



Sustainability Report

2022



CORONATION

TRUST IS EARNED™



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Scope of the report

This year Coronation Fund Managers Ltd (Coronation) introduces its first standalone Sustainability Report which relates to Coronation, a listed entity on the Johannesburg Stock Exchange, and its wholly owned subsidiaries (the Group). This report is a result of the Group's ongoing commitment to improving its environmental, social, and governance (ESG) and sustainability-related reporting and should be read in conjunction with the *Integrated Annual Report* as well as the *Stewardship Report*. The report provides details on our business activities and the impact thereof on value creation for broader society and the economy as well as on the environment. The Report covers the sustainability-related activities of the Group for the period 1 October 2021 to 30 September 2022¹.

In compiling the report, we took guidance from the Global Reporting Initiative reporting principles and the Task Force on Climate-Related Financial Disclosures (TCFD). We further reviewed and considered the United Nations Sustainable Development Goals (SDGs) that are relevant to our purpose and emphasised those SDGs to which we meaningfully contribute.

Reporting suite

In establishing Coronation's reporting suite, we have repositioned our disclosures across the suite to ensure comprehensiveness. Our reporting suite now comprises of the following reports and its ancillary documents:

- **Integrated Annual Report**
 - Notice to Shareholders
 - Annual Financial Statements
- **Sustainability Report**
 - Carbon Emissions Assessment
- **Stewardship Report**

All reports are published in the Stakeholder Relations section on www.coronation.com.

¹ Stewardship activities as it relates to the Group's investment management activities are measured on a calendar year.



CEO and Chairperson's review



ALEXANDRA WATSON

BCom (Hons), CA(SA)



ANTON PILLAY

BBusSc, CA(SA), CFA,
AMP (Harvard)

As an active, independent asset manager, Coronation's purpose is clear and simple: To deliver superior long-term investment outcomes for the benefit of all stakeholders.

In 2022, Earth Overshoot Day* fell on 28 July and in November the global population topped eight billion people. This exponential conundrum of dwindling resources and escalating demand has amplified matters pertaining to environmental, social and governance (ESG) factors.

The year under review saw dramatic changes in the global political economy, as a confluence of negative macro events sent markets and asset prices tumbling and East-West tensions intensifying. Of significant concern are supply-chain logjams, and escalating energy and food prices caused by the Russo-Ukrainian War. This has now been exacerbated by severe weather in the Euro area. The pressure further increased as central banks met soaring inflation head-on with policy tightening, sacrificing growth in favour of price containment.

South Africa was not immune to global events which, when combined with our unique set of in-country challenges, has made it very difficult for ordinary South Africans to make ends meet. This has placed our own business under pressure as the South African savings pool continues to shrink; while competition in the asset management arena has ramped up, and the amendment to Regulation 28 has seen retirement fund investors allocating to offshore firms.

Coronation's annual results for the 2022 financial year reflected this tough operating environment, with both assets under management and fund management earnings per share down for the year by 9% and 18%, respectively. However, rigorous expense management and our variable expenditure model saw total costs down by 12% and fixed expenses up only 2%, well below inflation → *refer to our 2022 Integrated Annual Report.*

We are pleased to publish Coronation's first Sustainability Report, which discloses our corporate citizenship activities and how our business operations impact our industry, the economy, the environment and society.

* The date where we have used up our resource quote for the year.

Advocating for a just and equitable society

As the focus on transformation, diversity and inclusion sharpened in South Africa and abroad, Coronation maintained its status as a Level 1 contributor to broad-based black economic empowerment. We have also continued to deliver on our commitment to transform our business and industry, with our employee complement reflecting positive representation across both gender and race.

However, for us, diversity is not simply a box-ticking exercise. We believe that diverse teams comprising individuals who are empowered to voice contrary opinions are better equipped to innovate and solve the myriad issues facing investment firms in this extremely volatile and fast-paced environment.

Diversity is not a box-ticking exercise for us – rather, it is a key aspect of our high-performance culture.

Our support for black-owned businesses and skills development is ongoing. This has made a material difference in ensuring that the South African financial services arena has a pipeline of excellent talent. For deeper insight into our transformation initiatives, → [refer to page 31](#).

South Africa is grappling with the socioeconomically erosive triad of high unemployment, a failed education system and a chronic skills deficit. This threatens the sustainability of our society. As a responsible business that is deeply invested in the prosperity of our nation, we continued with our education-focused corporate social investment programmes. Given that a child's ability to learn is severely hampered by food insecurity, we doubled down on our support for hunger relief organisations, Ladles of Love and FoodForward SA, → [refer to page 40](#) for details on our CSI activities for the year.

Can we turn the tide?

Climate change and related social risks, such as inequality, political unrest, biodiversity loss, zoonotic disease transmission, extreme weather events, desertification, and urbanisation, pose an existential threat to humanity. The ground-breaking 2015 Paris Agreement, to which SA is a signatory, called on participating states to commit to national targets to reduce carbon emissions. The move towards a low-carbon future is also entrenched in the National Development Plan (NDP).

Regrettably, this year closed out with the Sharm el-Sheikh COP27 Climate conference, where it became apparent that the 2021 Glasgow Climate Pact, which called for the winding down of coal power, is largely toothless and little to no progress has been made towards Net Zero by 2050. While G20 consensus on the 1.5°C target remains intact, the winding down of fossil fuels remains a polarising topic, with many countries, including India, Russia, Saudi Arabia and China, disagreeing on the manner of implementation.

On a more positive note, several important environmental initiatives were launched and, significantly, provision was made for reparation funding to be paid to emerging markets by the nations that are ultimately responsible for the climate crisis. President Ramaphosa was in attendance and tabled that for SA to abandon coal, developed nations would have to further augment last year's R150 billion commitment to R1.5 trillion if it is to implement its five-year Just Transition Plan successfully. He also made a powerful case that the funding should be in the form of grants rather than loans, as loans would dramatically increase the country's debt burden.

With an eye on long-term sustainability, Coronation supports SA's NDP and international decarbonisation commitments. We understand the materiality of climate-related risks to our business and the broader economy and the need for transparent reporting. Amid the burgeoning regulation and guidance on ESG matters being issued by governments and industry bodies around the world, we have adopted the TCFD reporting guidelines.

We actively encourage our investee companies to do the same (→ [refer to page 18](#)). In addition, we assess and disclose our operational carbon impacts against the Greenhouse Gas Protocol (→ [refer to page 26](#)). We are also members of Climate Action 100+, a signatory to the UN Principles for Responsible Investment and support the Code for Responsible Investing SA principles.

Oversight

As the catalogue of global risks increases, ensuring good corporate governance is the light that must guide the global business community. At Coronation, we are proud to have a transformed and diverse board of highly skilled individuals that has oversight of our business.

We have always believed that for a company to meet its environmental and social obligations, a strong management team overseen by an effective and independent Board of Directors is key.

To conclude

As a significant global asset manager, we understand that we have been granted a social licence to operate, and that the health of our business is directly linked to the prosperity of our nation. In support of the NDP's stated goal to eliminate poverty and reduce inequality by 2030, we actively engage with government on key regulatory changes and work with our peers and SA Inc. in a bid to resolve the considerable barriers to economic growth.



About us

We have been growing long-term wealth for our institutional and personal investment clients for 29 years. Our business generates financial capital by earning fixed and performance fees on the assets we manage on behalf of our clients. The success of our business is founded on our clients, who entrust us to manage their assets; and on our employees, who work hard to deliver on our core purpose of delivering superior long-term investment outcomes for the benefit of all stakeholders.

A PROUD SOUTH AFRICAN COMPANY

As one of the largest independent asset managers in South Africa, we invest the long-term savings of millions of South Africans. Our clients include individuals, retirement funds, medical schemes and financial institutions. We also manage assets for several leading international retirement funds, endowments and family offices. We understand that we have been granted a social licence to operate. We earn this in the ways in which we invest and run our business.

In everything we do, we are guided by five strategic pillars, namely: excellent long-term performance, world-class client service, building a leading global investment capability, active corporate citizenship, and effective governance.

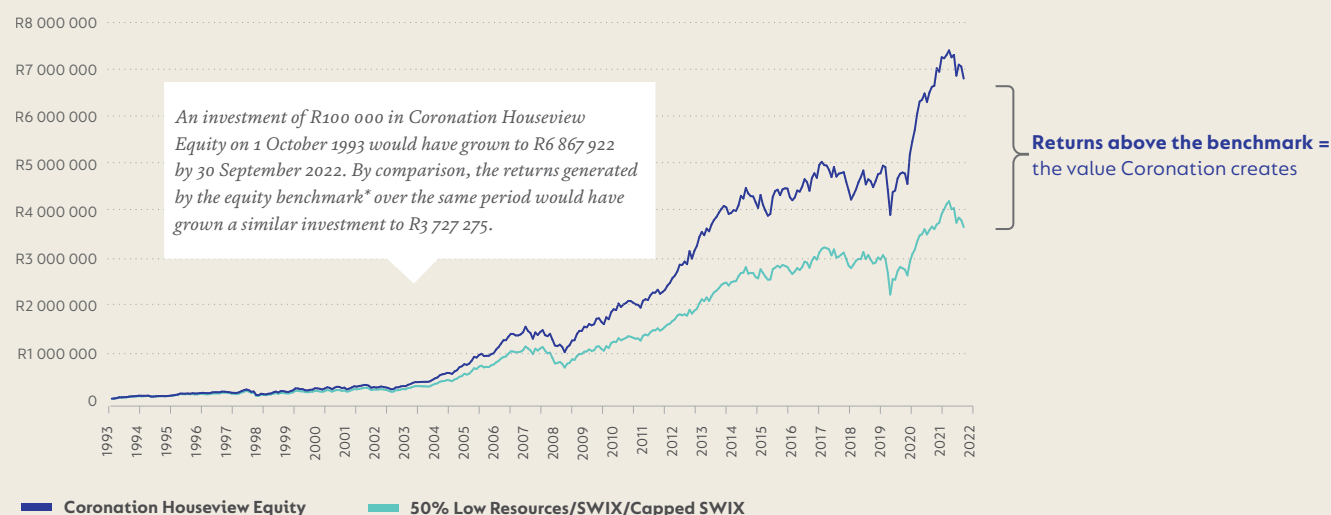
VALUE CREATED BY
OUR HOUSEVIEW
EQUITY STRATEGY

84%

more than the benchmark
since inception

STRONG LONG-TERM INVESTMENT OUTPERFORMANCE

Our ability to deliver attractive and sustainable financial outcomes for clients is evidenced by long-term performance across our fund range, which remains compelling. 96% of our portfolios have outperformed their benchmarks.¹



¹ As at 30 September 2022, Company-wide, asset-weighted since-inception track record for funds with >10-year track records.

* FTSE/JSE Capped Shareholder Weighted Index from 1 May 2017. Previously 50% Resources (inception to 31 January 2002) and FTSE/JSE Shareholder Weighted Index (1 February 2002 to 30 April 2017)


ACTIVE INVESTMENT STEWARDSHIP

Active engagement


395
Number of engagements


175
Number of companies

Voting in line with our principles


6 459
Voting resolutions


498
Shareholder meetings

* 2021 figures: we report on our stewardship figures on a calendar year basis

TRANSFORMING OUR BUSINESS AND INDUSTRY

A homegrown South African business committed to transforming our business and society

As an active corporate citizen, we have also been active in the transformation of the financial services sector and South African society, empowering our employees and benefiting the communities in which we operate.

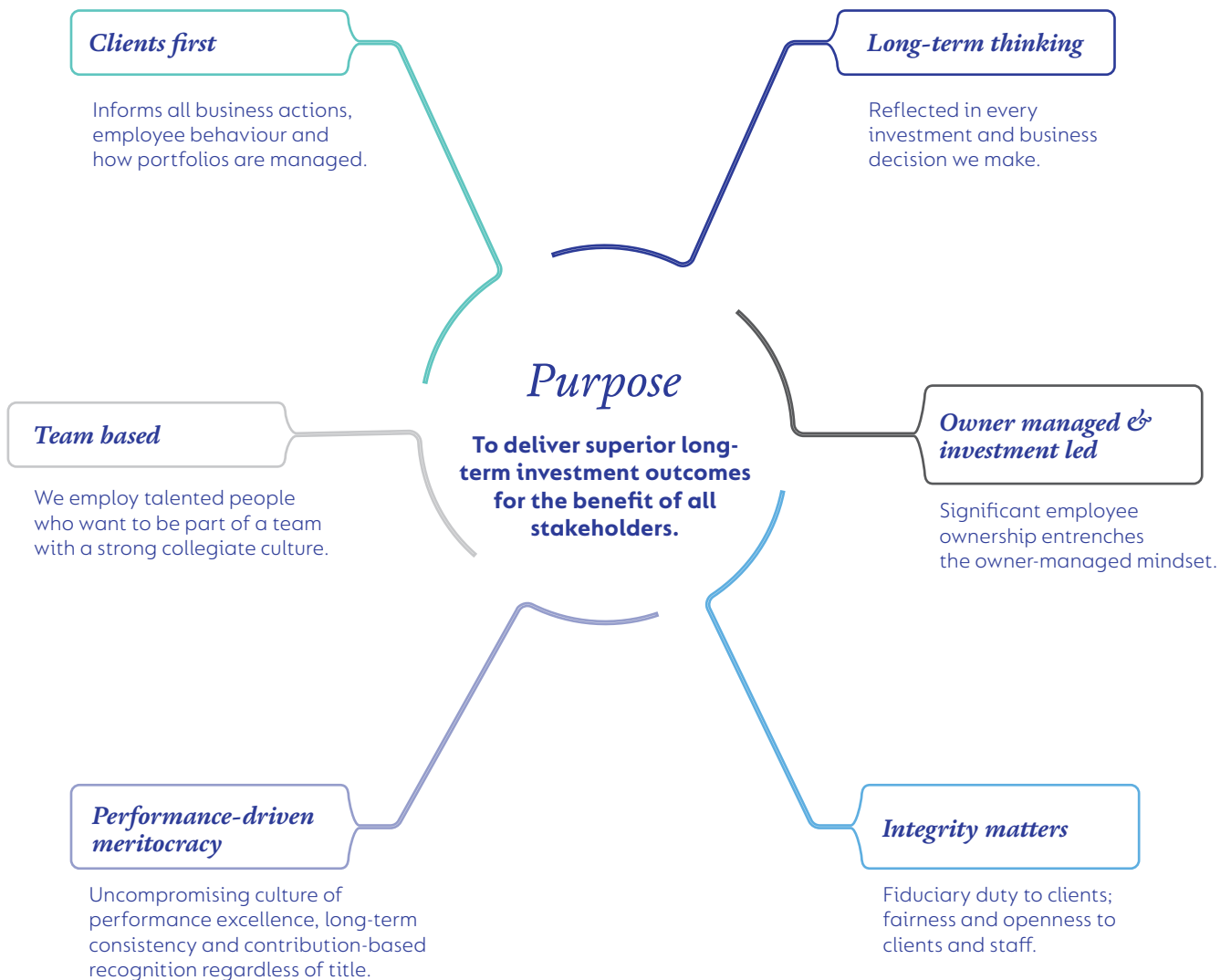


Training stats are cumulative since programme inception

Employee figures refer to South Africa-based employees; all figures as at 30 September 2022.

A SINGULAR FOCUS ON FUND MANAGEMENT

Coronation is 27% employee owned, creating a high-performance meritocracy that is characterised by curiosity, diversity and inclusivity. Our ability to consistently deliver outperformance, at scale, over multi-periods is a key differentiator.



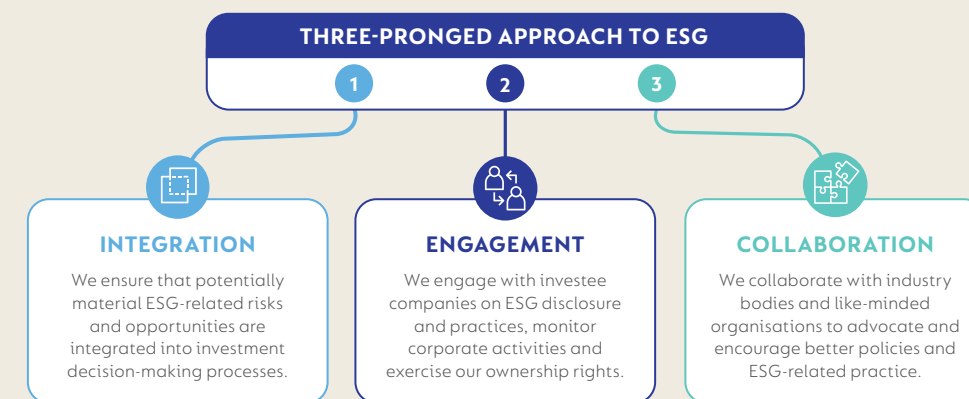


Active stewardship

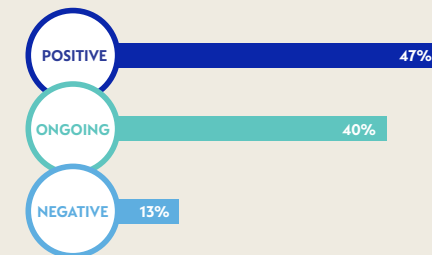
We are committed to being active stewards of the capital we manage on behalf of our clients and further strengthening stewardship in our business operations. This is a snapshot of our investment and operational stewardship activities.

INVESTMENT STEWARDSHIP

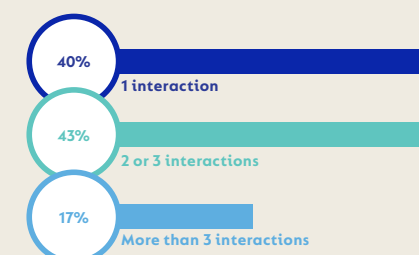
Our approach to integrating environmental, social and governance (ESG) issues into our investment process is underpinned by three core pillars of integration, engagement and collaboration.



Engagement outcomes



Number of interactions with a company



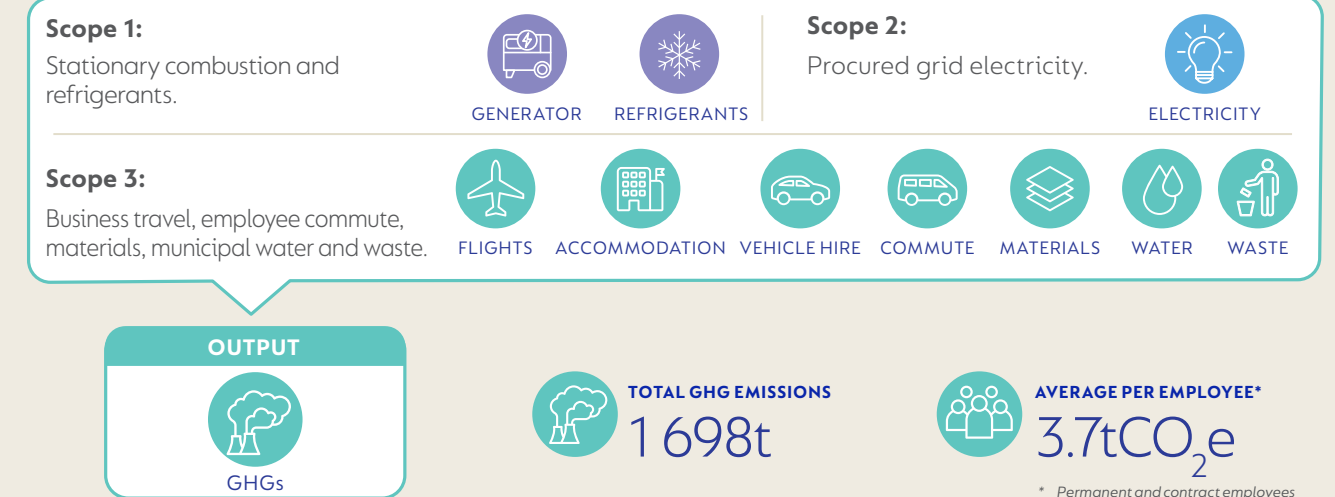
HIGHLIGHTS OF THE YEAR



* Note: Investment stewardship activities refer to the 2021 calendar year

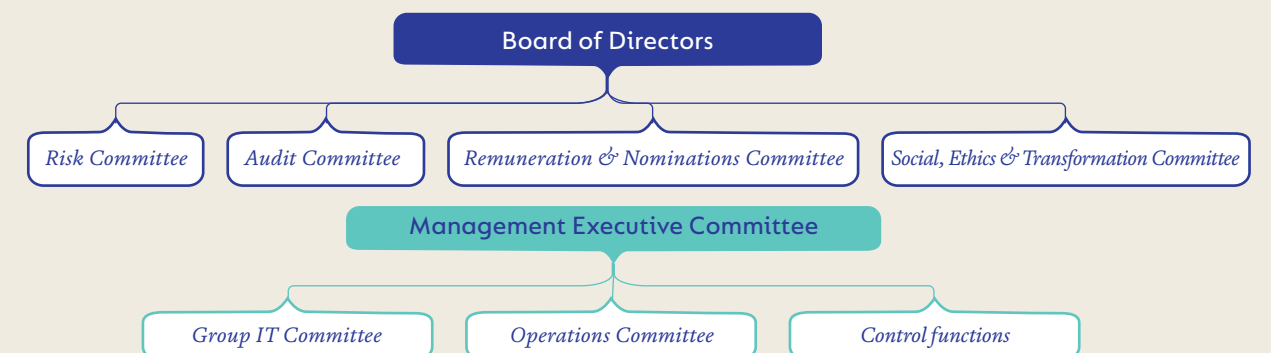
CORPORATE ENVIRONMENTAL STEWARDSHIP

We assess our operational carbon footprint annually, and seek ways to reduce our impact.

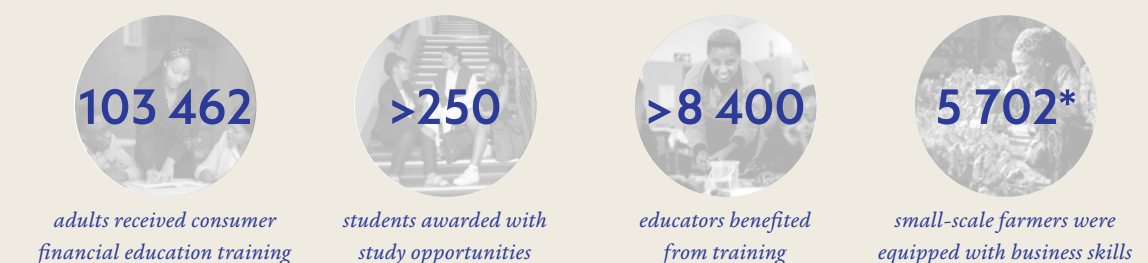


GOVERNANCE

The Board has oversight of all key matters related to sustainability and delegates its authority to its sub-committees and management.






SOCIAL







Figures are cumulative and since inception and include beneficiaries who participate across multiple years of a project cycle
* Includes beneficiaries of Coronation funding and partner funding

SUSTAINABILITY MATERIAL MATTERS

These are matters that have the potential to significantly impact our long-term sustainability, with a distinct emphasis on ESG-related matters.

	Material matters and alignment to strategy	Risk	Opportunity/response
Investment performance 	<p>We are a long-term active manager. Our almost 30-year track record and single long-term, valuation-driven investment philosophy have proven our ability to deliver alpha over the long term. This is at the centre of our promise to deliver value to our clients and other stakeholders.</p>	<ul style="list-style-type: none"> Unprecedented global economic and geopolitical factors impacting markets and eroding medium- and long-term returns 	<ul style="list-style-type: none"> Our ESG model allows for holistic long-term risk and opportunity integration into valuation models. This yields a better understanding of the prospects of investee companies
ESG 	<p>Sustainability founded on the pillars of ESG is a critical cornerstone of our investment philosophy and our corporate operations.</p>	<ul style="list-style-type: none"> Misinterpretation of our integrated ESG investment approach that is founded on engagement before exclusion Many ESG factors manifest in the long-term and are subjectively integrated into valuation models. There is a risk that other market participants price these risks differently, which could impact market prices The ESG regulatory environment is rapidly changing from voluntary to mandatory disclosures. This results in increased demands on businesses and the risk of lagging best-practice disclosure 	<ul style="list-style-type: none"> Value creation and responsible corporate citizenship can be achieved through increased engagement and collaboration on material ESG matters with investee companies, our industry and regulators
Talent 	<p>Sourcing and retaining adequately skilled talent in an environment with unequal access to opportunities and education.</p> <p>Retention of talent has been challenged by the globalisation of the workforce due to changes brought about by the pandemic.</p>	<ul style="list-style-type: none"> Achieving transformation in a scarce-skills environment Emigration An under resourced SA financial services industry 	<ul style="list-style-type: none"> Supporting learners across age groups obtain quality education via our education programmes Developing pipeline talent for the SA financial services industry through our various education, training and development programmes

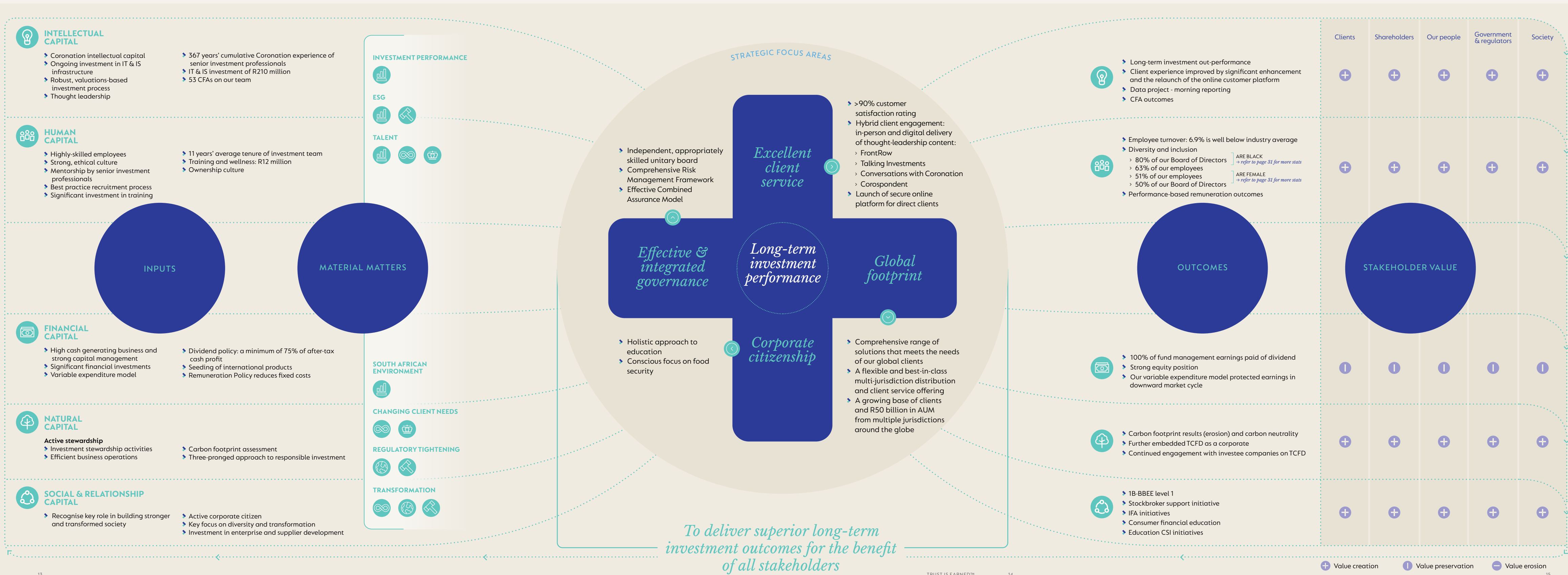
	Material matters and alignment to strategy	Risk	Opportunity/response
South African environment 	<p>The SA savings pool is shrinking, impacted by low economic growth, low confidence in SA Inc. and low levels of formal employment.</p>	<ul style="list-style-type: none"> Negative impact on long-term financial sustainability of SA citizens 	<ul style="list-style-type: none"> To actively engage with regulators and industry peers to lobby for policy implementation to support economic growth
Client requirements 	<p>A shift in consumer and client trends, including the request for alternative products, greater access to global markets, ESG-focused products and client engagement technology.</p>	<ul style="list-style-type: none"> Inability to meet evolving client needs 	<ul style="list-style-type: none"> We continue to deepen our stewardship activities, notably on environmental matters via investee company engagement on TCFD and to ensure that their boards are equipped to respond to ESG matters appropriately
Regulatory environment 	<p>Significant changes in the regulatory environment, as well as the increased pace and volume of regulations.</p>	<ul style="list-style-type: none"> Non-compliance due to pace and volume of regulatory change 	<ul style="list-style-type: none"> Greater engagement with policymakers and industry bodies
Transformation 	<p>We continue to focus on diversity and inclusion. Clients, regulators and industry bodies require a clear demonstration that we are a transformed and inclusive business, and support transformation of the financial services sector and SA economy.</p>	<ul style="list-style-type: none"> Continued, systemic socioeconomic inequality An increasingly unstable society, marked by low growth and the potential for social unrest 	<ul style="list-style-type: none"> Introduce and maintain robust transformation programmes, internally and externally Continue to support programmes that drive transformation goals and objectives



directed by our material matters

to generate long-term value outcomes








for all our stakeholders



SUSTAINABLE DEVELOPMENT GOALS




In 2015, 17 Sustainable Development Goals (SDGs) were adopted by the United Nations (UN) as a universal call to action that will ensure all people enjoy peace and prosperity by 2030. At Coronation, we are committed to playing our part in meeting these goals and we previously mapped our business objectives against the SDGs.

Below we have identified those SDGs with which our business strategy and operational activities directly align. The Group believes that it makes a meaningful contribution to the below listed SDGs within the context of the South African environment.

Transformation and social development activities					
Social & environmental SDGs	Uplifting society & the environment through our investment activities	Supporting our employees	Supporting the financial services sector	Supporting small enterprises and suppliers	Uplifting our communities
 No poverty				●	●
 Zero hunger					●
 Good health and wellbeing		●			
 Quality education					●
 Decent work and economic growth	●		●	●	
 Reduced inequalities	●				
 Partnerships for the goals			●		

Ancillary goals

Notwithstanding the material contribution to the aforementioned SDGs, the Company also supports the SDGs listed below and considers this support to be ancillary to our primary business objectives and commitments:

-  > Gender equality
-  > Peace, justice and strong institutions
-  > Climate action



Active investment stewardship

Stewardship has long been part of our investment DNA. This is because we believe that integrating sustainability factors into the investment process leads to better-informed investment decisions and, ultimately, better long-term, risk-adjusted returns for our clients.



INTEGRATING STEWARDSHIP

Our approach to stewardship derives from our purpose of delivering superior long-term investment outcomes for our clients as responsible stewards of their capital. We recognise that companies that are managed sustainably are more likely to create value over the long term. Our analysis of the ability of each investment to create, sustain and protect value is, therefore, an integral part of our long-term valuation-driven investment philosophy, which aims to generate superior risk-adjusted returns in line with our clients' objectives.

Our stewardship activities focus on the drivers of long-term value. This includes understanding the key ESG risks and opportunities facing each investment, how an entity is responding to these challenges, and driving meaningful change where required. Driving change is only possible through rigorous, company-specific research, which provides a thorough understanding of the issues and trade-offs. We understand that factors may vary by company, industry and country and that a solution to one sustainability issue may have a negative impact on another. Our research on these issues informs our engagements with companies, which are a key component of our active management process.

“Active ownership is a core part of our stewardship approach.”

Our three-pronged approach to ESG

Active ownership is a core part of our stewardship approach, which we apply consistently across the entire range of investment products that we offer to our clients. We aim to influence positive change through meaningful engagement on important ESG issues. We firmly believe that active engagement that is conducted in an informed, responsible and robust manner enables us to drive tangible, positive corporate change over the long term by improving sustainability and governance practices.

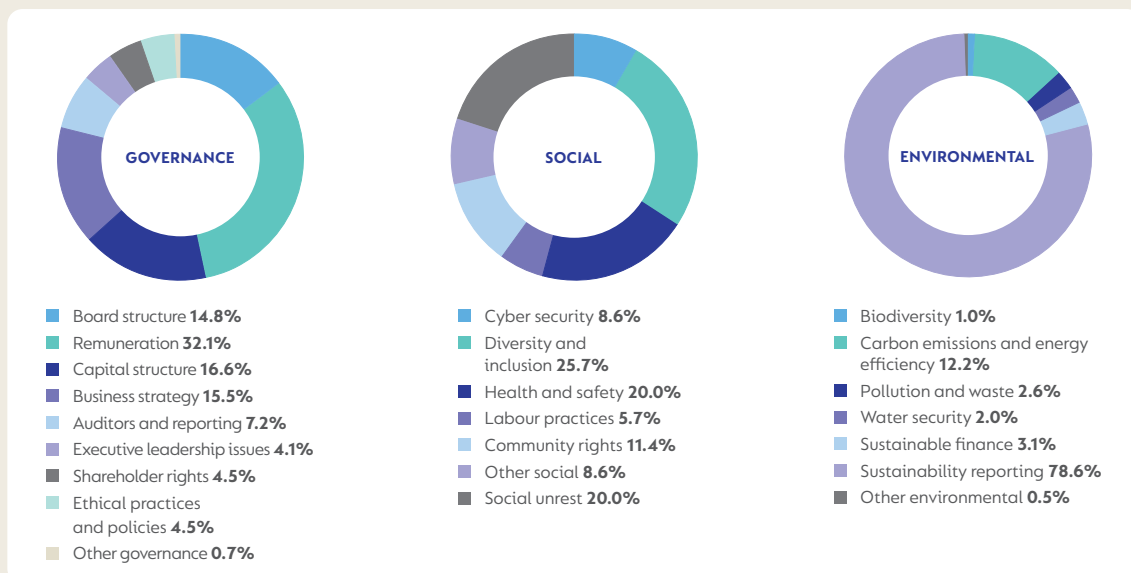
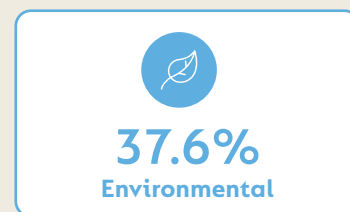
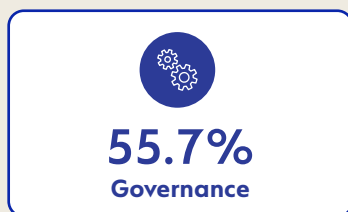
Our stewardship activities are underpinned by three core pillars: integration, engagement, and collaboration. This three-pronged approach allows us to gain a holistic understanding of the underlying issues facing each company, how companies are responding to these issues, and advocating for change in a proactive and responsible manner.

Engagement activity

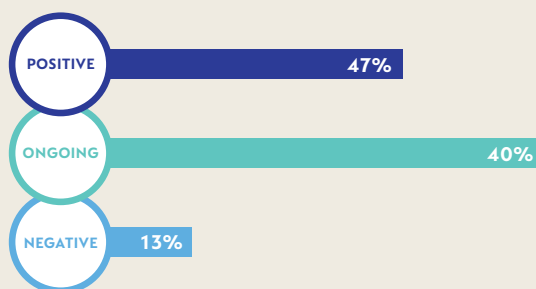
Meaningful engagement with investee companies is one of the most effective ways of driving positive change. Effective engagement drives responsible corporate behaviour which, in turn, leads to greater sustainability and, ultimately, higher long-term returns for our clients. It is worth noting that we measure success not by the number of engagements held but rather by the relevance and quality thereof, and the extent to which our activities drive meaningful change.

We continue to increase our level of engagement, with a notable increase in environmental engagements, mainly to encourage companies to adopt reporting in line with the Task Force on Climate-Related Financial Disclosures reporting framework.

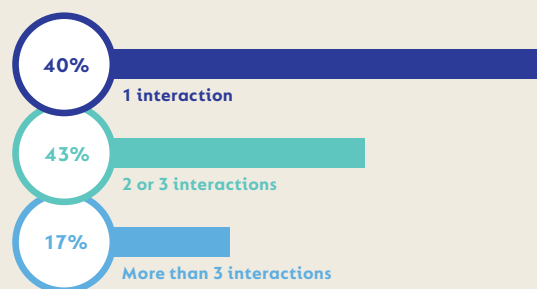
ENGAGEMENTS BY THEME



ENGAGEMENT OUTCOMES



NUMBER OF INTERACTIONS WITH A COMPANY



Tackling climate change

Climate change is a material investment risk that we factor into our investment process. Our approach to climate change uses the same three-pronged approach of integration, engagement and collaboration that we apply to our other stewardship activities. Integrating of climate change into our investment process involves a detailed consideration of material climate-related risks and opportunities.

When dealing with systematic risks such as climate change, one needs to be cognisant that the issues are complex and nuanced. The implication is that to achieve on-the-ground progress, a holistic understanding of the company and context is integral to an accurate assessment of a company's position and trajectory. Deliberate scrutiny of potential unintended consequences is necessary. A key component of addressing systematic issues are collaborative engagements, the impact of which may take a number of years to materialise.

As active managers, we prefer to actively engage with companies to bring about long-term change instead of simply divesting from them. Robust and ongoing engagement is necessary to hold companies accountable for their climate change commitments.

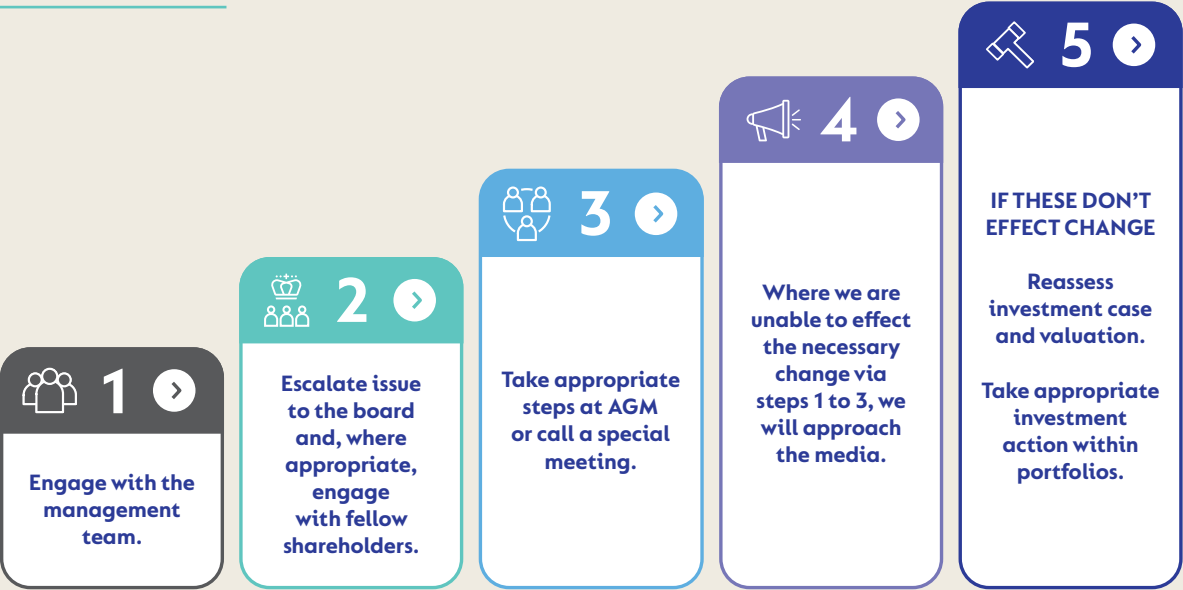
A summary of our stewardship activities as it relates to climate change is provided according to the guidance of the TCFD below. For detailed insight into our positions on material stewardship factors and related activities, please → [refer to our 2021 Stewardship Report](#).

OUR SUMMARISED INVESTMENT-RELATED TCFD ACTIONS AND DISCLOSURES

TCFD theme	Key information	Further information
Governance	<ul style="list-style-type: none"> ▶ The Board provides oversight over climate-related risks and opportunities. ▶ Board members have undergone training on climate-related matters. ▶ Climate-related issues are tabled at Board and Risk Committee meetings. ▶ The Board and Risk Committee rely on the Executive Committee, which provides managerial oversight of climate-related risks and opportunities with responsibilities delineated as follows: <ul style="list-style-type: none"> › CIO: integrating climate issues into the investment process and oversees appropriate level of engagement on climate-related issues with our investee companies 	<p>ESG Policy → download</p> <p>Stewardship Report 2021 → download</p>
Strategy	<ul style="list-style-type: none"> ▶ Material climate-change risks and opportunities are integrated into the valuation and investment decision-making process for every security in the investment universe, where climate change is a material risk. Climate factors are also considered at the portfolio level. ▶ Climate change concerns have led to an increased focus on ESG integration throughout the investment process. These concerns are also increasingly influencing investee engagement and proxy voting activities. ▶ Scenario analysis is used to consider risk for individual companies where material climate exposure has been identified. The main emphasis is currently on transition risk (and specifically policy risk), but this is periodically re-evaluated. ▶ Opportunities exist with respect to companies that can support a just low-carbon transition, and with respect to the provision of sustainable investment products. 	<p>Stewardship Report 2021 → download</p> <p>ESG Policy → download</p>
Risk management	<ul style="list-style-type: none"> ▶ Material climate change risks and opportunities are integrated into all valuation and investment decisions. Information from various sources, including company reports, third-party data providers and through direct engagement with companies, is used to understand transition risks (such as stranded assets), physical risks and liability risks. ▶ This information is interpreted by investment analysts and integrated into their assessments of the long-term fair values of companies. A dedicated ESG analyst identifies best practice with respect to risk identification, external data providers, metrics, etc., and provides support to investment managers and analysts. ▶ Engagement with investee companies is a key part of managing climate risks and driving meaningful environmental change. This is favoured over divestment to drive decarbonisation. If engagements fail, however, investment cases and valuations will be re-assessed. ▶ Letters and emails have been sent to 90 investee companies to urge them to adopt the recommendations of the TCFD. In 2021 an increase of 82% in environmental engagements with companies was largely driven by our efforts to encourage companies to adopt TCFD-aligned reporting. The letters instigated 20 substantial engagements with 15 companies. Of the 90 companies, 55 are implementing (or committed to implementing) the TCFD recommendations, 11 are committed to partial TCFD-aligned disclosure and 7 are assessing the TCFD or other frameworks to improve their disclosures. ▶ We collaborate with industry bodies and organisations (like Climate Action 100+ and the Code for Responsible Investing (CRISA) 2.0 in South Africa) to better understand the impact of climate change on our business and to advocate for more practices. 	<p>Stewardship Report 2021 → download</p> <p>ESG Policy → download</p>
Metrics and targets	<ul style="list-style-type: none"> ▶ Climate metrics monitored at the investee company and portfolio level include weighted average greenhouse gas (GHG) emissions per \$1m in revenue, and total emissions. Contribution to portfolio emissions intensity is used as first pass to identify exposure to the big emitters. Furthermore, metrics are currently being reviewed with the intention to include relevant local metrics like water usage. ▶ The weighted average Scope 1 and Scope 2 GHG emissions intensity of Coronation's key investment strategies are disclosed in the 2021 Stewardship Report. The emissions intensities of comparable benchmarks are also disclosed, as are the largest contributors to portfolio emissions intensity per investment strategy. All strategies, at present, have emissions intensity levels below that of an investment in the appropriate index tracker for the strategy. 	<p>Stewardship Report 2021 → download</p>

As an active owner, we strive to drive meaningful change in investee companies to unlock and grow value. Engaging with management and boards provides insight as to whether they have strategies in place to mitigate material ESG matters and take advantage of emergent opportunities.

LEVELS OF ENGAGEMENT

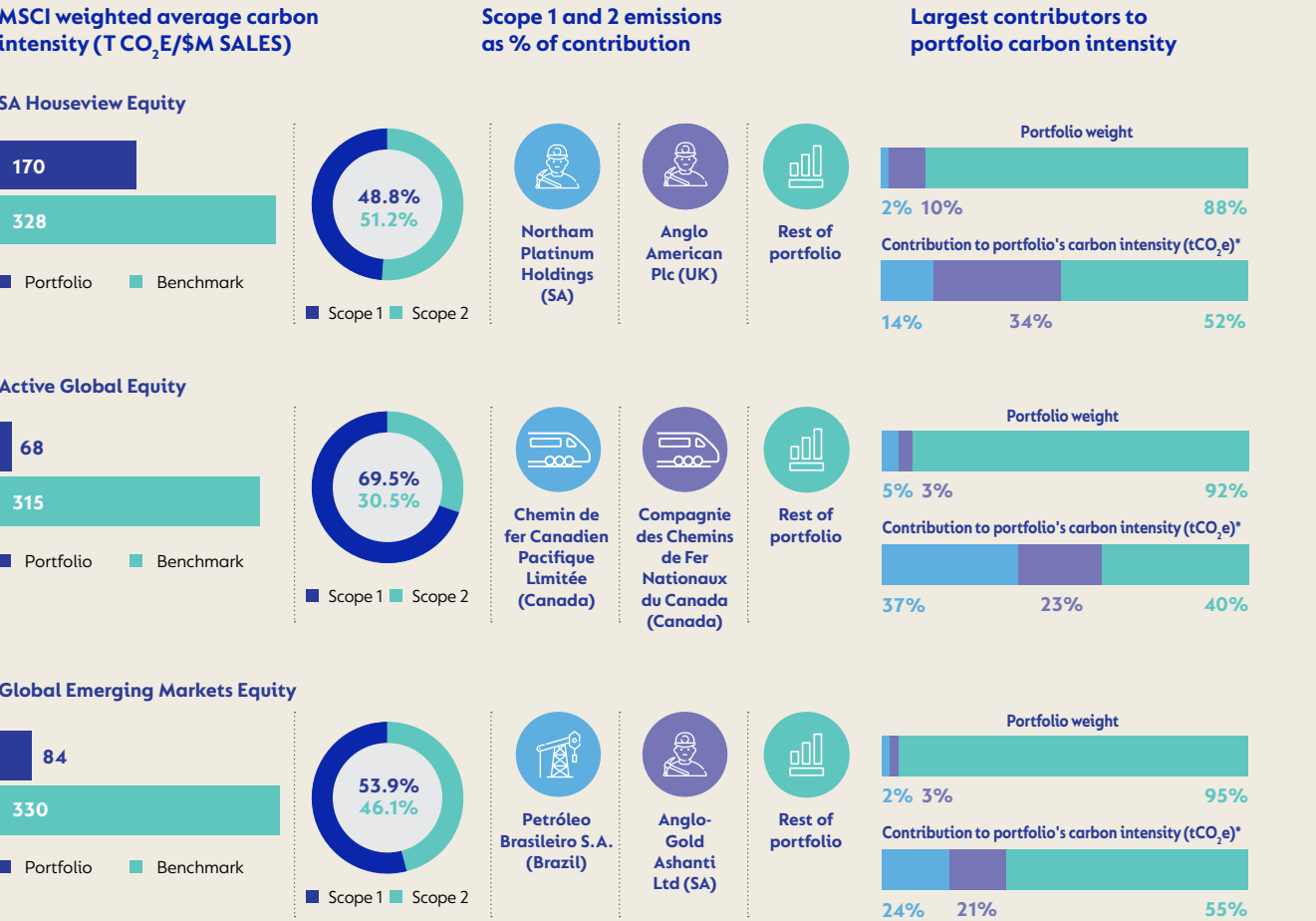


KEY ENGAGEMENT DRIVERS

ENGAGEMENT DRIVER	AIM	EXAMPLE
<div>Understanding and integrating</div>	<div>To identify, understand and quantify material issues affecting the long-term fair value of a business.</div>	<div>Carbon tax legislation, outstanding legal claims relating to health and safety risks, and changing environmental regulations.</div>
<div>Advocating for change</div>	<div>To advocate for changes that will reduce risks and improve the long-term business prospects.</div>	<div>Recommending changes to remuneration policies to improve alignment of interests of senior management and long-term interests of shareholders.</div>
<div>Addressing specific corporate activities</div>	<div>To engage on corporate activities that require shareholder approval as and when they arise.</div>	<div>Shareholder approval may be required for corporate transactions such as:<ul style="list-style-type: none">• schemes of arrangement;• the sale of a material portion of the business; and• share repurchases.</div>

PORTFOLIO-LEVEL CARBON EMISSIONS

In accordance with the TCFD framework, we report the weighted average carbon intensity of selected investment portfolios. Their carbon exposure levels are below that of an investment in the appropriate index tracker for portfolio.





Environmental sustainability

We are committed to reducing our environmental impact and reporting on our operational activities against the Task Force on Climate-Related Financial Disclosure framework.



REDUCING OUR IMPACT

A healthy environment is key to ensuring the sustainability of our business and the economy; and a just and equitable society.

As a long-term, active asset manager, the bulk of our carbon intensity lies in the portfolios we manage on behalf of our clients. To this end, we publish the carbon emissions profiles of our key equity portfolios in our annual *Stewardship Report*.

While our operational environmental impact is relatively light compared to other sectors of the economy, one of our key strategic focus areas is being an active corporate citizen that is committed to building an equitable and inclusive society. Given that environmental issues such as climate change, water scarcity, plastic waste and air pollution are also pressing human rights issues, understanding and addressing our environmental impact is a key part of our corporate citizenship activities.

Out of the plethora of environmental challenges with which the world must deal, it is climate change that is front and centre in the investment arena. It is imperative for both asset owners and managers to understand the materiality of climate-related risks and adopt transparent reporting on the matter.

In March 2020, Coronation became a signatory to the Task Force on Climate-Related Financial Disclosures (TCFD). As a TCFD supporter, our Board of Directors has undertaken to provide more oversight over climate-related risks and opportunities. The 2021 financial year saw the introduction of climate-related risks and opportunities as discussion topics at the Board and at the Audit and Risk committee meetings, as well as the application of the TCFD reporting guidelines.

In the pages that follow you will find our corporate TCFD report and a summary of our 3rd carbon emissions disclosure.

A summary of our operational activities as they relate to climate change is provided according to the guidance of the TFCF below.

OUR SUMMARISED CORPORATE-RELATED TCFD ACTIONS AND DISCLOSURES

TCFD theme	Summary	Further information
Governance	<ul style="list-style-type: none"> ➤ The Board provides oversight over climate-related risks and opportunities. ➤ Board members have undergone training on climate-related matters. ➤ Climate-related issues are tabled at Board and committee meetings. ➤ The Board committees rely on the Executive Committee (Exco), which provides managerial oversight of climate-related risks and opportunities with responsibilities delineated as follows: <ul style="list-style-type: none"> › CEO: managerial oversight at the corporate level ➤ Corporate ESG and sustainability reporting are part of the KPIs of the executive directors. 	Corporate ESG Framework → download
Strategy	<ul style="list-style-type: none"> ➤ Climate strategy focuses on reducing the organisation's environmental impact and remaining resilient to the physical impacts of climate change. ➤ Collaboration with multiple responsible investment and stewardship codes, organisations and initiatives inform climate change best-practice and strategy. 	Carbon Footprint Assessment 2022 → download Stewardship Report 2021 → download
Risk management	<ul style="list-style-type: none"> ➤ Climate risks are ranked, rated and treated in accordance with the Group Risk Management Framework and included in the Group Risk Register, as appropriate. ➤ A carbon footprint assessment is used to identify and track improved efficiencies to reduce exposure to climate-related risks, such as increased energy prices and more stringent climate policies in future. Partnerships with accredited carbon offset providers are also used to reduce carbon exposure. 	
Metrics and targets	<ul style="list-style-type: none"> ➤ Detailed information on Scope 1, Scope 2 and some Scope 3 emissions are provided in the Carbon Footprint Assessment 2022. This includes data sources, total emissions, emissions sources, emissions intensity values, and Scope 2 emissions by location. ➤ GHG mitigation options that have been implemented and that are being considered are disclosed, as are future improvements in GHG emissions calculations. Coronation has committed to reducing its operational emissions as far as possible as business operations normalise post the Covid-19 pandemic. All emissions included in the 2022 Carbon Footprint Assessment have been offset and additional credits have been purchased that can offset increased emissions as business operations normalise. 	Carbon Footprint Assessment 2022 → download



Our corporate environmental impact

Scope of assessment

This assessment includes the greenhouse gas (GHG) emissions from the operational activities of Coronation's offices in South Africa, the UK and the Republic of Ireland. It focuses on business operations only, and excludes the indirect GHG impacts of Coronation's core business of investing, which are detailed in our annual *Stewardship Report*.

- Coronation has six physical office locations that drive our resource consumption and GHG emissions. These premises are leased and any infrastructural changes to positively impact our sustainability would need to be negotiated with our lessors.
- Our head office is in Cape Town (328 employees), with others in Johannesburg (8), Durban (3), Pretoria (3), London, UK (12) and Dublin, Republic of Ireland (7).*
- The assessment followed the GHG Protocol: Corporate Accounting and Reporting Standard**.

The three-scope framework

The GHG Protocol provides a three-scope reporting framework for the classification of emissions from different business activities.

Scope 1:

Stationary combustion and refrigerants.



Scope 2:

Procured grid electricity.



Reported Scope 3:

Business travel, employee commuting, waste, materials and water.



OUTPUT



GHGs

* Employee numbers include permanent and contract employees employed during the period ended 30 September 2022

** Methodology: The assessment methodology followed the reporting principles and guidelines provided by the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard published by the World Business Council for Sustainable Development and the World Resources Institute (WBCSD/WRI). The Protocol provides requirements and guidance for companies and other organisations preparing a GHG emissions inventory. The Protocol provides a three-scope reporting framework. In this assessment, all Scope 1 and 2, as well as selected Scope 3 categories were included

TOTAL GHG EMISSIONS
1 698t

AVERAGE PER EMPLOYEE
3.7tCO₂e

$$96.1\text{tCO}_2\text{e} + 14.4\text{tCO}_2\text{e} = 110.5\text{tCO}_2\text{e}$$

Electricity

Procured grid electricity was the main energy source for our built operations in 2022.

ELECTRICITY USE 843.3 MWh (megawatt hours) | ELECTRICITY 129 kWh/m² (kilowatt hours) | GHG EMISSIONS 726.8 tCO₂e

Business travel and commuting

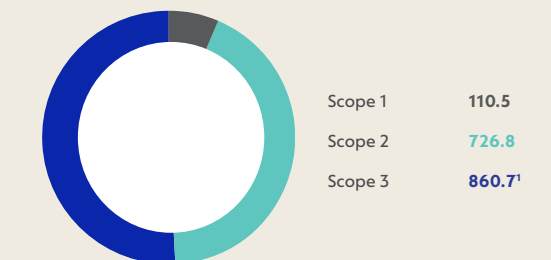
$$\text{Icons} + \text{Icons} + \text{Icons} + \text{Icons} = \text{TOTAL TRAVEL } 857.3\text{tCO}_2\text{e}$$

Water, waste and materials***

$$2.4\text{tCO}_2\text{e} + 0.9\text{tCO}_2\text{e} + 0.1\text{tCO}_2\text{e} = 3.4\text{tCO}_2\text{e}$$

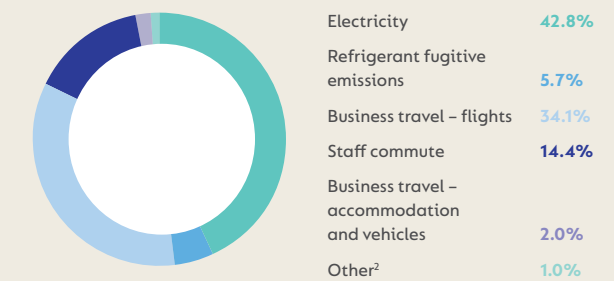
*** While water consumption is not a material part of our operations, we recognise careful consumption is good practice, particularly in water-stressed locations in South Africa

SCOPE OF EMISSIONS (TONNES CO₂e)



¹ Scope 3 emissions have significantly increased due to the normalisation of business activities.

GHG CONTRIBUTORS



² Municipal water; paper

Note: Figures may not add up to 100% due to rounding.

Current initiatives that reduce our environmental impact

- Board-level reporting on climate change
- Ongoing Board training to deepen understanding of ESG matters
- First Sustainability Report to track progress
- Carbon neutral through purchase of carbon credits
- Energy-efficient motion sensor lighting
- Dedicated recycling areas
- Paper shredded and recycled
- Organic waste composted
- Biodegradable catering containers
- Water conservation promoted among employees
- Refillable water bottles and on-tap water stations

Future focus

- Continuously improve TCFD aligned reporting
- Review of business practices to reduce our carbon emissions where possible
- Project to identify all material Scope 3 emissions
- Continue to track progress in 2023



CASE STUDY



OFFSETTING OUR EMISSIONS: UPLIFTING A START-UP

When we began our carbon footprinting journey, we took great care in selecting our carbon offset partner to ensure that the emissions that we purchase are real and verified, and also that the underlying offset projects were having a material, on-the-ground environmental and social impact. We eventually partnered with Credible Carbon, a South African-based offset registry, who facilitated the purchase of emissions offsets from Walker's Recycling; an innovative entrepreneurial business established by two brothers in 2005. From humble, informal beginnings, Walker's Recycling is now an accredited and licensed waste manager with the City of Cape Town.

Walker's Recycling provides a recycling service to households and businesses and supports many informal sector waste-preneurs. The company now employs 15 permanent staff and a number of sorters who are employed part-time during peak periods.

Year 1: 2021

We purchased 1 967tCO₂ Walker's Recycling carbon credits to the value of R295 050. Walker's Recycling used the income generated through this sale to significantly increase the tonnage flow through their business, boosting revenue and creating upstream employment.

Year 2: 2022

We purchased 3 040 tCO₂ carbon credits to the value of R 358 241. Of this total, 1 720 tCO₂ was retired towards offsetting our GHG emissions for the 2022 financial year. Once again, Walker's Recycling is reported to have used this income towards supporting growth of the business, including the addition of two new five-metre trailers to enhance collection capacity and safety; and to reduce both the cost and emissions per waste item collected.



Social sustainability

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.



TRANSFORMATION

We are proud of the progress we have made in transforming our business, and our contribution to building strong black-owned businesses.

When we opened our doors at the dawn of democracy in our country, it demonstrated our belief in the great potential of a free South Africa. We also knew that SA Inc. had a leading role to play in ensuring that we transition to a society and economy that reflects the demographics. Since then, 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 we have made.

B-BBEE scorecard

Our significant contribution to industry transformation, preferential procurement and critical skills development has earned us a Level 1 broad-based black economic empowerment (B-BBEE) contributor status according to the Financial Sector Code. Our scorecard is available on www.coronation.com.

Ownership

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

UN Women's Empowerment Principles

Coronation is a signatory to the UN 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 half our workforce, are strongly represented in senior roles and on our Board.

For an action overview of our commitment to transformation, [watch our video here](#)

We are a
Level 1
contributor to B-BBEE



Transformation

At Coronation, we firmly believe that transformation, diversity and inclusion are central to a healthy business, economy and society. For this reason they have been embedded in our culture since we opened our doors in 1993.

OWNERSHIP & EMPOWERMENT



29%
BLACK OWNED*

R360m

ALLOCATED TO DEVELOP,
SUPPORT AND GROW
BLACK STOCKBROKERS
SINCE 2006

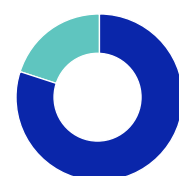
R269bn

REPRESENTING 47% OF
OUR TOTAL AUM ARE
MANAGED BY BLACK
INVESTMENT MANAGERS

STRENGTH IN DIVERSITY

We firmly believe that the success of our business is due to the diversity and immense talent of our people. Each and every one of our employees shares a passion and responsibility for delivering compelling returns for all our investors.

RACIAL DIVERSITY – BLACK REPRESENTATION



80%
of our Board
of Directors



67%
of our
Executive
Committee



63%
of our
employees



50%
of our SA
investment
team leaders

GENDER DIVERSITY – FEMALE REPRESENTATION



51%
of our
employees



50%
of our Board
of Directors



55%
of our
new hires



33%
of our Executive
Committee

TRANSFORMING OUR INDUSTRY & SOCIETY



UPLIFTING OUR YOUTH

DEVELOPING A PIPELINE OF INDUSTRY TALENT



enrolled in our Investment
Administration Programme



participated in the
Young Investors Programme



were awarded bursaries



gained work experience

TACKLING UNEMPLOYMENT



received training as
assistant teachers



have received early
childhood development training

PIONEERING TRANSFORMATION IN THE INDUSTRY

First black-owned transfer agency in South Africa

Coronation supported the creation of Intembeko Investment Administration, which provides dedicated and independent transfer agency services. Intembeko is the first black-owned and managed transfer agency service provider in South Africa. Intembeko is now in its fourth year of operation and continues on its journey to becoming 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 the transformation and 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

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. 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 over R360 million in brokerage to the programme participants.

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. An additional five large fund managers now also support the programme.

Preferential procurement

We practise 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. We remain committed to awarding a greater proportion of spend to empowered suppliers over time.

ESTABLISHING A PIPELINE OF TALENT

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 203 black IFA businesses and created internship opportunities for 181 individuals, 116 of whom have been absorbed into the practices.

Vunani Training Academy

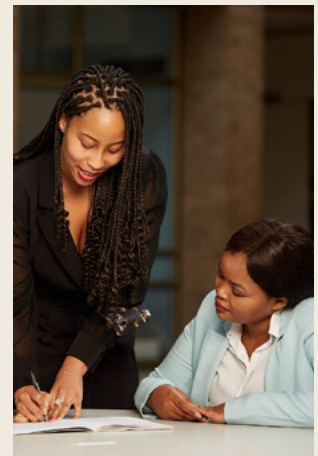
Vunani Securities is an original beneficiary of our Business Development Programme. Today, it is a significant South African stockbroker. Through its Academy, Coronation has provided financial assistance for 32 graduates, many of whom now fulfil influential roles in the industry.

VUNANI
SECURITIES

The Coronation Exceptional Students Bursary Programme

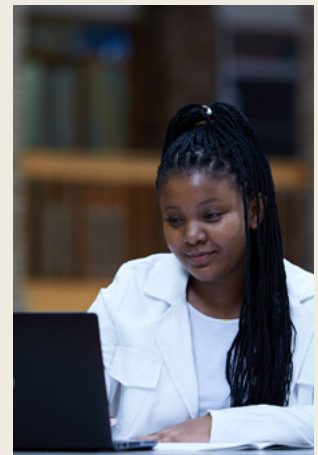
Since 1993, 136 students from underprivileged areas across South Africa have been given the chance to achieve their dream of a better future through the Coronation Exceptional Students Bursary Programme. The programme provides students with full tertiary bursaries to study at any recognised university in South Africa. These bursaries are awarded on merit and financial need.

We have partnered with a young black-owned company Excel@Uni to provide students with support to assist with their integration into university life. This support includes trained tutors, psychosocial support, work-readiness programmes and mentors. In 2022, we sponsored 23 bursary students, all of whom are black.



Student financial aid

We supported 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.



Attitude Changes Everything (ACE) Resilience Training

The ACE training programme is highly valued by the students in the Coronation Exceptional Students Bursary Programme. This programme is designed to help students develop tools to overcome periods of high stress and anxiety, so they do not become overwhelmed and eventually give up on their studies. In 2022, we included this programme as part of our Brilliant Minds graduate development programme to assist graduates with transitioning to corporate life.



Hands-on experience

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 roles and trained with the intention of making them permanent employees and providing them with real work experience.

- In 2022, we welcomed 18 new interns, of whom 61% are black and 56% are women
- As at 30 September 2022, of the 90 interns hired into the business, 89% are black and 54% are black women
- We have permanently employed 41 of the 90 interns within our business, of whom 37 are black

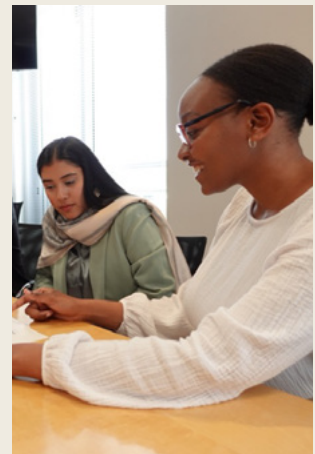
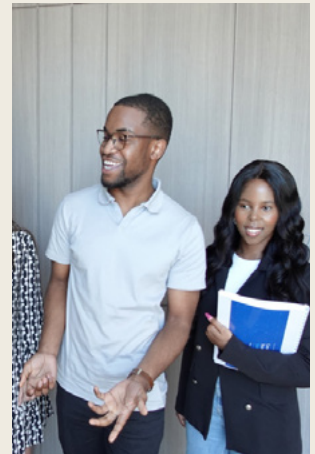
To further transform the industry by developing much needed skills, we launched our External Intern Programme in 2016. This course is run in partnership with a supplier and provides graduate internships for a 23-month period. The programme aims to develop specific skills that are in short supply in the industry.

Coronation Brilliant Minds

The Brilliant Minds is a graduate development programme for all interns and is designed to ease the transition from student to employee by providing structured support and opportunities to develop interpersonal and technical skills. Included in this cohort are interns placed across the business to gain valuable financial services work experience, giving them firm footing in the industry.

Critical skills development

We support the ASISA Academy and TSIBA Education partnership that trains students via the Investment Administration and Client Servicing (IMACS) Programme, which aims to develop specific skills currently found to be in short supply in the industry. We sponsor IMACS students to complete a six-month internship within our business as part of their programme. To date, 13 students have benefited from this programme, of which seven were hired into fixed-term or permanent positions at Coronation after their internships.



ESTABLISHING A PIPELINE OF TALENT

Youth empowerment

We continued our partnership with the ORT SA CAPE and ORT South Africa Foundation (ORTSA) and in 2022, 30 youths (60% are black and 80% are female) were placed in schools as teacher assistants at schools in the Western Cape and Gauteng. These young trainees are provided with fixed-term employment for 12 months, monthly training sessions and one-on-one mentoring by ORTSA for the duration of their employment.

Nine of the successful graduates were offered employment at their host schools/companies. Seven were offered places with ORTSA CAPE to complete their Early Childhood Development (ECD) learnerships. Three students continued to upskill themselves.



Early childhood development learnership

We sponsor youths to obtain a Further Education and Training Certificate in Early Childhood Development Level 4 (ECD NQF Level 4) qualification. This is an 18-month certificate, that includes formal training and practical experience as assistant teachers at ECD centres. In 2022, five learners entered the programme. We sponsored five youths in both 2020 and 2021, and of these previous cohorts, four learners are being retained by their sponsor schools, three have gone on to study further, while others are seeking employment with the assistance of ORT SA CAPE.



Financial Markets Practitioner Learnership NQF7

This is an advanced qualification focused on investment management administration. The programme exposes delegates to financial market principles, processes and instruments from both a South African and global perspective. This 12-month qualification comprises an academic component and a workplace activities programme. The ASISA Academy is the training provider, and the South African Institute of Stockbrokers (SAIS) is the Assessment Quality Partner (AQP). Four employees are currently completing this qualification through Coronation, all black and 50% women.

COLLABORATION

We believe in proactively influencing an operating environment that protects the long-term interests of asset owners and promotes collaboration in support of a sustainable and diverse investment industry that serves the best interests of the societies in which we operate. Accordingly, we are committed to playing an active role in shaping the South African financial services industry by working with industry partners and regulators.

Shaping a sustainable industry

We are key contributors to the activities of the Association for Savings and Investment in South Africa (ASISA), whose role is to ensure the sustainability and relevance of the investment industry for the benefit of the country and its citizens. As such, senior employees are active on >65 ASISA committees and working groups. Our CEO is a member of ASISA's executive committee and was recently appointed as chairman of ASISA.

Through ASISA and its relationship with Business Unity South Africa, our membership of Business Leadership South Africa (BLSA), the CEO Initiative and, when required, through direct engagement with regulators and government, we aim to contribute to an investment environment that is sustainable and supportive of our clients' long-term interests → *refer to page 45* for insight into the issues we engage on and how we collaborate.

To enable us to better serve our international clients and to ensure that we remain abreast of global developments and best practice, we are also a member of the Investment Company Institute (US), abide by the requirements of the Irish Funds Industry Association, and support the principles of the UK Stewardship Code.

For more details on our sustainability-related engagements, please → *refer to our 2021 Stewardship Report*.



Collaboration

In our role as an active and responsible corporate citizen, we collaborate to drive and influence for change within the financial services industry as well as with other leading organisations that are working towards a more sustainable and inclusive future.



The Association for Savings and Investment South Africa

Status: Member and participant on boards and working groups

The Association for Savings and Investment South Africa (ASISA) plays a significant role in the development of the social, economic and regulatory framework in which its members operate. Members include financial services companies that provide products and services to the personal investment sector. ASISA is the primary channel through which Coronation engages with policymakers and regulators.

#CEOPledgeSA

South Africa's CEO Initiative

Status: Member

Coronation is a member of South Africa's CEO Initiative, a group of CEOs working with government and labour to resolve the social and economic challenges facing South Africa. Its main strategic objectives include promoting inclusive growth and protecting and strengthening South Africa's core institutions.



Task Force on Climate-Related Financial Disclosure

Status: Member

The TCFD was established by the Financial Stability Board to develop voluntary, consistent climate-related financial disclosures by companies in order to provide useful decision-making information to investors, lenders, insurers and other stakeholders.



Business Leadership South Africa (BLSA)

Status: Member

BLSA is an independent association whose members include the leaders of some of South Africa's largest businesses. Its main strategic objectives include promoting inclusive growth and protecting and strengthening South Africa's core institutions. Coronation has committed itself to BLSA's integrity pledge, which is a public declaration of our commitment to combat corrupt practices by, inter alia, not acting anti-competitively and by protecting the anonymity of whistle blowers.



Principles for Responsible Investment

Status: Signatory

The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.



Climate Action 100+

Status: Signatory

The Climate Action 100+ coalition aims to engage and work with companies and industry members to communicate the need for greater disclosure around climate change risk and for the alignment of company strategies with the 2015 Paris Agreement.



Code for Responsible Investing in South Africa

Status: Supporter

Coronation participated in the process of establishing the CRISA and fully supports the five principles, which stress the importance of integrating sustainability issues, including ESG factors, into long-term investment strategies. They also provide guidance on how institutional investors should execute investment analysis, investment activities and exercise rights so as to promote sound governance.

The UK Stewardship Code

Status: Supporter

We support the UK Stewardship Code, which seeks to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders.



The Investment Company Institute

Status: Member

The Investment Company Institute (ICI) is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds, closed-end funds, and unit investment trusts in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors and advisers. ICI's members manage total assets of US\$31 trillion in the United States, serving more than 100 million US shareholders, and US\$10 trillion in assets in other jurisdictions. ICI carries out its international work through ICI Global, with offices in London, Brussels, Hong Kong, and Washington, D.C.



Thinking Ahead Institute

Status: Member and working group participant

We are members and active participants in the Thinking Ahead Institute, a global not-for-profit research and innovation hub, connecting members from across the investment world to harness the power of collective thought leadership. The objective of the Thinking Ahead Institute is to influence for change in the investment arena for the better by improving the provision of savings and investment services.

Since its establishment in 2015, over 60 investment organisations have collaborated to bring this vision to light through designing fit-for-purpose investment strategies, better organisational effectiveness and strengthened stakeholder legitimacy.



International Corporate Governance Network

Status: Member

The ICGN is a global organisation aiming to raise standards of corporate governance worldwide. Membership includes investors responsible for assets of \$70 trillion from more than 45 countries.



Irish Funds Industry Association (Irish Funds)

Status: Member

The objective of Irish Funds is to support, complement and develop the retirement fund industry in Ireland. It represents the industry in discussions with government, its departments and agencies, and the Central Bank of Ireland to ensure that the environment and infrastructure are supportive of the continued development and growth of the industry. We participate in the Asset Manager forum.



United Nations Women's Empowerment Principles

Status: Signatory

The United Nations Women's Empowerment Principles provide guidance to businesses on how to promote gender equality and women empowerment in the workplace, marketplace and community. This emphasises our commitment to diversity and to ensuring that women, who make up almost half our workforce, are strongly represented in senior roles and on our board.

CORPORATE SOCIAL INVESTMENT

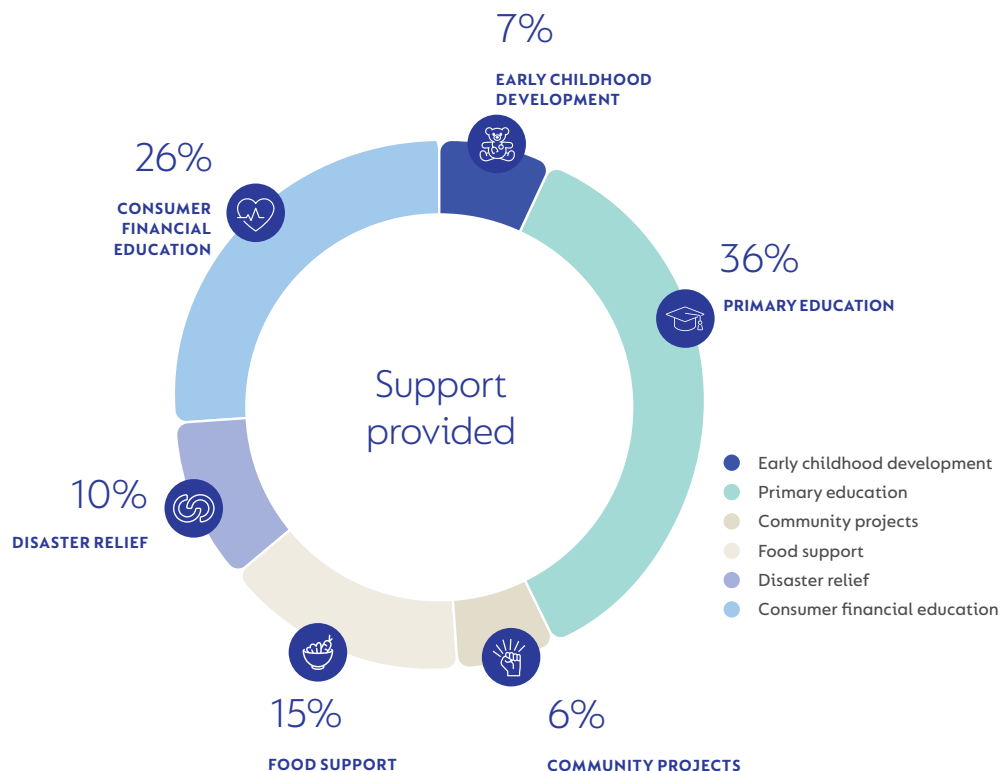
As a proudly South African business focused on the long term, we are committed to developing our youth into becoming authors of their future opportunities and not just once-off beneficiaries of our initiatives. We believe that by focusing on literacy and numeracy at the primary school level, we can aid in achieving this.

In the aftermath of the Covid-19 pandemic, the lack of food security for millions of South Africans has become even more pronounced. Hungry minds cannot learn, and food security is linked to successful learning outcomes. At Coronation, we know it takes a holistic approach to unlocking the potential of children and we extend our efforts to include supporting parents, teachers and principals. Our guiding principles have not changed, and we remain committed to this critical investment in the future of our country.

1. We are in it for the long term, just like our investment approach. 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. 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. Employees across our business are represented on our CSI Committee and 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 regularly through our Social, Ethics and Transformation Committee. Where needed, we implement the required changes and programme enhancements. 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 partnerships.

But, don't take our word for it, [watch our latest CSI video here](#)

CSI FOCUS AREAS



Cradle to Entrepreneur

CORONATION'S LEARNING-CENTRED PROGRAMMES

PRE-SCHOOL

EARLY CHILDHOOD DEVELOPMENT

Early Learning Resource Unit



935

children attending the ECD centres



We believe that ensuring that every child has access to the essential services and support they need – from conception until they start school – is the most effective way of securing their wellbeing and learning success, and a prosperous future for our country.

“The programme has helped us to teach the children, rather than just looking after them and making sure they had a meal until it was time to go home.”

— PRINCIPAL OF AN ECD CENTRE

TRAINING THE EDUCATORS

South African Education Project

2 468

learners supported



Focuses on teacher training and provides learning resources.

“When I started, I was completely new and didn't know anything about teaching or Educare. So, for me, this training has been very helpful. I also receive all the support I need if I have a problem.”

— A PROGRAMME PRINCIPAL

PRIMARY SCHOOL

NUMERACY TRAINING

Counting with Coronation

266

educators benefited from training in mathematics teaching skills



Providing intensive mathematics training to teachers in impoverished communities.

LITERACY TRAINING

Coronation Reading Adventure Rooms

17

schools equipped with adventure-themed reading rooms



Training educators to improve literacy in primary schools and opening children's minds to the love of reading.

HUNGRY MINDS CANNOT LEARN



The strong correlation between childhood hunger and stunted education outcomes is the reason why we are determined to tackle both childhood food insecurity and learning outcomes.



HELPING LEARNERS WITH DISABILITIES

CAREL DU TOIT SCHOOL FOR THE DEAF

10

deaf learners supported in their learning journey each year.



Children receive holistic support at the centre to learn to speak and communicate. They are supported by specialised and passionate teachers, staff and remedial therapists.

SUPPORTING EDUCATORS & PARENTS

PARTNERING WITH EDUCATORS

Principals Academy Trust



655

principals and teachers received mentoring



Providing school principals in underprivileged areas with weekly coaching and mentoring by retired school principals.

FUTURE LEADERS PROGRAMME



100

teachers received hands-on experience



Placing student teachers in schools during their studies to gain professional, hands-on experience.

UPSKILLING ADULTS

Consumer financial education



>17 500

adults trained to make sound financial decisions



Empowering South African adults, including parents, teachers and principals, with financial skills and knowledge to enable them to make informed decisions.

PARENT SUPPORT

Community Action Partnership



180

parents participated in workshops



These workshops provide parents with the skills they need to support their children with their school work, and build parent-teacher relationships.

TACKLING HUNGER

DEVELOPING ENTREPRENEURS

CORONATION GROWING ENTREPRENEURS PROGRAMME

216

small-scale farmers trained to build businesses



Training emerging farmers across South Africa in good governance, financial management, the practical and legal aspects of farm operations and record keeping.

“Without the SAIE we would not be able to continue. If they didn’t come, we would have been stranded. They are an angel to us.”

— NAZO FOOD GARDEN PROJECT

PARTNERSHIPS

The sad truth is that our country has a massive food security deficit and millions of families living below the breadline. The strong correlation between childhood hunger and stunted education outcomes is the reason why we are determined to tackle both childhood food insecurity and learning outcomes. For this reason, we are committed to the long-term support of sustainable feeding schemes in partnership with established hunger relief agencies, such as Ladles of Love and FoodForward SA.

LADLES OF LOVE



Ladles of Love enables enterprising people to provide food for themselves and their families, with dignity.

Thank you Coronation Fund Managers, we have loved working with you over the past two years - not only due to your generous financial support of our projects, but because you all genuinely care enough to get involved, rolling up your sleeves and volunteering to help us make a difference. Whether sponsoring our national Mandela Day world-record breaking events, the annual Sarmiethon Challenge, our first World Food Golf Day or the multiple pop-up feeding stations at schools in the Western Cape, we have found extraordinary ways to work together to raise food, funds and awareness to alleviate hunger.

We value our powerful relationship with Coronation and like you, are committed to helping children in South Africa focus, function and learn by providing food for nutritious daily meals.

With gratitude and appreciation.

DANNY DILIBERTO,
FOUNDER AND MANAGING DIRECTOR
LADLES OF LOVE

FOOD FORWARD SA



FoodForward SA connects a world of excess to a world of need by recovering quality edible surplus food from the consumer goods supply chain and distributing it to community organisations that serve the poor.

“Over the past two years, Coronation Fund Managers provided a grant funding that enabled FoodForward SA to provide more than 3.5 million nutritious meals to vulnerable communities across South Africa. The grant also went towards strengthening our KZN Flood Relief efforts earlier this year, ensuring that displaced families received nutritious cooked meals. Coronation’s generosity towards vulnerable people during this time when South Africa is experiencing an unprecedented cost of living crisis is making a real difference in under-served communities. Thank you Coronation for joining hands with FoodForward SA as we address food insecurity and malnutrition while restoring people’s dignity, improving access to a variety of healthy foods, and helping sustain the livelihoods of communities in need.”

— ANDY DU PLESSIS,
CEO FOODFORWARD SA

GETTING INVOLVED

EMPLOYEE PROJECTS

Outside of our formal CSI programmes, employees also take the initiative.

CONNECTING ON YOUTH DAY

Youth Day is a highlight in our CEO’s diary, when he exchanges ideas and discusses how to thrive in a fast-paced world with learners and students.



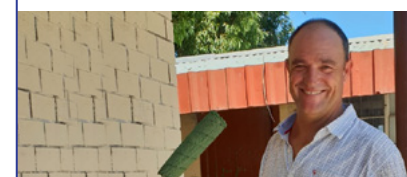
SPREADING EASTER LOVE

Easter egg drive for the learners at the schools we support is always a serious contest in our fiercely competitive team.



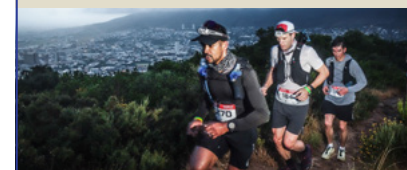
CORONATION SCHOOL CHAMPIONS

Building the relationships established in the Partners for Possibilities principal mentorship initiative, we continue to support our mentee schools two years after the end of the formal programme.



STAFF INITIATIVES

We match staff donations to a maximum of R10 000 to foster a spirit of community building. Team members also raise funds for causes close to their hearts.



HANDS-ON APPROACH



Our investment in our CSI initiatives goes far beyond making a financial contribution. Our management team and other employees are passionate about getting involved to make an impact in their personal capacities.

MANDELA DAY Ladles of Love

We teamed up with Ladles of Love and broke the world record for the world’s largest mosaic created entirely out of food cans



SARMIETHON

Our team working hard to meet the 50 000 sandwich goal at Ladles of Love’s Sarmiethon.



COOK-OFF FoodForward SA

From finance to food prep, we supported the ‘Repurpose the Surplus’ cook-off challenge to raise awareness for FoodForward SA’s new campaign to highlight South Africa’s dire food insecurity crisis.



WORLD BOOK DAY

We love connecting with learners to share our love of reading.



ACTIVELY ENGAGING TO SHAPE OUR INDUSTRY AND ECONOMY

In an increasingly regulated environment, Coronation continues to play an active role in industry initiatives, both in terms of shaping the environment, and ensuring that we consistently operate according to the highest standards.

IN FINANCIAL YEAR 2022

R781m

total tax contribution

Active engagement

The majority of our regulatory interaction is with the FSCA, either directly or through our involvement with ASISA. We are committed to playing an active role in shaping the South African financial services industry by working with regulators and industry partners. A number of Coronation employees serve on various ASISA board committees, standing committees and working groups, and we have engaged in numerous significant legislative consultations. Advancing broad-based economic transformation

Matters we engaged on during the course of the financial year include:

- Infrastructure SA
- Public/Private growth initiatives
- Transformation of the financial service sector
- Technical Assistance and Mentorship Development Initiative
- Engagement on key regulatory and legislative proposals

In line with the pressing national imperative to achieve economic transformation and the development of skills in the asset management industry, Coronation has pioneered black businesses and supported the transformation of the industry since the Company's inception nearly three decades ago.

Financial contribution

As a leading South African asset manager, Coronation makes a substantial contribution to the national fiscus via its annual tax payments. For the period under review, our total tax paid, including VAT where applicable, was R781 million.

For full details on how we create value for regulators and government, → *refer to our 2022 Integrated Annual Report.*



Governance matters

The Board provides strategic oversight of the business including matters of sustainability. It is critical that sustainability is at the centre of decision-making given the magnitude of the challenges facing society and the economy. In relation to environmental matters which has gained prominence due to the impact of climate change, the Board provides oversight of climate-related risks and opportunities.

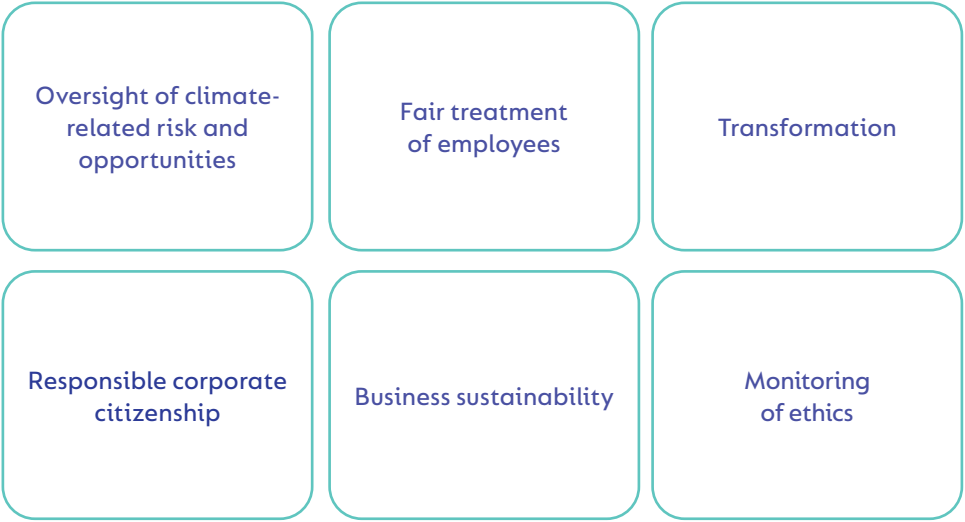


Back: Saks Ntombela, Judith February, Anton Pillay, Phakamani Hadebe, Lulama Boyce

Front: Neil Brown, Alexandra Watson, Madichaba Nhlumayo, Mary-Anne Musekiwa, Hugo Nelson

BOARD OVERSIGHT & RESPONSIBILITIES IN RELATION TO SUSTAINABILITY

Our unitary Board comprises a majority of independent non-executive directors from diverse backgrounds and with different skill sets and experience.



Board composition

As at 30 September 2022, Coronation’s unitary Board comprised two executive directors and eight independent non-executive directors. Prof Alexandra Watson, an independent non-executive director, serves as the Chairperson of the Board with Mr Saks Ntombela as the lead non-executive director.

For more details on our Board activities and information on our directors, → refer to page 47, in our 2022 *Integrated Annual Report*.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

The responsibilities of the Social, Ethics and Transformation (SET) Committee include monitoring organisational ethics, responsible corporate citizenship, organisational transformation, the fulfilment of its statutory duties on behalf of the Group and any additional functions as delegated by the Board. During the period under review, the Board agreed that more consideration should be spent on ESG factors within the Company and the Committee has incorporated environmental sustainability matters into its meeting agenda.

Key areas of focus 2022

Labour and employment practices

- The SET Committee oversees that meaningful transformation is taking place within the business in terms of recruitment, employee retention and career development, as well as the development of the workforce pipeline through the Coronation Exceptional Students Bursary Programme and the Brilliant Minds training programme for interns.

Occupational health and safety

- At each meeting, the SET Committee receives an update on the Company's compliance with occupational health and safety regulations. This topic has received increased attention given the impact of Covid-19 on workplace safety. During the period under review, no material or fatal injuries were reported, and the SET Committee is satisfied that the Company has taken the necessary steps to implement health and safety regulations across all its locations.

Organisational ethics

- The SET Committee oversees the promotion of an ethical culture, equality and prevention of unfair discrimination, including monitoring adherence to the Code of Ethics and related policies.
- The Committee is also responsible for monitoring the results of the anonymous whistle-blowing mechanism maintained by an independent third party.

Corporate citizenship

- The SET Committee receives a detailed review of CSI programmes and spend and provides guidance and input on the strategic direction of the CSI programmes.

UN Sustainable Development Goals

- The SET Committee understands the need to align the Company's strategy and objectives to the needs of society, and the Company is committed to the UN Sustainable Development Goals → *refer to page 16* for a summary of the SDGs relevant to the Company.
- The SET Committee oversees and receives updates on the projects and initiatives that align with the SDGs.

Transformation

- A focal point of the SET Committee's agenda is the oversight and monitoring of the Company's transformational targets and implementation of the Company's transformation strategy.
- At each meeting, the SET Committee receives detailed reports from management on its progress in meeting its transformation targets.
- The SET Committee also receives the minutes of the Employment Equity forum.

→ *Refer to page 31* for a detailed overview of the Company's standing in respect of its transformation strategy.

Stakeholder engagement

- The SET Committee reviewed a summary of engagements with material stakeholders, including the numbers and method of engagement, and the nature of discussions held.
- No material matters requiring the focus of the SET Committee were noted during the year.
- The SET Committee relies on management to implement strategies and initiatives, of which the primary contributors are the management team and the Employment Equity and CSI committees.

Future focus

The SET Committee will continue to focus on the Group's relationships with its stakeholders and public perception of the Company. Additionally, continued focus will be applied to meaningful transformation initiatives within the business, the financial services industry and the nation, insofar as the business is able to impact these areas. The Committee identified the need to improve the Company's reporting on environmental sustainability matters, and this matter will receive increased attention at each meeting.

The SET Committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act. There were no instances of material non-compliance to disclose. The SET Committee remains focused on ensuring the maintenance of an ethical culture within Coronation to ensure that we serve as a reliable and trusted custodian of our clients' assets. Furthermore, we understand that it is good for our business and our duty to model best practice as a large corporate citizen in South Africa.

This is an extract from the full SET Committee Report, published in our *2022 Integrated Annual Report*.



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

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Claremont 7735

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Rosebank Towers
15 Biermann Avenue
Rosebank 2196
Private Bag x9000
Saxonwold 2132

Auditors

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The Halyard
4 Christiaan Barnard Street
Foreshore
Cape Town 8001

Sponsor

PSG Capital Proprietary Limited
(Registration number: 2006/015817/07)
1st Floor
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35 Kerk Street
Stellenbosch 7600
(PO Box 7403
Stellenbosch 7599)
and
Suite 1105
11th Floor
Sandton Eye Building
126 West Street
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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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