



CORPORATE CITIZENSHIP

We are a significant South African corporate citizen and committed to building an equitable and inclusive society. We do this via our recruitment process and collaborative initiatives focused on education, internships and enterprise development.

“Intembeko is the first black-owned and managed transfer agency service provider in South Africa.”

As with our investment philosophy, our focus is on the long term. In everything we do, we consider how our actions will make our business, our stakeholders, the wider community and the environment more sustainable. In 2020, we will publish our first Transformation Report that will provide deeper insights into our transformation initiatives.

We continue to play an advocacy role in South Africa to help secure an inclusive and growing economy. We continually engage with government bodies on various issues, as well as with regulators via the Association for Savings and Investments South Africa. Coronation is part of the CEO Initiative and a shareholder of the SA SME Fund and is a member of Business Leadership South Africa.

We are committed to advancing transformation in South Africa, by maintaining a transformed, diverse workplace and investing in the development of black businesses and professionals in our industry.

Through disciplined recruitment, we focus on transformation in all areas of our business and have made a significant contribution to the transformation and development of skills in the broader financial services industry. Over the years, exceptional black employees have been recruited, trained and retained, many of whom now hold management roles within the business (→ refer to page 48 for details).

Our scholarship and bursary programmes have been instrumental in achieving a diverse workplace and will continue to make a considerable contribution in coming years (→ refer to page 22 for details).

Black ownership of our company

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

Supporting black businesses in financial services

First black-owned transfer agency in South Africa

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

The business obtained the necessary licensing and met all regulatory requirements needed to provide a full unit trust, pension benefits and investment platform administration service, which commenced in November 2018.

Intembeko is now in its second year of operations and continues on its journey to become a world-class service provider.

Black-owned financial services businesses

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



SINCE 2006

>R300m

to black brokerages

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.
- ▶ In 2006, we introduced a ground-breaking initiative to transform the South African stockbroking industry with the launch of the Coronation Business Support Programme; an intervention to grow emerging black stockbrokers.

We allocate a minimum of 10% of our South African equity brokerage to a group of black-owned stockbrokers annually. The allocations were guaranteed for periods of three to five years. Coronation also offered operational and strategic support to the participants by means of regular interaction with the CEO and the Head of Dealing. Critical to the programme's success was 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 in excess of R300 million in brokerage to the programme participants. As a result of this, a number of the businesses have evolved into sustainable stockbroking houses with value-added offerings to the investment community as a whole.

For both the industry and the companies themselves, the transformation has been material.

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

B-BBEE scorecard

The Financial Sector Code (FSC) provides a benchmark against which we determine our B-BBEE rating.

The revised FSC was gazetted as a sector code effective 1 December 2017 in terms of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003. Based on the revised FSC, we are a B-BBEE Level 2 contributor.

Preferential procurement

Our holistic approach to preferential procurement affords us the opportunity to meaningfully contribute to the economic growth and empowerment of South Africa. In this way, we aim to broaden our reach to a growing number of predominantly black-owned and black female-owned supplier businesses, thereby encouraging the formation of new enterprises and the creation of much-needed employment opportunities.

The strict implementation of our Procurement Policy guides the continual increase in the procurement of services from B-BBEE-accredited suppliers. It also requires that we identify potential future B-BBEE-accredited suppliers.

Through our Supplier Oversight Programme, regular due diligences are conducted to confirm existing and prospective supplier credentials. Where necessary, we exert our influence over those suppliers where their transformation progress conflicts with our Procurement Policy or the objectives upon which we have agreed with suppliers. We remain committed to awarding a greater proportion of spend to empowered suppliers over time.

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 2015, it has trained 120 black IFA businesses and created internship opportunities for 105 individuals, 42 of whom have been absorbed into the practices.

Bursaries and skills development

The Coronation Bursary Programme

Since 1993, more than 100 students from underprivileged areas all over South Africa have been given the chance to achieve their dream of a better future through the Coronation Bursary Programme.

* Coronation holds no interest in these businesses



B-BBEE CONTRIBUTOR

Level 2

measured by the
Financial Sector Code

The programme provides students with full tertiary bursaries to study at any recognised university in South Africa. These bursaries are awarded on merit and financial need. Over the period of study, students are supported by trained tutors and matched with a Coronation mentor to assist with integration into university life. Furthermore, all students have the opportunity to gain practical work experience through vacation work, primarily at our Cape Town office.

We extended the programme to include high school students in 2012. Since then, we have provided 107 scholarships to previously disadvantaged students through our involvement with the South African Innovative Learning Intervention.

Student Financial Aid

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

Internships

To assist in growing and deepening the investment industry's pool of talent, we created internship programmes within our Company and permanent black trainee analyst roles within our investment team.

Our intention is to create a skills development pipeline that will nurture talent within our business and the industry as a whole. We established a successful two-year work experience programme for unemployed graduates in 2012. Following the 13 graduates who joined the programme in 2018, three new recruits were added in 2019. Over the past six years, a total of 58 people have benefited.

To further transform the industry through the development of much-needed skills, we launched our External Intern Programme during the course of 2016. This course is run in partnership with one of our suppliers and provides graduate internships for a 12-month period. The programme is aimed at developing specific skills that are in short supply in the marketplace.

In 2018, the President introduced the Youth Employment Service (YES) Programme as a means to alleviate the high unemployment rates. We have registered with the YES Programme and have pledged support to YES via the WeThinkCode Programme which plans to close the digital skills gap in Africa by equipping individuals with coding and software development skills. We will continue supporting YES and envisage that we will increase the number of individuals we sponsor in 2020 via other programmes and partners.

Community impact

Coronation commits extensive resources to developing communities through improved education and entrepreneurship (→ [refer to page 43](#)).

Our footprint

We strive to contain our environmental footprint. We have taken steps to reduce our carbon emissions through internal measures and in the way in which we communicate with clients. We have stopped providing printed documents at many of our events to cut down on paper wastage. All used paper and toner cartridges are recycled.

Where appropriate, we have introduced e-reporting to clients, which has significantly reduced paper use. We limit air travel and use video-conferencing facilities in all our offices, which are based in Cape Town, Johannesburg, Pretoria, Dublin and London.

Our Cape Town head office workspace has been greened through the ultraviolet treatment of windows and efficient use of lighting. We have introduced biodegradable products in our employee restaurant, and all organic waste is collected by a contractor and composted.

