



Transaction  
Capital

# ESEG Roadshow

September 2022

# Agenda



## 01 | ESEG objectives and progress in FY22

## 02 | Governance

- Board profile and changes
- Enhancements to remuneration policy and disclosures
- Amendments to S44 and S45 resolutions

## 03 | ESE impact

- ESE highlights and ratings
- Sustainability reporting standard adoption

## Objectives

- Proactively engage with our shareholders on ESEG matters and progress
- Obtain feedback and input from our shareholders



# ESEG objectives and progress in FY22

- ▶ Early adoption of the **IFRS Foundation Sustainability Standards** and the **JSE's Sustainability and Climate Disclosure Guidance**, where possible.
- ▶ Updating the group's **remuneration policy and disclosure** in response to shareholder feedback.
- ▶ Developing and operationalising **WeBuyCars' Economic, Social and Environmental (ESE) framework** and incorporating WeBuyCars into the group's carbon footprint reporting.
- ▶ Implementation of an **environmental data management system** to ensure accurate and complete environmental reporting, performance management and analysis, and tracking of progress against targets.
- ▶ Development and implementation of **GHG emissions reduction strategies**.
- ▶ Identifying and assigning **mitigation measures for climate-related risks and opportunities** identified in FY21 and integrating these into the group's risk management framework.
- ▶ Continued work to obtain a comprehensive view of the potential financial impact of climate-related risks and opportunities.
  - ▶ In August 2022 Transaction Capital held its inaugural **Climate Change Impact Workshop** with key stakeholders across the group.



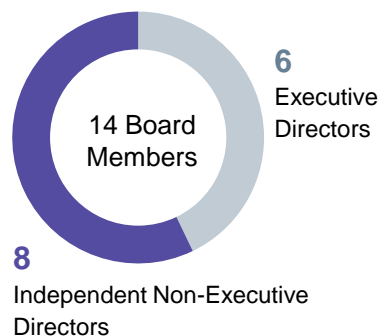
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# Governance

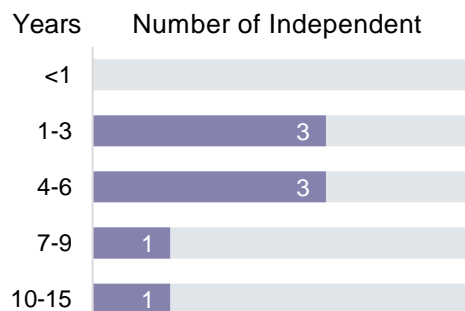
# Board profile and changes



## Independence



## Tenure



## Board updates



### CHRISTOPHER SEABROOKE (67)

Chairman  
Appointed: June 2009

Mr Christopher Seabrooke will resign as Chairman effective 31 December 2022 and will handover to Mr Ian Kirk.



### IAN KIRK (62)

Independent Non-executive  
Appointed: November 2020

Qualification: CA(SA), HDip BDP (Wits), FCA (Ireland)

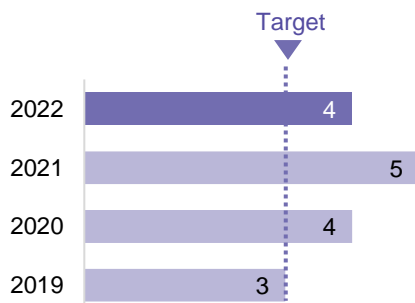
## Skills and Experience

- Financial services
- Strategy
- Governance and compliance
- Risk and opportunity management
- Legal and regulatory
- People management and remuneration
- Accounting and auditing
- International experience
- Leadership

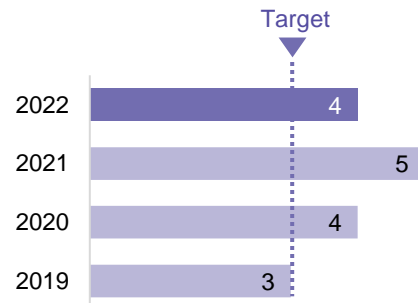
Average tenure of independent non-executive directors: **5.4 years**

## Diversity

**Number of female directors**  
Board representation



**Number of black directors**  
Board representation





# Remuneration

## Policy and disclosure enhancements



Feedback	Change/Response
<ul style="list-style-type: none"> <li>• <b>Clear targets to facilitate transparent discussions</b></li> </ul>	<p>Continued <b>enhancement of disclosure</b></p>
<ul style="list-style-type: none"> <li>• <b>Quantify ESG KPIs for remuneration purposes</b></li> </ul>	<p>An <b>additional ESG hurdle will be added into the LTI scheme</b> this year.</p> <p>The proposed ESG metrics for the November 2022 awards are:</p> <ul style="list-style-type: none"> <li>• Reduce TC’s carbon footprint (intensity) in line with TC’s commitment to be materially below 2 degrees global warming as communicated in the FY21 sustainability report.</li> <li>• Improve or maintain B-BBEE levels at TC and in each subsidiary according to plans communicated and governed by the SECOM.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Further enhancements to remuneration disclosure required:</b> <ul style="list-style-type: none"> <li>• Granularity on distribution of weightings for 75% financial and 25% non-financial</li> <li>• Specify whether distribution between HEPS &amp; ROE as LTI hurdles are equally weighted</li> </ul> </li> </ul>	<p>The <b>weighting of the additional ESG hurdle</b> added into the LTI scheme this year will be:</p> <ul style="list-style-type: none"> <li>• HEPS relative to CPI Growth – 60%</li> <li>• ROE – 30%</li> <li>• ESG targets – 10%</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Consider pay gap between highest and lowest paid individuals</b></li> </ul>	<p>We will be providing a statement on <b>TC’s policy towards fair pay and the wage gap</b> in our FY22 Remuneration Report. No quantitative disclosures will be provided at this point.</p>

# Section 44 and 45 resolutions



## Addressing shareholder concerns relating to Section 44 and 45 resolutions:

*(Resolutions relating to the approval of Financial Assistance in Terms of Section 44 and Section 45 of the Companies Act)*

### Feedback

**Resolutions include a general authority relating to the provision of financial assistance to directors.**

**Such proposals should be considered by shareholders on a specific rather than a general basis.**

### Change/Response

Section 44 and 45 resolutions have both been amended by removing the reference to:

1. “Any director or prescribed officer of Transaction Capital” and
2. “Any director or prescribed officer of a related or interrelated company of Transaction Capital”.

These adjustments remove the open-ended ability to provide financial assistance to directors and prescribed officers of Transaction Capital as well as directors and prescribed officers of related or inter-related companies of Transaction Capital.



03

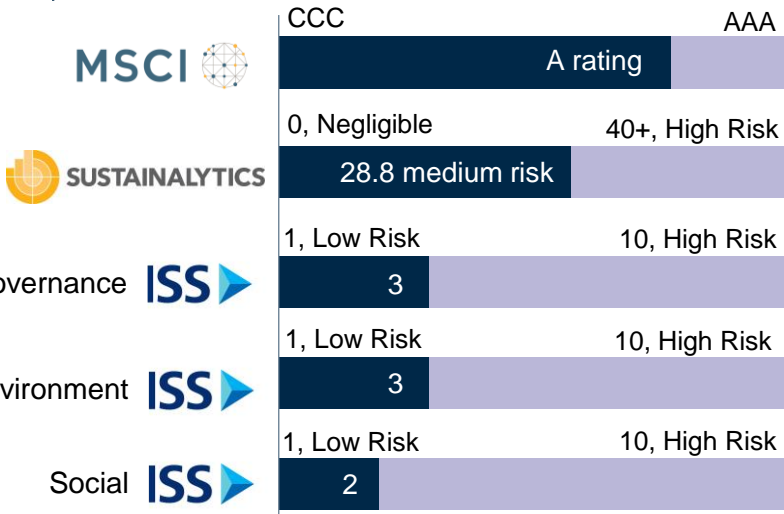
# ESE Impact



# ESG highlights and ratings



## Major ESG Ratings



Platinum, 5 star

## Awards



World Finance Sustainability Awards in category of **Most Sustainable Company** in the Mobility Industry



Inaugural **social bond issuance** on JSE's sustainable segment

**Social bond of the year award 2022** Environmental Finance



**INVESTORS IN PEOPLE®**  
We invest in people Silver



Awarded 7<sup>th</sup> place in the Top 10 ranking of EY's Excellence in Integrated Reporting 2022 awards

# Sustainability reporting standards



## Transaction Capital aligns to key ESG-related standards



Our Integrated Report is compiled according to the International Integrated Reporting Council's Reporting Framework.



As part of our ESE Frameworks across the group we have chosen to target 6 goals that are aligned to our core operations and strategy, to focus our efforts on making a measurable impact.



We support the recommendations of the TCFD, and will over time, expand and refine our reporting as we continue the process of embedding financial climate-related risks and opportunities in our operations.



Our Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards.

## Standards/ Guidance to be adopted



The IFRS Sustainability and Climate Change standards are aimed at establishing a comprehensive global baseline for sustainability disclosures on ESG matters relevant to assessing enterprise value. The standards consolidate the technical guidance of the CDSB and VRF.



The Johannesburg Stock Exchange (JSE) has published its own "Sustainability and Climate Disclosure Guidance" which is aligned and draws on, the influential global initiatives on sustainability and climate change disclosure – including the GRI Sustainability Reporting Standards, the TCFD principles and others.

# Early adoption of the IFRS Sustainability Disclosure Standard

