



CORONATION FUND MANAGERS LTD

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) FRAMEWORK: CORPORATE

1. Introduction

As stewards of our clients' assets and a Johannesburg Stock Exchange (JSE) listed entity, Coronation Fund Managers (Coronation) recognizes its responsibility in its various roles as asset manager, client fiduciary and corporate citizen. This extends to playing an active and constructive role in shaping a financial industry that endeavours to meet the long-term needs of all investors, which in turn will ensure the success and sustainability of our business well into the future.

Our values are underpinned by a focus on our clients, putting them first by delivering long term investment outperformance and excellent client service. We do this by actively focusing on the long term in all aspects of our business, including building client portfolios that are able to outperform the market over meaningful periods, nurturing lasting relationships with our clients and running all other aspects of our business in an efficient manner.

Accordingly, we believe that an appropriate consideration of Environmental, Social and Governance (ESG) factors plays an important role in driving the success of our business. This is necessary for future-proofing our organization while promoting broader environmental, social and economic objectives. This policy sets out Coronation's approach to incorporating ESG as a corporate entity and in relation to its operations.

2. Scope

This Policy is applicable to Coronation and all its subsidiaries. The Policy addresses Coronation's approach to ESG as a responsible corporate citizen and describes how ESG considerations are embedded in the way in which we organize and conduct ourselves. ESG considerations in relation to our investment process and management of our clients' assets are separately addressed in our ESG Framework: Investments and associated proxy voting principles.

3. Group Wide ESG Integration

Strong corporate governance and a focus on the long-term is always at the forefront of decision making within Coronation. ESG factors must accordingly be applied across the business internally as well as in our interaction with society, and in particular, the following should be applied:



3.1. Environmental

Coronation is committed to the ongoing assessment of:

- The direct and indirect impacts of its activities on the environment;
- Setting appropriate objectives and targets;
- Monitoring and continuous improvement of its environmental performance; and
- Ensuring compliance with applicable local, national and international law and best practice.

Where practically possible, every effort should be made to minimize the impact of the business on the environment through inter alia:

- Contributing towards progressing “Green Buildings”¹;
- Purchasing of carbon-offsets as appropriate; and
- Recycling waste generated in our operations.

Initiatives undertaken by Coronation to limit its impact on the environment and adhere to targets set should be periodically monitored and disclosed to stakeholders as appropriate. We became an official supporter of the now concluded Task Force on Climate-related Financial Disclosures (TCFD) in 2019 and as a corporate we officially adopted the framework in the 2021 financial year. Taking into account the nature of our corporate activities, this framework provides relevant reporting guidance, and the International Sustainability Standards Board, which has now assumed oversight of climate reporting, has based its second International Financial Reporting Standard (IFRS S2) on the TCFD’s framework. Refer to Annexure A for relevant disclosure.

3.2. Social

Our people are our greatest assets and as such, our culture and remuneration structures have been designed to recognise and reward exceptional long-term performance. In building and maintaining our world-class team of professionals we will ensure that:

¹ The World Green Building Council defines green building as follows: A green building is a building that, in its design, construction, or operation reduces or eliminates negative impact and can create positive impacts on our climate and natural environment. They preserve precious natural resources and improve our quality of life.



- Structures are established and maintained to ensure that employment equity and transformation remain interwoven with our initiatives to attract, retain and motivate talented individuals.
- Recruitment and selection policies should endeavour to create opportunities for previously disadvantaged and designated groups and in accordance with the defined five-year Employment Equity Plan.

Social impact investing plays a critical role in our transformation journey, and we believe that the effective development and transfer of skills are essential to the transformation of the investment management industry. As a result, Coronation actively supports industry development programmes, programmes benefitting communities in its areas of operation; as well as programmes aimed at the development of the youth and the consumer.

Coronation should continue to use its membership of industry bodies, such as the Association for Savings and Investment in South Africa (ASISA), to participate in and/or collaborate on matters that will achieve a consistent approach to promoting responsible and social impact investing across the financial services industry.

3.3. Governance

Robust corporate governance is the overarching principle of all Coronation's business activities.

The Board of Coronation Fund Managers Ltd serves as the focal point and custodian of corporate governance and is primarily responsible for the strategic leadership of the Group. It approves the formulation and implementation of strategy to create sustainable value for all stakeholders while maintaining its commitment to good corporate governance and ethical leadership. The Board is supported by its committees in fulfilling its responsibilities.

Coronation accordingly subscribes to the King Report on Corporate Governance for South Africa (King Report) which sets out the principles, practices and outcomes of corporate governance in South Africa. This affirms our existing approach to long-term sustainability, integrated thinking and disclosures.

In demonstrating its commitment to good governance, Coronation must make an annual disclosure to its stakeholders on its application of the prevailing King Report.

Coronation believes that applying these principles largely complements our existing investment philosophy and improves our ability to meet our commitments to clients. It additionally allows us to better align our business activities and corporate culture



with the broader interests of society, and thereby address the needs of a wide range of stakeholders through more transparent and meaningful reporting.

4. Ownership of Policy and Ongoing Review

The execution of this policy is overseen by the Chief Executive Officer and is subject to review at least annually.

Compliance with this policy is assessed annually in preparing information for disclosure to stakeholders.

5. Policy Approval

Date	Action
Nov 2021	Approved by SET & CFM Board
Feb 2025	Reviewed by Chief Financial Officer
Feb 2025	Approval by SET
Feb 2025	Approval by CFM Board



ANNEXURE A:

Corporate Climate Actions and Disclosures

THEME	GOVERNANCE
Governance	<p>The Board of Directors (Board) provides oversight over climate-related risks and opportunities with respect to our operations</p> <p>Operational climate-related risks and opportunities are tabled at Board and Committee meetings to ensure that these matters are given due consideration when formulating strategy</p> <p>Board members have undergone training on ESG-related matters, including climate, and are encouraged to attend additional training sessions</p> <p>The Board has mandated management to identify and report on climate-related risks</p>
Strategy	<p>Climate strategy focuses on reducing the Company's environmental impact and remaining resilient to the physical impacts of climate change</p> <p>Collaboration with multiple responsible investment and stewardship codes, organizations and initiatives inform climate change best practice and strategy</p>



Risk Management	Climate risks are ranked, rated and treated in accordance with the Group Risk Management Framework and are included in the Group Risk Register
Metrics and targets	<p>Detailed information on our operational Scope 1, Scope 2 and specific Scope 3 emissions are provided in the Carbon Footprint Assessment 2024</p> <ul style="list-style-type: none">› This includes data sources, total emissions, emissions sources, emissions intensity values, and Scope 2 emissions by location› Operational GHG² mitigation options being considered are also disclosed, as are future improvements in GHG emissions calculations. Coronation is committed to reducing its operational emissions as far as possible <p>All emissions included in the Carbon Footprint Assessment 2024 have been offset.</p>

² The UN Climate Dictionary defines Greenhouse gases as gases that trap heat from the sun in our planet's atmosphere - UN Climate Dictionary <https://climatepromise.undp.org/>