of 1 698 tonnes CO<sub>2</sub>e into context. This calculator suggests that this figure is roughly equivalent to the carbon sequestered by 28 000 saplings growing for 10 years, the savings achieved by 64 360 incandescent lamps being switched over to LEDs, 588 tonnes of waste being recycled instead of landfilled, or 366 petrol-driven cars driven for one year.

It is worth restating here that, due to the impact of Covid-19 and the resultant work-from-home and mobility restrictions on our business operations in both the previous reporting periods and the start of this financial year, going forward year-on-year comparisons of this data will be coming off a higher base.

Figure 2 shows our emissions expressed in terms of various intensity metrics.

**Figure 2: GHG emissions intensity factors**

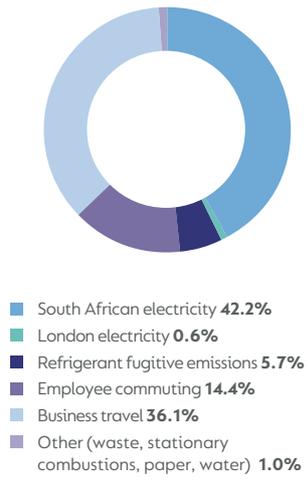
Total GHG emissions (tonnes)	Emissions per employee (tonnes CO <sub>2</sub> e/employee)	Emissions per employee day in office (tonnes CO <sub>2</sub> e/employee/day in office)	Emissions per office floor area (tonnes CO <sub>2</sub> e/m <sup>2</sup> floor space)	Emissions by revenue (tonnes CO <sub>2</sub> e/R’m revenue)
1 698	3.70	0.03	0.26	0.45

The contribution to emissions by activity is shown in figures 3 and 4.

**Figure 3: Coronation’s carbon footprint breakdown**

	<b>GHG emissions (tonnes CO<sub>2</sub>e)</b>	<b>% Contribution</b>
Electricity	<b>726.8</b>	<b>42.8%</b>
<i>South African electricity</i>	<b>716.7</b>	
<i>London electricity</i>	<b>10.1</b>	
<i>Dublin electricity</i>	<b>-</b>	
Business travel – flights	<b>579.7</b>	<b>34.1%</b>
Employee commuting	<b>244.7</b>	<b>14.4%</b>
Refrigerant fugitive emissions	<b>96.1</b>	<b>5.7%</b>
Business travel – accommodation	<b>18.4</b>	<b>1.1%</b>
Business travel – vehicles	<b>14.5</b>	<b>0.9%</b>
Stationary combustion	<b>14.4</b>	<b>0.8%</b>
Office paper consumption	<b>2.4</b>	<b>0.1%</b>
Material use – municipal water	<b>0.9</b>	<b>0.1%</b>
Waste – recycled waste	<b>0.1</b>	<b>0.0%</b>
	<b>1 698.0</b>	<b>100%</b>

**Figure 4: Key activities contributing to Coronation’s GHG emissions**



## 4.1 SCOPE 1

Scope 1 emissions include emissions from fuel consumption for the Cape Town office's on-site generator and fugitive refrigerant emissions from office refrigerators. Figure 5 shows that these contribute 110.5 tonnes CO<sub>2</sub>e of GHG emissions to Coronation's carbon footprint.

**Figure 5: Contributors to Coronation's Scope 1 emissions**

Source of greenhouse gas		Unit of measure	Emission factor (ef) (kg CO <sub>2</sub> e/unit)	CO <sub>2</sub> e ytd (tonnes)
Stationary combustion	Diesel used in back-up generator	litres	2.699	14.4
Refrigerants	Recharge office refrigerators with R134a	kg	1 430	96.1
<b>Total</b>				<b>110.5</b>

## 4.2 SCOPE 2

Scope 2 data included emissions from grid-purchased electricity in South Africa and the UK (Figure 6). As indicated previously, emissions from the small Dublin office were excluded from the analysis. A total of 843.3 megawatt hours (MWh) of electricity was consumed across the Group, equating to 15 kWh per employee per day in the office (i.e. adjusted for out-of-office days). This consumption gave rise to 726.8 tonnes CO<sub>2</sub>e of GHG emissions, equivalent to 1.6 tonnes CO<sub>2</sub>e per employee. In line with employee numbers, the South African offices have the highest electricity consumption and resultant Scope 2 emissions.

**Figure 6: Electricity emissions analysis**

Source of greenhouse gas	Electricity consumed (MWh)	GHG emissions (tonnes CO <sub>2</sub> e)	Electricity Consumption per employee office day (kWh employee/day in office)	Office electricity intensity (kWh/m <sup>2</sup> )	Emissions per employee (tonnes CO <sub>2</sub> e/employee)
South Africa	795.8	716.7	15	128	1.63
UK	47.5	10.1	23	250	0.84
<b>Total</b>	<b>843.3</b>	<b>726.8</b>			
<b>Average</b>			<b>15</b>	<b>129</b>	<b>1.58</b>

## 4.3 SCOPE 3

Scope 3 emissions included in the assessment were those from materials consumption, business travel, employee commuting, municipal water consumption and waste recycling. In total, these activities contributed 860.7 tonnes CO<sub>2</sub>e of GHG emissions to Coronation's carbon footprint.

### Materials consumption

Materials consumption emissions are only considered for office paper (Figure 7). Consumption in the period under review amounted to 1 023 reams of paper across all offices, which is equivalent to 2 578kg of paper.

**Figure 7: Materials consumption**

<b>Categories</b>	<b>GHG emissions (tonnes CO<sub>2</sub>e)</b>
Material use – office paper	<b>2.4</b>

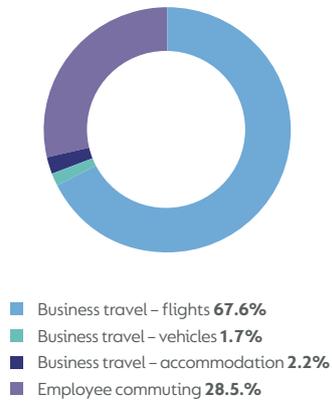
### Travel

Business travel emissions are associated with flights, vehicle use and accommodation, while employee commuting emissions arise from employees travelling to and from the office (Figure 8). Last year, the bulk of travel emissions (79%) was due to employee commuting, as business travel had halted due to the lockdown. However, business travel has resumed, and in 2022, flights now account for 68% of emissions and employee commuting only 29%, while business vehicle use and accommodation each account for around 2% of overall travel emissions. Employees in South Africa make the largest contribution to overall commuting emissions, given that the majority of our employees are located there. Furthermore, the majority of employees in South Africa use personal vehicles for travel. London- and Dublin-based employees use public transport, which has lower GHG intensity.

**Figure 8: Business travel and employee commuting**

<b>Categories</b>	<b>GHG emissions (tonnes CO<sub>2</sub>e)</b>
Business travel – flights	<b>579.7</b>
Business travel – vehicles	<b>14.5</b>
Business travel – accommodation	<b>18.4</b>
<b>Total business travel</b>	<b>612.6</b>
Employee commuting	<b>244.7</b>
<b>Total travel</b>	<b>857.3</b>

**Figure 9: Travel emissions sources**



## Water and waste

Emissions linked to the production of municipal water used in our offices and waste recycled at the Cape Town office are reported here. Municipal water consumption amounted to 6 363 kilolitres, which is associated with just under 1 tonne of CO<sub>2</sub>e of emissions. Waste recycling emissions amounted to 0.1 tonnes CO<sub>2</sub>e of GHG emissions.

Although relatively insignificant when compared with other emissions categories, it is good practice to track and record water consumption and waste production. This is especially relevant in South Africa, where water is in short supply and many landfill sites are nearing the end of their lifespan. In response, water awareness campaigns were implemented to encourage employees to save water during the most critical of Cape Town's water crises, while recycling stations have been set up in the Cape Town offices to encourage good disposal practices.

**Figure 10: Water consumption and waste recycling**

Categories	GHG emissions (tonnes CO <sub>2</sub> e)
Material use – municipal water	0.9
Waste – recycled waste	0.1
<b>Total</b>	<b>1.0</b>



## 5. Future focus

Forward-looking recommendations that arose from our 2021 Carbon Footprint Assessment were linked to: 1) future GHG emissions assessments, 2) reducing our GHG emissions, and 3) carbon offsetting. The following actions have been taken based on these recommendations.

### 5.1 FUTURE GREENHOUSE GAS FOOTPRINT ASSESSMENTS

Coronation considers its carbon footprint data collection and related reporting a journey whereby areas of improvement are being identified and addressed. Coronation considers the following actions to improve future GHG footprint exercises:

- ▶ **The implementation of an internal system for recording and submitting the data required for our GHG emissions assessment.** This would improve the ease and efficiency of data collection and ensure the accuracy of future emissions assessments. Ideally, data should be collected and tracked monthly.
- ▶ **The collection of all relevant data to ensure reporting accuracy.** This includes the full set of electricity data for all sites and improved data on the size of employee cars.
- ▶ **Improvement of Scope 3 emissions reporting to include other categories most relevant to Coronation.** A Scope 3 emissions evaluation tool developed by Quantis allows for the determination of Scope 3 categories most relevant to an organisation.<sup>3</sup> The use of the tool to highlight the priority Scope 3 emissions categories for inclusion in future years' reporting will be explored.

### 5.2 GREENHOUSE GAS EMISSIONS REDUCTIONS

During this year, Coronation adopted a range of actions which contributed to reducing our GHG emissions intensity:

- ▶ For our Cape Town office, where we are the flagship tenant, engagement with our landlord led to the installation of a solar photovoltaic system to supply renewable electricity to the office and thereby reduce the consumption of emissions-intensive electricity from the grid.
- ▶ Employees are encouraged to use video conferencing technology whenever possible rather than travel.
- ▶ Additional flexibility has been provided to allow employees to plan their days around traffic, thereby reducing the time and resultant emissions associated with commuting.

A number of further measures are being considered for implementation by Coronation to contribute to reducing our carbon footprint:

- ▶ **Electricity**
  - › Consideration of a wheeling contract for green energy.
  - › Procurement of electrical equipment to further improve our energy efficiency ratings to A+ upwards. Development of a procurement policy to guide this process.
  - › Building awareness among employees on the efficient use of electricity, e.g. turning off lights and equipment.

<sup>3</sup> <https://quantis-suite.com/Scope-3-Evaluator/>

› **Employee business travel (flights, accommodation, vehicles)**

- › Continued use of video conferencing technology whenever possible and appropriate to reduce the number of flights taken, even post-pandemic.
- › Development of an employee travel policy that governs the class of flight depending on the distance and requirements of the destination, as business and first class travel are more emissions intensive than economy class travel.
- › Building of employee awareness around the environmental impact of flying.
- › Encouraging employees to bear sustainability in mind and take the most direct routes where possible.
- › Encouraging employees to stay in hotels or accommodation with strong sustainability practices.
- › Encouraging employees to use public transport in cities where it is available and safe to do so.

› **Employee commuting**

- › Encouraging and facilitating carpooling among employees to reduce emissions from commuting.

› **Paper**

- › Workshopping high paper use processes to find alternatives, e.g. electronic processing.
- › Building awareness among employees about reducing paper usage.
- › Only procuring Forest Stewardship Council (FSC) certified paper with recycled content.
- › If marketing collateral is printed, requiring printing to be on FSC-certified paper.

› **Waste**

- Continuing to ensure all offices have the facilities and processes in place to maximise recycling.

› **Water**

- › Continuing to build awareness of responsible water use in all offices.
- › Installing water saving fittings in all bathrooms and kitchens.

› **General**

- › Developing sustainability awareness and culture.
- › Setting up an Employee Sustainability Committee to meet quarterly to discuss Coronation's operational sustainability objectives and how to address them.
- › Developing or adopting a sustainability framework and developing a corporate identity for the programme.
- › Consistently tracking carbon emissions data to identify improvements or problem areas.



## 6. Carbon offsetting

Coronation has implemented projects and programmes to reduce our carbon footprint and will continue to promote mitigation going forward. However, our current and planned activities will not completely eliminate all of our GHG emissions. Carbon offsetting provides a means for organisations to purchase emissions reductions from other parties to the equivalent of their residual GHG emissions and thereby achieve carbon neutrality.

However, when purchasing carbon credits, it is important that projects supported are carefully chosen to ensure that the credits are legitimate (i.e. third-party verified and validated), are additional to what would have happened under a business-as-usual scenario, and are transparently reported in the public domain.

Furthermore, it is desirable that the projects result in additional benefits that align with the organisation's broader social and environmental commitments. Projects may therefore include aspects of community upliftment, education schemes and/or the promotion of biodiversity and ecosystem quality. Within this context, Coronation partnered with Credible Carbon, a South African carbon credit registry that works with South African projects that result in a discernible impact on poverty in addition to emissions reductions. Credible Carbon matched Coronation with Walker's Recycling, a family-owned recycling business that collects material from homes and businesses around Cape Town. Through recycling, Walker's Recycling reduces emissions associated with the primary materials value chain. The business provides permanent employment for 15 people and diverts large volumes of material from Cape Town's overstretched landfill sites, providing a range of further environmental benefits. All carbon credits generated by Walker's Recycling have been verified by a third party. The verification report, which provides additional details on Walker's Recycling operations, is available online.<sup>4</sup> To offset our emissions, Coronation purchased carbon offsets worth 3 040 tCO<sub>2</sub> in support of the Walker's Recycling project and retired 1 720 tCO<sub>2</sub> of this amount for the 2022 financial year, with the remainder being carried over to the next financial year. This purchase fully offsets the 1 698 tonnes CO<sub>2</sub>e associated with our 2022 carbon footprint.

<sup>4</sup> <https://www.crediblecarbon.com/>



## 7. Conclusion

Coronation's Board and management ensure that the Company continues to implement actions to reduce our carbon footprint and improve disclosure. We continue to evolve in our reporting and are pleased to share our third formal report. Although our carbon footprint is increasing as we normalise our operations post-Covid-19, we continue to be mindful of our impact and improve our monitoring thereof. We have implemented a number of initiatives in the past year. We are most proud of our engagement with our landlord in our flagship Cape Town office, which resulted in the installation of solar panels. To ensure we play our role as an active corporate citizen, we will review the findings of this assessment and research from subject matter experts to consider the appropriate implementation of key steps to align our operational activities with industry best practice. The Board has elevated climate change and the related risks and opportunities to a key focus area.

This Carbon Footprint Assessment is a continuation of the journey to mitigate our operational impact on the environment through improved efficiencies and participating in offsetting our carbon emissions through partnerships with accredited providers. A further demonstration of our commitment is that Coronation has fully committed to applying the Task Force on Climate-Related Financial Disclosures framework when reporting on our business operations.



## 8. Verification

The 2022 Coronation carbon footprint was independently externally verified. All emissions calculations were checked for accuracy, a spot check of activity data was conducted, and data interrogated where appropriate. Along with verifying the carbon footprint, the verifiers also provided content input to this report. The report is compiled in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). The GHG Protocol is consistent with the International Organization for Standardization's (ISO) GHG emissions reporting standard (ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals).



## 9. Glossary

<b>Carbon dioxide equivalent (CO<sub>2</sub>e)</b>	Standardised unit of measure to reflect the global warming potential (GWP) of the seven Kyoto Protocol GHGs.
<b>Climate change</b>	Change in climate patterns, particularly from the 20th century onwards, that is attributed to increased atmospheric GHG emissions, primarily from human activities such as fossil fuel combustion.
<b>Control</b>	Ability of an organisation to direct the operating policies of a facility or organisation. Usually, if the organisation owns more than 50% of the voting interests, this implies control. The holder of the operating licence often exerts control. However, holding the operating licence is not a sufficient criterion for being able to direct the operating policies of a facility or organisation. In practice, the actual exercise of dominant influence itself is enough to satisfy the definition of control without requiring any formal power or ability through which it arises.
<b>Direct emissions</b>	Emissions released from organisation-owned equipment and premises. These include carbon dioxide, methane and nitrous oxide emissions from fuel combusted in organisation-owned generators and vehicles, as well as methane emissions from organisation-owned landfill sites.
<b>Emissions factor</b>	Coefficient for the conversion of activity data into emissions data. These factors are average values that take into account activity-level information (technology type, etc.).
<b>Equity share</b>	Percentage of economic interest in/benefit derived from an organisation.
<b>Global warming</b>	Continuous gradual rise of the earth's average surface temperature, which is attributed to increased atmospheric GHG levels. The phenomena is linked to changes in global climate and weather patterns (see also Climate change).
<b>Global Warming Potential (GWP)</b>	<p>Index to measure how much energy the emissions of a gas will absorb over a given time period, in relation to carbon dioxide (CO<sub>2</sub>) emissions. The index has units of carbon dioxide equivalents (CO<sub>2</sub>e) (see also Carbon dioxide equivalents) and is utilised to calculate the overall effects of all seven Kyoto Protocol gases.</p> <p>Fourth assessment report (AR4) GWPs, with a 100-year time horizon, are used within this report. Methane therefore has a GWP of 25 kg CO<sub>2</sub>e/kg, while nitrous oxide has a GWP of 298 kg CO<sub>2</sub>e/kg.</p>
<b>Greenhouse gases (GHGs)</b>	Seven major GHGs are identified by the Kyoto Protocol. These are carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), nitrogen trifluoride (NF <sub>3</sub> ), sulphur hexafluoride (SF <sub>6</sub> ), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).
<b>Intergovernmental Panel on Climate Change (IPCC)</b>	Special intergovernmental body established by the United Nations Environment Programme and the World Meteorological Organisation to provide assessments of the results of climate change research to policy makers.
<b>Indirect emissions</b>	<p>Emissions that are a consequence of an organisation's operations but that are not released from organisation-owned equipment or premises. As such, indirect emissions are direct emissions for another organisation.</p> <p>Indirect emissions include those associated with purchased electricity, heat and cooling (Scope 2 emissions), where emissions are released at the generation source. Scope 3 indirect emissions include all emissions released due to an organisation's value chain, including emissions from the production of purchased goods, outsourced waste management, investments and transport in non-organisation-owned vehicles.</p>
<b>Kyoto Protocol</b>	A global agreement whereby industrialised countries agreed to reduce their greenhouse gas emissions. Originated at the third Conference of the Parties to the United Nations Convention on Climate Change held in Kyoto, Japan in December 1997.
<b>Scope 1</b>	Direct GHG emissions from sources owned or controlled by the reporting organisation.
<b>Scope 2</b>	Indirect GHG emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting organisation.
<b>Scope 3</b>	Indirect GHG emissions that occur in an organisation's value chain. These include emissions from the production of purchased goods, outsourced waste management, investments and transport in non-organisation-owned vehicles.



# 10. Company information

## Annual General Meeting:

Wednesday, 22 February 2023 at 14:00

**Share code (ordinary shares):** CML

**ISIN:** ZAE000047353

**LEI:** 3789001BC9A294E6FF77

## Board of Directors

### Non-executive directors:

Prof Alexandra Watson (Chairperson)

Mr Saks Ntombela

Dr Hugo Nelson

Ms Judith February

Ms Lulama Boyce

Mrs Madichaba Nhlumayo

Mr Neil Brown

Mr Phakamani Hadebe

### Executive directors:

Mr Anton Pillay (Chief Executive Officer)

Ms Mary-Anne Musekiwa (Chief Financial Officer)

## Company Secretary

Ms Nazrana Hawa

## Registered office

7th Floor, MontClare Place

Cnr Campground and Main Roads

Claremont 7708

Cape Town

## Postal address

PO Box 44684

Claremont 7735

## Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers

15 Biermann Avenue

Rosebank 2196

Private Bag x9000

Saxonwold 2132

## Auditors

KPMG Inc.

The Halyard

4 Christiaan Barnard Street

Foreshore

Cape Town 8001

## Sponsor

PSG Capital Proprietary Limited

(Registration number: 2006/015817/07)

1st Floor

Ou Kollege Building

35 Kerk Street

Stellenbosch 7600

(PO Box 7403

Stellenbosch 7599)

and Suite 1105

11th Floor

Sandton Eye Building

126 West Street

Sandton

2196

## Disclaimer – Integrated Report

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**For Fund/Strategy Investments:** Performance figures are quoted gross of management fees after the deduction of certain costs incurred within the particular fund.

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