

HOW CORONATION CREATES VALUE THROUGH ITS PEOPLE

Our aim is to build and retain exceptional teams of highly skilled individuals – ensuring the sustainability of our business.

Driven by performance

As an independent active asset manager, Coronation's only asset of significant value is its people. Our business depends on our people's ability to deliver long-term investment outperformance.

Coronation is a true meritocracy, where anyone (irrespective of position or title) is recognised for work well done. Our flat hierarchical structure ensures agility, fast decision-making and constant innovation. Dialogue and debate are encouraged, and we have an open-door policy where management is challenged on any aspect of the business.

As we are on 24 hours' notice with our clients, we demand an unwavering commitment to excellence from our employees. All employees are expected to be team players and are assessed on their individual performance and contribution to the team in which they operate.

Importantly, we believe in a culture of ownership; together, our employees own 25% of Coronation. This empowers our people to feel and behave like long-term owners of the business. Entrepreneurial flair remains a vital component of our cultural DNA.

We are uncompromising about ethics, and we expect our employees to always act with integrity. In everything they do, all employees are required to conduct themselves in accordance with our Code of Ethics, Client Charter and our six values (→ refer to page 6).

Every year, all our employees are required to pledge that they comply with specific ethical requirements, conflicts of interest, compliance with the requirements of Coronation's compliance manual, confidential information and the Financial Sector Conduct Authority's Treating Customers Fairly initiative.

Our Client Charter

We strive to always put clients first

We have an unwavering commitment to the long term

We focus on producing top performance over all meaningful periods

We are uncompromising about ethics



2019 key areas of focus and outcomes

Transformation and diversity

Diversity strengthens our business. Through disciplined and determined recruitment, Coronation has achieved meaningful transformation. We have made tangible progress in transforming our business to reflect the country's diversity.

As at end September 2019:

- 49% of our South African-based employees are female
- 56% of our South African-based employees are black, of whom 57% are black females
- 53% of our South African-based employees appointed during the 2019 financial year are black
- 37% of new hires are black females
- Many of our senior leadership positions are held by black individuals, including our CEO, CFO, COO, Global Head of Institutional Business, Head of Fixed Income and Head of South African Equity Research
- 78% of our Board of Directors are black, and 56% are female
- We are a Level 2 contributor to broad-based black economic empowerment as per the revised Financial Sector Code

We are excited about the calibre of prospective employees who are currently benefiting from extensive internship and bursary programmes (→ refer to page 50). These employees will strengthen our diversity profile for many years to come.

We are determined to achieve greater black representation among senior management. The Employment Equity Act, No. 55 of 1998, stipulates the inclusion of permanent employees (those individuals on fixed-term contracts of more than three months) and the inclusion of temporary employees (less than three months), as per the table below.

In addition to our total complement of 326 South African-based employees, 21 individuals are on fixed-term contracts of more than three months, and are included in the table below.

The table below does not include Coronation Global Fund Managers (Ireland) Ltd or Coronation International Ltd employees.

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	1	1	3	0	0	1	0	0	0	6
Senior management	0	1	1	5	1	1	1	0	0	0	10
Professionally qualified and experienced specialists and mid-management	11	23	4	68	5	22	9	38	7	4	191
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	23	11	4	17	48	5	16	1	0	131
Semi-skilled and discretionary decision-making	1	2	0	0	1	4	0	0	0	0	8
Unskilled and defined decision-making	0	0	0	0	0	0	1	0	0	0	1
TOTAL PERMANENT	18	50	17	80	24	75	17	54	8	4	347
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOUTH AFRICAN STAFF	18	50	17	80	24	75	17	54	8	4	347

A = African C = Coloured I = Indian W = White

As at 30 September 2019

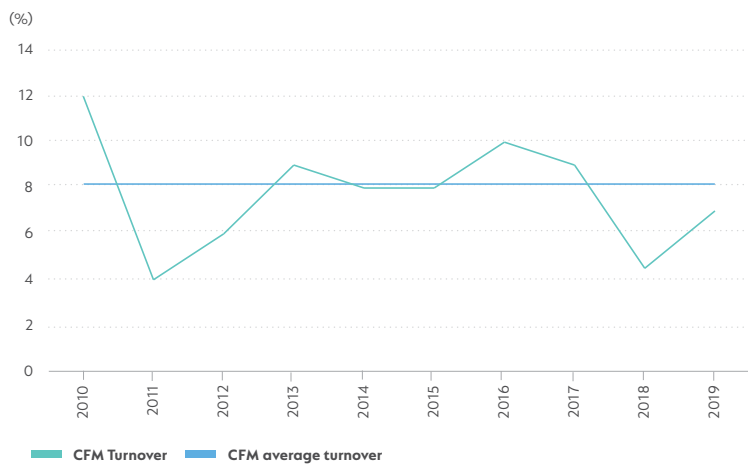
Figures exclude Dublin and London offices

Retaining highly skilled employees

Long-term retention of world-class talent is critical to the success of our business. Our investment team remains one of the most experienced and stable in the industry. The average tenure in the investment team is 10 years.

Across the business, employee turnover remained stable. At 7%, it remains well below industry standards. The average tenure of departing employees was 7.4 years in 2019.

EMPLOYEE TURNOVER



In the past year, we have maintained a number of initiatives to retain and motivate employees.

Our Remuneration Policy is key to retaining highly skilled employees and aligning their performance with that of all our stakeholders. (→ [Refer to the Remuneration Policy on page 55](#)).

We introduced an onboarding system which offers a digital platform to integrate new starters. The platform was introduced in July this year with the objective of building real engagement before a new starter joins, and to ensure continued support throughout their onboarding journey so that they are confident to add value right away. We have received positive feedback from both managers and new starters thus far.

New employees are welcomed through the Ignite Group Coaching Programme. Introduced in 2011, the Ignite Programme is led by an external qualified coach. Employees take part in biweekly two-hour sessions over the course of three months. The programme is aimed at helping new employees deal with the potential challenges of landing and operating in a high-performance-driven culture. We believe it has been highly successful in bolstering individual career development and supporting retention. As at the end of our 2019 financial year, we have had 60 Ignite groups since inception, with a total of 315 employees who have participated in the coaching groups.

Future talent is earmarked for succession planning, and the appropriate retention mechanisms are put in place to ensure a long-term sustainable business. We offer individual coaching to employees taking on leadership roles or facing new challenges to ensure tailor-made support and development.

All managers are offered interview skills training, as part of a programme called Hiring Right! This high-intensity programme uses real Coronation case studies and focuses on identifying and selecting top talent. More advanced training has also been offered and we had 10 employees attend interviewing skills workshops in the 2019 financial year.

We regularly review employee notice periods to ensure minimal disruption in the event of resignation and to maintain alignment with dynamics in the market.

Skills development

We strive to create an environment that encourages our employees to challenge themselves and grow. Continuous learning is a key component of our culture. The business supports appropriate training initiatives by providing financial assistance towards employees' tuition fees for part-time study. We continue to direct a large portion of the Company's training spend to black employees.

In 2019, R7.1 million was allocated to the skills development of black employees (2018: R11.4 million).

The Chartered Financial Analyst (CFA) professional credential is highly coveted in our industry. A significant portion of our total training spend consists of CFA fees and workplace training, as well as international conferences to ensure our employees remain world-class. Other areas of training include university qualifications, short courses (including regulatory and product training), as well as softer skills training in the form of individual and group coaching, and mentorship.

Bursaries

Coronation has a substantial Bursary Programme (→ *refer to page 22*). This programme identifies previously disadvantaged learners with academic potential who want to study commerce at any recognised university in South Africa. During their studies, students are offered mentorship from within the business and vacation work as preparation for the working world. The intention is that, once the bursary students graduate, they would be employed by Coronation.

Since 1993, more than 115 students have been given the chance to achieve their dream of a better future through the Coronation Bursary Programme.

For the 2019 financial year, we sponsored 16 students from across the country, nine of whom are black women.

In acknowledgement of the vital role played by education in releasing individuals from a life of poverty, we extended our reach 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.

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

Mentors

Mentorship is important in the skills development and advancement of all employees. The Coronation Mentorship Programme enables experienced employees to mentor new employees, and provide guidance on Company culture and work processes, as well as industry insight. We currently have 14 active mentors within the business, some of whom focus specifically on mentoring our bursary students.

Employees are encouraged to diversify their skills by exploring new roles and responsibilities within the business. All opportunities at Coronation are posted on both internal and external careers sites to facilitate career progression.

Employees are responsible for ensuring that they are equipped with the necessary training to successfully fulfil their function. This may take the shape of formal or on-the-job training. In the case of the latter, employees are required to record a monthly report, including detailed content by both the trainer and trainee. To assist in identifying individual development opportunities, we embark on a consultative process between talent management, line management and employees to analyse training trends of prior years and define skills imperatives for the coming year.

Internships

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

Our intention is to create a skills development pipeline that will nurture talent within our business and the industry as a whole. We established a successful two-year Coronation workplace experience internship programme for unemployed graduates in 2012. In 2019, three new graduates joined this programme. Over the past six years, a total of 58 graduates have benefited from our programme and, as

at the end of the 2019 financial year, of the 58 interns hired into the business, 84% are black and 55% are black females. We have permanently employed 24 of the 58 interns within our business, of whom 21 are black.

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

We also continue to support the partnership between the ASISA Academy and TSIBA Education, which sees students completing the Investment Administration and Client Servicing (IMACS) Programme.

Coronation sponsors these IMACS students to complete a six-month internship within our business as part of their programme.

These programmes are aimed at developing specific skills currently found to be in short supply in the marketplace. In addition, our Bursary Programme also plays an integral role in achieving transformation through skills development (→ *refer to page 43 for more details*).

Future focus

Our focus is to continue to foster a culture that attracts, retains and motivates highly-skilled employees to continue to deliver investment excellence.