



Transaction  
Capital

# SUSTAINABILITY

## Report

for the year ended  
30 September 2022

**10**  
YEARS  
AS A LISTED ENTITY



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 This icon refers the reader to pages or other reports in our reporting suite with more information.

**Your feedback is important to us and we welcome your input.**



We aim to constantly improve our reporting and align it with the information needs of stakeholders. We welcome stakeholder feedback on our suite of reports, including this sustainability report, which can be emailed to:

[sustainability@transactioncapital.co.za](mailto:sustainability@transactioncapital.co.za)



# About this sustainability report

Our sustainability report provides insight on Transaction Capital and its subsidiaries' (the group) commitment to sustainable development. It highlights our sustainability strategy and performance for the 2022 financial year (FY2022), covering our Economic, Social, Environmental and Governance (ESEG) performance.

This report was developed as part of our annual reporting process and should be read together with our FY2022 reporting suite. This sustainability report sets out detailed data-led ESEG disclosures to provide stakeholders with an objective view of the group's impacts. It is aimed primarily at providers of financial capital, to inform their assessment of our ability to create enterprise value over the short, medium, and longer term. It therefore includes insight into the quality of our relationships with key stakeholders, whose interests and expectations affect the group's creation and preservation of enterprise value, and the shared value outcomes we aim to deliver to our stakeholders over time.

## Our reporting suite

The group's FY2022 sustainability report, integrated report, risk report and governance report should be read together for a complete view of the group and its sustainability performance. The integrated report provides detailed disclosure on our business model, strategic progress, and prospects, and includes a number of key measures of our ESE impact. Our full governance report provides comprehensive disclosure on our governance structures, processes, and policies.



The various reports can be viewed on our website at [www.transactioncapital.co.za](http://www.transactioncapital.co.za).



## Scope

This report covers the financial year from 1 October 2021 to 30 September 2022 (FY2022) and includes material developments to the date of board approval. While the group operates primarily in South Africa, this report also assesses our operations in Australia and our growth strategy in select international markets. The annual sustainability report has been prepared in accordance with the following:

- ▷ International Financial Reporting Standards (IFRS) International Sustainability Standard Board's (ISSB) draft Sustainability and Climate Disclosure Standards;
- ▷ JSE's Sustainability and Climate Disclosure Guidance;
- ▷ Task Force on Climate-Related Financial Disclosures (TCFD) (which is incorporated within the IFRS ISSB standards);
- ▷ GRI Standards 2016 guidelines;
- ▷ UN Sustainable Development Goals (SDGs); and
- ▷ Integrated Reporting Council's Reporting Framework.

## Reporting boundaries

Nutun (previously Transaction Capital Risk Services) acquired a 65% stake in Synergy Contact Centre (Synergy) in April 2022. Synergy is an owner managed contact centre business, operating in the international business process outsourcing (BPO) sector. Synergy operates from its customer service centre located in KwaZulu-Natal, South Africa and provides the following customer lifecycle management services to its clients: customer retention; debt collection; and complaint resolution. Prior to the acquisition of Synergy, Nutun was diversified across the business services collection, transactional and value-added services sectors. The acquisition of Synergy now establishes the Transaction Capital group's BPO service offering. The acquisition of Synergy has bolstered our employment offering and more than doubled Nutun's head count to 5 638 employees.

GoMo is a newly established entity that will be entering into instalment sale agreements and rental agreements with individuals looking to finance the purchase of vehicles from WeBuyCars or pay for the right of use of vehicles sourced by GoMo from WeBuyCars.

We are working to embed both the Synergy and GoMo operations within our business and have excluded them from our Sustainability Report for FY2022 but will be including them from FY2023.

## Early adoption of IFRS ISSB Sustainability Standards and alignment with JSE Sustainability and Climate Disclosure Guidance:

We acknowledge the numerous sustainability frameworks and standards available globally. To meet stakeholder demands and move towards more standardised and frequent sustainability reporting we have early adopted the draft IFRS ISSB standards, to the extent possible. The ISSB standards form a comprehensive global baseline of sustainability disclosures, designed to meet the information needs of investors in assessing enterprise value. The standards consolidate the technical guidance of the Climate Disclosure Standards Board and Value Reporting Foundation and build on the Task Force on Climate-related Financial Disclosures (TCFD) requirements. We believe these standards converge, simplify, and standardise the sustainability reporting ecosystem, providing us with a comprehensive framework to consistently measure and demonstrate sustainable value creation over time.

With the convergence of all the various sustainability reporting standards to the IFRS ISSB standard, along with the Sustainability and Climate Change guidance provided by the JSE for listed companies, the group carried out an in-depth gap analysis to align our reporting to these standards.

This is a journey, and we are aligning ourselves to both standards and aim to embed this type of reporting within our culture. We aim to incorporate as much of the relevant information as possible as we go along the journey. We consider this to be a more efficient approach than answering the myriad of questionnaires from various investors which are an administrative task which doesn't necessarily add value in progressing towards achieving our sustainability objectives.



Please see **page 36** for a roadmap of our journey and how we aim to slowly ensure a comprehensive set of reporting.

The ESG World platform is embedded on our website should any investor wish to align and determine where the various elements are disclosed in our reporting suite.



View our sustainability profile on ESG World



# Group profile

At Transaction Capital, we are catalysts of unconventional potential. We invest in and operate a diversified portfolio of high-potential businesses in markets with historically low levels of stakeholder and client confidence. This gives us untapped opportunities for disruption, innovation and high returns.

Through WeBuyCars, SA Taxi and GoMo, we enable mobility access to private and public commuters through the provision of a disruptive range of mobility services including vehicle trade, finance, insurance and other allied products. Through Nutun, we provide a broad range of digitally enabled business services to clients across various sectors, locally and internationally.

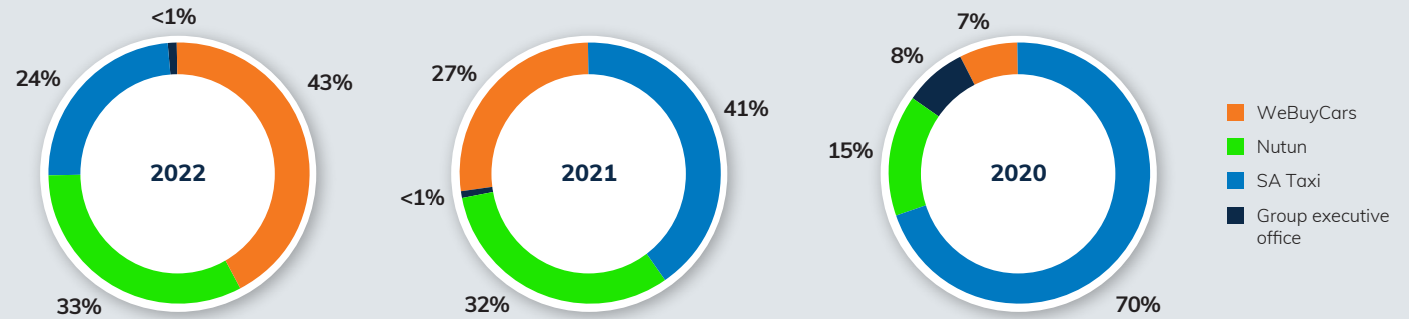
Our businesses have developed their unique market propositions by leveraging their specialist knowledge, data and technological advantages, to create competitive and innovative solutions that provide clients with excellent economic benefits and advance the industries in which we operate.

To scale and create distinctive, vertically integrated businesses, we partner with management teams who are knowledgeable, entrepreneurial, and considerably co-invested. Our businesses are robust and agile, as they are strategically positioned and defensive in relation to socioeconomic trends in their market segments.

Our businesses are robustly governed and aligned to the group's culture of entrepreneurship and integrity, which underpins their ability to respond effectively and ethically to complex market dynamics. As trusted partners, they collaborate with their stakeholders to create net positive socioeconomic returns with enduring benefits. This enhances their growth, risk and sustainability profiles and secures the group's ability to sustainably deliver shared value outcomes and significant financial returns for our stakeholders.

## Earnings composition and geographical areas

### Composition of earnings attributable to Transaction Capital





## Transaction Capital group structure

WeBuyCars, SA Taxi and Nutun continue to transform and reposition their business models, enhancing their competitive value propositions and enabling them to expand their total addressable markets, while diversifying their revenues and deepening efficiencies within their existing and new verticals.

TC Ventures has been established to support the group executive office in fulfilling and accelerating the group's acquisitive growth strategy. TC Ventures seeks out investments in innovative, high-growth and entrepreneurial South African businesses, with a focus on fintech disruptors that are relevant to our divisions.

### Transaction Capital Operating divisions

#### MOBILITY PLATFORM

WeBuyCars, SA Taxi and GoMo enable private and public mobility access in South Africa through a disruptive range of mobility services including vehicle trading, finance, insurance and allied products

Private commuter mobility

Private and public commuter mobility



74.2%



74.5%<sup>1</sup>

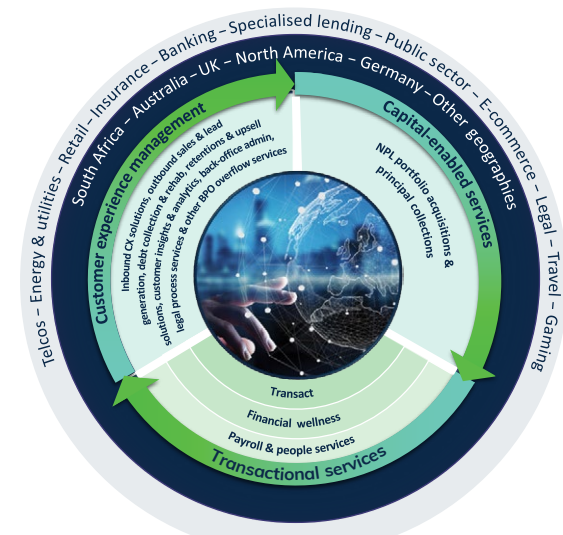
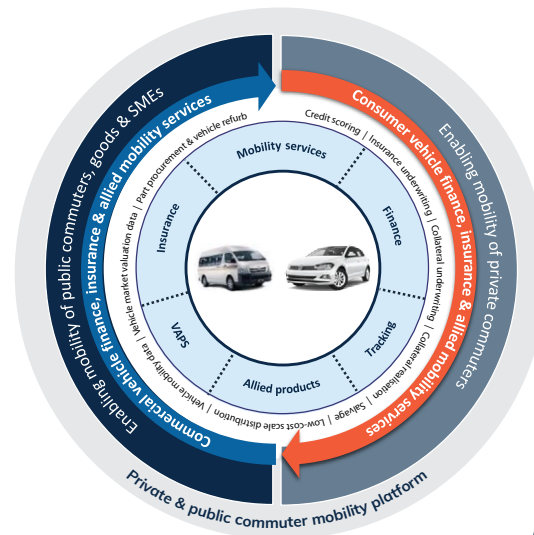
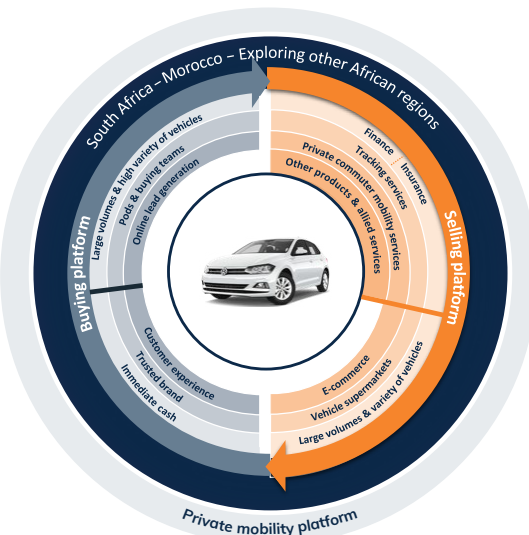


100%<sup>2</sup>



(Previously Transaction Capital Risk Services)

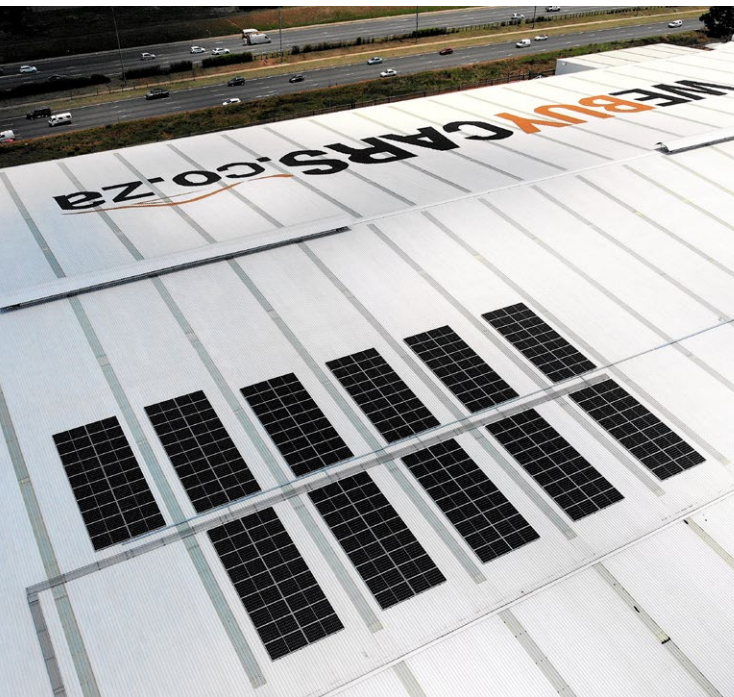
100%<sup>3</sup>



1. TC consolidates 82.13% of SA Taxi due to vendor financing provided by SA Taxi to SANTACO.  
2. TC Motor holdings (TCMH) owns 100% of GoMo. TC owns 99% of TCMH.  
3. TC owns 100% of Nutun Holdings. Nutun Holdings has various subsidiaries at different ownership percentages.

# ESEG highlights in 2022

In FY2022 the group made significant progress in embedding ESEG into our organisational culture. This has taken shape through implementation of the Economic Social Environmental (ESE) frameworks within the divisions, driving more rigorous data capturing processes, with progress towards monthly data capturing and exploring data automation.



## Group highlights



### E Environment

Hosted inaugural group wide **climate change impact workshop**, as the group recognises the rapidly changing global context and the risks and opportunities associated with environmental and social factors, particularly climate change.

See **page 35**: Environment impact for further details.



### S Social

Created **628 jobs for youth** in FY2022 through various youth employment initiatives.

Employment creation has been a key theme in the business this year, with WeBuyCars having created a net of **988 new jobs** in FY2022<sup>1</sup>.



### G Governance

Early adoption of the **IFRS Foundation Sustainability Standards** and the **JSE's Sustainability and Climate Disclosure Guidance**, to the extent possible.

Hosted **two ESEG investor roadshows** ensuring proactive engagement with investors on sustainability-related matters providing feedback on progress and outlining current focus areas.

Further **enhanced** the group's **remuneration policy** and disclosure in response to stakeholder feedback.

**Establishment of a tax sub-committee** to oversee the adoption and publication of a group tax strategy which provides guidance on the principles to be applied in managing the group's tax affairs as well as ensuring tax transparency.

Succession and **on-boarding of new Chairman** of the board.

**Adoption of the non-executive director policy** which establishes a clear framework and governance structure to strengthen the board's ongoing commitment to robust governance principles.



Awarded three special accolades in the **2022 Business Day Intellidex Investor Relations Awards**: 1st in "Best integrated annual report", "Best market communications" and "Most accessible senior management" categories.



Awarded **7th place** in **EY's Excellence in Integrated Reporting** awards.



**Merit award** received in the mid cap category of the Chartered Governance Institute of Southern Africa **Integrated Reporting Awards 2022**.

1. The acquisition of Synergy within Nutun has also allowed us to double our employee headcount for Nutun up to 5638 employees. This will be reported on in more detail in FY2023.



## Nutun Highlights



Nutun's work-from-home capabilities, established over the past 2 years, have enabled the successful implementation of a sustainable hybrid work model. This has allowed Nutun to consolidate its three office spaces in Johannesburg into **one green building**, which reduces its environmental footprint from FY2023.



Awarded the **Top Employer for 2023** certification.



## WeBuyCars Highlights



Development and implementation of **WeBuyCars' ESE framework**, allowing them to measure and report on progress made on their ESEG strategy, including an assessment of the business' carbon footprint. Through this process we have included WeBuyCars' feedback and progress on ESEG matters in our sustainability report for FY2022.



Continued roll out of **solar PV and water harvesting** at WeBuyCars' vehicle supermarkets. Currently WeBuyCars has solar power at 8 of its supermarkets and rainwater harvesting at 11 vehicle supermarkets. The rainwater harvesting allows the WeBuyCars branches in Gauteng to wash vehicles with rainwater for up to approximately 8 months depending on the province's rainfall patterns.



## SA Taxi Highlights



Contracting a **circular economy study** to determine avoided emissions achieved by the parts refurbishing and material recycling practices when producing an SA Taxi Quality Renewed Taxi (QRT) vs a new taxi.



Winner of the **Most Sustainable Company** in the Mobility Industry in the World Finance Sustainability Awards, in recognition of SA Taxi's social purpose of enabling mobility access for millions of commuters through tailored developmental financing and support services to small to medium-sized enterprises (SMEs), its alignment to the SDGs and the resilience of its operations during the COVID-19 pandemic.



Winner of the **"Social Bond of the year – corporate"** in the 2022 Environmental Finance's Bond Awards for its Transsec 5 issuance\*. These awards celebrate the leading green, social, sustainability and sustainability-linked (GSSS) bond and loan deals.



\* SA Taxi issued its first social bond on the JSE Limited's sustainability segment through its Transsec 5 initial issuance in May 2021. This issuance achieved many milestones. It was SA Taxi's largest single issuance to date at R900 million, with the lowest initial issuance weighted average margin of 173 basis points above the three-month JIBAR and a sub-loan of 10% (reduced from 12% in previous issuances). In this financial year, November 2021, the group concluded a Transsec 5 tap issuance. This raised an additional R543 million for SA Taxi and again set a new milestone by achieving a weighted average margin of 167 basis points above the three-month JIBAR.



# How we create value

## Our definition of value

Our aim is to deliver shared value outcomes for our stakeholders by generating strong commercial returns on a consistent basis while simultaneously creating net positive socioeconomic returns with enduring benefits.

### Our value creation is driven by the following capitals:

#### IC Intellectual capital

We consider intellectual capital to be our core competitive advantage, which directs how other forms of capital are utilised to create shared value outcomes for our stakeholders. This includes:

- ▷ Expertise applied to actively invest in and operate a diversified portfolio of unique, high-potential businesses in market segments where historically poor service and low trust provide opportunities for digitally enabled innovation and disruption.
- ▷ An entrepreneurial culture that drives growth and innovation, overlaid with mature governance structures and processes that defend stakeholder trust and provide competitive advantage in our markets.
- ▷ Specialist expertise and digital competencies drive superior data, leading-edge technology and analytics capabilities (including artificial intelligence (AI)) that enable accurate pricing and underwriting of risk, generate business and client insights and support innovation in developing products and services, as well as operational efficiencies.
- ▷ An iterative strategic process that enables live decision-making and centres on continuous learning to achieve sustainable profitable growth and shared value creation.

#### HC Human capital

- ▷ An engaged board of directors that challenges management to think long-term about balancing profit with socioeconomic and environmental impacts, to ensure a net positive socioeconomic return.
- ▷ High specialism achieved by hiring skilled people with experience in managing diverse portfolios and focusing these skills on highly specialised portfolios.
- ▷ An empowered workforce that delivers against defined group and divisional strategies and embraces our entrepreneurial, high-performance, ethical and inclusive culture, enables us to effectively deliver market-leading value propositions to clients.
- ▷ Attracting, retaining and developing people whose skills are aligned to our intellectual capital requirements enables us to appropriately plan for succession, which includes recruiting and developing graduates to build our internal talent pipeline.

#### NC Natural capital

- ▷ While our direct impact on the natural environment is low, our indirect impacts in both WeBuyCars and SA Taxi are significant in the sale of second-hand vehicles and the sale of new and refurbished minibus taxis to service the minibus taxi industry. Despite this, both divisions contribute to the circular economy and result in avoided emissions from these industries.
- ▷ In line with trends seen in the vehicle market, WeBuyCars will transition to selling lower carbon alternative vehicles as the market progresses and transitions.
- ▷ We acknowledge that our most impactful influence is to manage and reduce the carbon emissions in our financed minibus taxi portfolio. Our efforts are focused on modernising the minibus taxi fleet with various initiatives which contribute to the circular economy.

#### FC Financial capital

- ▷ Track record of high-quality earnings growth with high cash conversion rates.
- ▷ Prudent and pre-emptive capital management approach that enables operational resilience in difficult socioeconomic conditions, and capacity to invest in longer-term organic and acquisitive growth initiatives.
- ▷ Optimal balance of equity and debt capital supports sustainable growth.
- ▷ Debt capital structure diversified by funder type, capital pool, funding structure and geography.
- ▷ Measurable socioeconomic returns that enable access to developmental finance institution (DFI) funding.
- ▷ Capital management discipline instilled by paying shareholders a consistent dividend (policy of between 2.0 to 2.5 times) from operationally generated cash and funding acquisitions through both surplus operationally generated cash and capital raises (debt and equity).

#### SC Social and relationship capital

- ▷ Maintaining good relationships with our stakeholders and delivering net positive socioeconomic returns supports access to funding, enables us to broaden our addressable markets and partner for innovation. This strengthens our reputation as an invested and accessible social partner in pursuing national transformation and developmental objectives.
- ▷ Nutun's evolution into a global digital services business is an exciting opportunity to leverage off South Africa's growing popularity as an outsourced customer engagement services destination, to earn international revenue off a local cost base and create jobs locally.
- ▷ Expanding into new and adjacent markets through industry partnerships and collaboration.

#### MC Manufactured capital

##### WeBuyCars

- ▷ Database of buying and selling together with AI enable accurate pricing of vehicles.
- ▷ Physical and digital vehicle trading infrastructure improves access for dealerships and individual clients looking to buy or sell a vehicle.

##### SA Taxi

- ▷ Repair and refurbishment facilities and sales channels deepen vertical integration in the minibus taxi industry and enable an attractive value proposition to clients.
- ▷ Telematics infrastructure enables accurate determination of credit and insurance risk.

##### GoMo

- ▷ GoMo was launched in 2022 and aims to disrupt and capture market share in the under-penetrated used vehicle finance and insurance sector.
- ▷ GoMo leverages SA Taxi's credit intellectual property (IP), WeBuyCars' data and distribution network, and Transaction Capital's funding capabilities.

##### Nutun

- ▷ Nutun's customer engagement services segment leverages our ZAR cost base, local technology platform and IP, as well as a deep experience in managing outcomes-based call-centre operations to deliver a range of digitally enabled business services across clients' value chains.
- ▷ Master Data Universe and associated algorithms enhance omni-channel collections activity.

# Economic, social and environmental (ESE) framework overview

The United Nations SDGs represent a blueprint to achieve a better and more sustainable future for all. King IV reaffirms the notion that good corporate governance requires an acknowledgement that organisations do not operate in a vacuum, but rather form an integral part of society. Organisations are therefore accountable to all their stakeholders, current and future.

## Our ESE framework

We hold ourselves to the highest standards of societal performance to ensure we deliver a lasting, positive contribution that spans beyond our operations. This starts with understanding and responding to the needs of communities within which we operate, while creating a socially responsible business that ensures all stakeholders prosper sustainably.

Our ESE framework clearly defines each division's societal purpose, which cascades into defined impact areas with supporting measurable metrics applicable to each division. These were developed bottom-up through engagement with multiple internal and external stakeholders to define key concerns and expectations and link these to appropriate metrics to articulate our ambition and measure and track progress and impact over time.

We seek to deliver shared value – a balance of social, environmental, and economic impact and we aim to be able to quantify the trade-offs over time.

## Societal purpose



To create economic sustainability in the communities we serve through digitally enabled business services which introduce simplicity, ensure stability, and enhance effectiveness.



To accelerate sustainable mobility through innovation, simplicity, and trust.



To enable mobility access for millions of minibus taxi commuters through tailored developmental financing and support services for SMEs.

The ESE framework now informs our strategic and operational initiatives to ensure that our impacts are appropriately managed to enhance value creation for the group and its stakeholders, while minimising value-eroding activities. Progress in operationalising and improving against these ESEG indicators forms part of the scorecards of group and divisional executives as well as the short term and long-term incentives, supporting alignment to sustainability objectives across the group.


Defining the divisions' respective impact areas was done with reference to specific SDGs, which aligns our reporting to a uniform market standard and our sustainability to globally relevant goals. We have chosen to target six SDGs which are aligned to our core operations and strategy, allowing us to focus our effort to make the most impact:





We have revised our core SDGs as we continue to uncover our key impact areas on our sustainability journey, along with the introduction of the WeBuyCars ESE framework which has allowed us to rethink our core purpose.

## Economic impact

### Facilitating economic development and growth


- 


Nutun drives economic growth by promoting credit market stability. 15
- 

WeBuyCars contributes to consistent and sustainable economic growth through its role in the used-vehicle trading sector. 17
- 

SA Taxi empowers SMEs through financial inclusion. 19


### Supporting social inclusion


- 


Nutun rehabilitates debtors ethically and responsibly. 16
- 


SA Taxi promotes social inclusion by helping millions of commuters' access services and economic opportunities. 20

### Bettering the industries we serve

- 

Nutun works to better financial intermediation for all stakeholders. 16
- 


WeBuyCars empowers its customers by providing a trusted service in an industry with historically low levels of trust. 18
- 


SA Taxi works to better the public transport industry for all stakeholders. 21
- 




## Environmental impact

### We promote climate resilience throughout our operations

- 


We understand our important role in promoting climate resilience. 35
- 


We minimise our environmental footprint. 46
- 


We contribute to the circular economy. 53


## Social impact

### We hire inclusively

- 


We contribute to employment. 23
- 


Our employment practices contribute to socioeconomic transformation. 23
- 

We support group diversity. 24
- 

We contribute to youth employment. 25


### We empower our people


- 


We invest in our people's potential. 27
- 

We value our employees. 29

### We are a good corporate citizen

- 

We contribute to humanitarian needs. 32
- 

We have zero tolerance for corruption and human rights abuses. 12
- 

We promote resilience by actively anticipating and mitigating socioeconomic and environmental risk. 13





**“Our business practices are underpinned by robust and progressive governance standards which enable us to sustainably grow the Transaction Capital group while delivering net positive socioeconomic outcomes for all stakeholders.”**

– David Hurwitz, group CEO

# Governance and sustainability

The governance report sets out the group’s governance philosophy, governance framework and structures, combined assurance framework, compliance framework and key regulatory developments. The report also addresses key issues considered by the board for the year under review, as well as key board deliberations.



The Governance report is available on our website [www.transactioncapital.co.za](http://www.transactioncapital.co.za).

The group’s operations are underpinned by a robust governance framework along with sound governance practices, institutionalised governance, regulatory and risk management practices. Transaction Capital’s governance structures are aligned to King IV principles, which advocate an outcomes-based approach to governance. The board considers value creation against the King IV definition of corporate governance as the exercise of ethical and effective leadership to achieve the governance outcomes of an ethical culture, good performance, effective control and legitimacy.

## Management’s oversight of sustainability

The board is responsible for the strategic direction of the group and directs strategy with reference to the group’s values and ethics charter, to ensure the group consistently delivers shared-value outcomes for all stakeholders.

The principles of responsible corporate citizenship underpin all key aspects of our business, with ultimate responsibility entrusted to the board. As such the board is responsible for the group’s sustainable development, which includes the management of climate-related risks and opportunities and how these translate into governance, strategy, risk management and metrics and targets. Through its various committees, the board oversees and monitors how the group’s operations and activities affect its sustainability.

The social and ethics committee monitors many of the aspects listed under the King IV practices (including employment equity, fair remuneration, equal pay for equal work, safety, health, economic transformation, public health and safety, consumer protection, community development and protection of human rights). The social and ethics committee also oversees and monitors the group’s activities in terms of ESEG impact including climate change. The audit committee and risk and technology committee are responsible for preventing, detecting, and responding to fraud and corruption, tax policy and transparency, as well as climate-related risks and opportunities, amongst an array of other areas broader than sustainability.

## Management's oversight of sustainability continued

### Board's oversight of sustainability matters



**Suresh Kana**  
Lead independent non-executive director

BCom, BCompt (Hons), MCom, PhD (Honorary) (University of the Witwatersrand), CA(SA)

**Expertise in assurance, financial services, engineering, and mining. With experience in sustainability, standards setting, integrated reporting, risks and governance.**



**Diane Radley**  
Independent non-executive director

BCom (Rhodes), BCom (Hons) (Unisa), CA(SA), MBA (Wits Business School), Advanced Management Programme (Harvard Business School)

**Expertise in assurance, advisory, financial services, technology, resources and infrastructure. With experience in strategy, innovation, risk, business model development, technology, and sustainability.**



**Albertinah Kekana**  
Independent non-executive director

BCom; CA(SA), Post-Graduate Diploma in Accounting (University of Cape Town), Advanced Management Programme (Harvard Business School)

**Expertise in assurance, asset management, investment banking, financial services, and mining. With experience in sustainability, climate change, business strategy, and large corporates.**



**Kuben Pillay**  
Independent non-executive director

BA, LLB (University of the Witwatersrand), Master of Criminal Justice (Howard School of Law)

**Expertise in legal, human resourcing, and investments. With experience in stakeholder management, governance, social and ethics.**

Refer to the **Governance report** for extensive bios.

Sustainability related expertise

### Committees



See **pages 15 to 21** in the governance report for further details on the composition and value creation activities of the board committees and their various focus areas.

**Social and ethics committee:** This committee oversees and monitors the group's activities in terms of ESEG impact including climate change.



Refer to **page 20** of the governance report for more details on the social and ethics committee

### Senior leadership – ESEG steering committee

Transaction Capital's executive committee is responsible for management of the group's ESEG impact and climate-related risks and opportunities. A group wide ESEG steering committee chaired by the group CFO drives and measures sustainability initiatives across the group. This committee comprises executives and senior management from across the group and reports to the social and ethics committee on a quarterly basis on progress against predefined targets.

**The ESEG steering committee convenes quarterly and its focus areas include:**

- ▷ Monitoring performance and progress against the group's ESE framework and strategy.
- ▷ Reviewing greenhouse gas (GHG) emission reduction targets, assessing progress towards meeting targets and putting mitigation actions in place to meet targets.
- ▷ Initiatives to further operationalise the ESE framework across the group, with IFRS ISSB and JSE sustainability and climate change disclosure adoption a key focus in 2022.
- ▷ Processes to simplify ESEG data collection systems, such as automation, which can improve frequency of reporting.
- ▷ Feedback from ESEG investor roadshows, and development of action plans as required.
- ▷ International ESEG trends and developments, including training in this regard.

## Executive remuneration updates

Our remuneration committee ensures continued engagement with shareholders to ensure the group's remuneration policy supports business performance and remains aligned to the interests of its stakeholders. The committee aims to provide competitive remuneration structures which attract diverse, competitive skills to the business. The remuneration committee assesses the mix of fixed remuneration, short-term incentives, and long-term incentives (LTIs) to meet the group's needs and strategic objectives, in addition to reviewing the robustness of LTI schemes in ensuring continued contribution to shareholder value. In FY2022 the remuneration committee added two ESEG hurdles in the LTIs for executives. The first hurdle of reducing emissions is in line with our commitment to be materially below 2°C global warming. The second hurdle motivates executives to maintain (if B-BBEE level 1) or improve their B-BBEE levels. This is in addition to the qualitative ESEG component of the short-term incentive for executives, which was implemented in FY2021.



Refer to the **Remuneration report** for more detail on the contribution from ESEG targets in the short- and long-term incentive schemes on **pages 73 to 75**.

## Policies and reports

The group's ethics charter constitutes a formally documented policy to guide and entrench an ethical and values-based culture across the group. The ethics charter defines our vision, mission and values, and outlines our approach to delivering shared-value outcomes.

The following policies remain in place to guide and strengthen our ethical culture, supported by formal training programmes and annual awareness campaigns to promote compliance:

- ▷ Anti-bribery and corruption policy
- ▷ Sponsorship and donations policy
- ▷ Human rights policy
- ▷ Sexual harassment policy
- ▷ Gifts, entertainment and hospitality policy
- ▷ Declaration of interest policy
- ▷ Diversity policy
- ▷ Transformation and broad-based black economic empowerment (B-BBEE policy)
- ▷ Remuneration policy
- ▷ Environmental policy, including climate change
- ▷ Whistleblowing policy



The group's ethics charter and policies and reports are available at [www.transactioncapital.co.za](http://www.transactioncapital.co.za).



A comprehensive report on the group's ethics framework is included in the governance report available at [www.transactioncapital.co.za](http://www.transactioncapital.co.za).

## We have zero tolerance for corruption and human rights abuses

### Ethical culture

Ethical culture is the most powerful driver of organisational behaviour and is one of the most important variables for determining the state of ethics in an organisation. The group is committed to conducting a business that is consistent with values and principles that are in line with its ethics charter. We look to entrench good corporate governance principles and ethics into our corporate culture which will enable our employees to carry out our strategy ethically, responsibly, and fairly.

The ethics suite of policies that include anti-bribery and corruption, the ethics charter, sexual harassment, and human rights were rolled out during FY2021. Training material was developed during FY2022, and all employees were trained on these policies during the year. All employees also acknowledged compliance to each policy.

WeBuyCars has been included in the group-wide ethics management plan in FY2022. All ethics related initiatives associated with the implementation of this plan for WeBuyCars are now aligned to the group plan. All employees have been trained on the abovementioned ethics and sexual harassment policies which have been included in the onboarding programme for new employees.

Our whistleblowing awareness campaign kicked-off in February 2022 and an independently operated line for whistleblowing was set up. This is managed by an external service provider which enables the anonymous reporting of ethics incidents. This initiative reaches all staff at Nutun, WeBuyCars and SA Taxi. We rolled out messaging to our staff on the importance of the whistleblowing line and how the anonymity of callers is protected by Whistleblowers (Pty) Limited.

Ten whistleblowing reports were received throughout the year (FY2021: 41). These matters were all reported to the social and ethics committee and were successfully investigated and appropriately closed. There was nothing material to report on in FY2022.

As per the ethics management plan we continued the roll-out of the ethics e-learning training programme in the year.

### Anti-corruption

The board supports the principles of the United Nations Global Compact in anti-corruption. The group is also subject to regulations such as anti-money laundering legislation including the Financial Intelligence Centre Act and the Protection of Constitutional Democracy Against Terrorist and Related Activities Act.

No new board members were appointed in FY2022 and thus no training on anti-corruption was required for the board. In terms of employees, all employees have been trained on our anti-corruption policies during the year.

Our corruption reporting obligation is fulfilled based on regulatory requirements and the necessary criminal proceedings followed through if necessary. There were no corruption incidents reported through the whistleblowing line in FY2022.

### Fraud

The audit committee provides oversight over management's responsibility to prevent, detect and respond to fraud and corruption. Executive management is provided with a report on the results of the investigation from fraud reports and appropriate action is taken.

### Monetary loss from unethical behaviour

Due to the nature of our business all legal proceedings carried out during the year were related to collections on loans where customers had defaulted on their payments. We received no fines during the year.

### Lobbying and political contributions

Transaction Capital's sponsorships and donations policy prohibits political donations to any political party, political party candidate or politically exposed person.

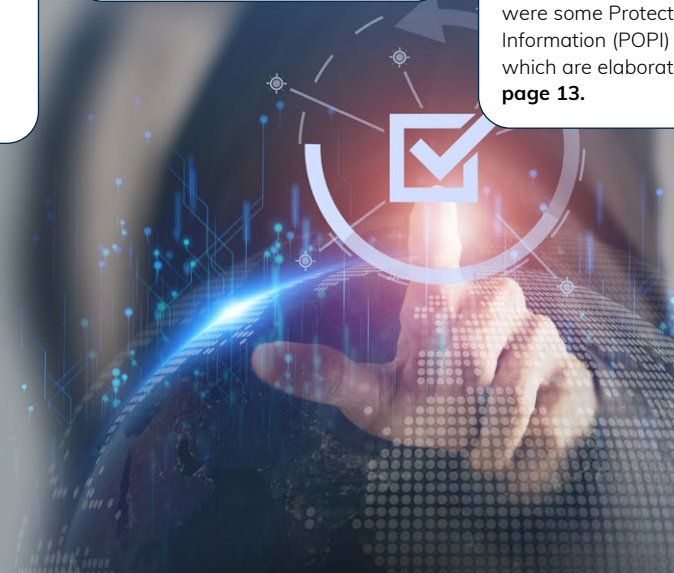


Refer to **page 07** of the **Governance report** for further details on these policies.

Transaction Capital made no political donations for the year under review (FY2021: Rnil).

### Compliance and risk management

We had no environmental, social and governance incidents which resulted in fines during the 2022 financial year (FY2021: Rnil). There were some Protection of Personal Information (POPI) Act breaches which are elaborated on, on **page 13**.





## We have zero tolerance for corruption and human rights abuses continued

### Our human rights commitment

Respect for human rights is fundamental for Transaction Capital. We strive to protect and promote human rights in our relationships with all stakeholders. The board, including the CEO and divisional CEOs, are committed to respecting, upholding, protecting, and promoting all internationally recognised human rights. They provide leadership in this regard by role-modelling correct behaviour and ensuring that key decisions are aligned to the principles set out in our human rights policy.

The board also supports the principles of the United Nations Global Compact in the areas of human rights, labour standards, the environment and anti-corruption, and follows the recommendations of the Organisation for Economic Co-operation and Development (OECD) regarding corruption.

During FY2022 all suppliers' contracts have also been updated to include reference to our human rights policy, where non-compliance to our policy can result in termination of these contracts.

To ensure the effective management of ethics, in FY2022 the group focussed on addressing employee feedback raised through the Ethics Barometer survey conducted in FY2021. A survey will be conducted again in FY2023 and will include WeBuyCars for the first time. The seven categories covered within the Ethics Barometer survey which have been worked on during the year included: fair treatment of customers, suppliers, employees and shareholders; our organisational culture and practices; engagement with broader society; and the avoidance of misconduct.

Progress against our ethics management plan is presented to the social and ethics committee at every meeting and, where relevant, to the audit committee and the board.

We ensure that all staff receive training on our human rights policy, while the group's ethics charter ensures employee compliance to our constitution and the human rights embedded within this. All employees have been trained on our human rights policy during the year.

### Customer responsibility – The POPI Act

The group encourages all its subsidiaries to accurately implement the Protection of Personal Information (POPI) Act, which came into effect in July 2021 to prevent any potential data breaches on all our digital platforms. Adequate security measures (technical and organisational) have been put in place by information security officers to ensure integrity and security of personal data.

Compliance with POPI is used to ensure privacy of all consumer related data within all subsidiaries and we strive to ensure that access to sensitive data on clients are safeguarded. We manage this through our information security functions who utilise external service providers to provide us with the necessary assurance around the strength of our networks and firewalls.

There is continuous monitoring of our data security features. In addition, we perform independent assessments around POPI compliance via our internal audit function, one of which was completed in FY2022, and another planned for FY2023.

The nature of WeBuyCars and Nutun's operations make them susceptible to POPI-related incidents. The following incidents were dealt with in FY2022:

In Nutun there were five data breach incidents, three of which originated from our partners/vendors that process personal information on our behalf. A robust incident management framework was put in place in the previous financial year, to effectively identify and manage such incidents, address root-causes, institute remedial actions and discharge regulatory obligations. This framework ensured that the risks were dealt with effectively and expeditiously to limit further exposure. All incidents have since been closed and the framework has been updated in FY2022 to align to international standards.

Within WeBuyCars five POPI breaches were reported to the Information Regulator in FY2022. All the necessary steps were taken to mitigate the breach and this was communicated to the regulator accordingly. Appropriate disciplinary action was taken against staff members linked to the breach and retraining was provided where necessary.

### We promote resilience by actively anticipating and mitigating socioeconomic and environmental risk

An annual review for ongoing compliance monitoring against all applicable laws and regulations is conducted on systems within the divisions. A risk assessment and monitoring system that considers risks, including data privacy, market shocks, labour force disruption and climate-related risks, is in place.



# Transformation

Transaction Capital supports the transformation objectives in South Africa that seek to address historical imbalances and views the principles of economic and social transformation as an integral component of our business. The group's transformation and B-BBEE policy addresses its commitment to transformation and the spirit of B-BBEE.

Transformation is high on the board and executive management's agenda. To accelerate our transformation objectives, targets are included as qualitative measures in the short-term incentive targets for key executives across the group. This year we have also included transformation targets as part of the long-term incentive scheme to ensure a strategic long term performance metric for executives.

B-BBEE certificates and compliance reports are available on our website at [www.transactioncapital.co.za](http://www.transactioncapital.co.za).

## Our key transformation focus areas for the subsidiaries are highlighted below:



Nutun is proud of its successful commitment to transformation over the past few years which has allowed us to maintain a level 1 B-BBEE status in 2022. We strive to preserve this through focused initiatives on skills development and maintaining our management control status through the appointment of designated groups at management level, showing a positive trend in reducing the gender and racial disparities in our workforce profile.



WeBuyCars supports and views the principles of economic and social transformation as an integral component of society and will align business operations to this view. As such WeBuyCars has developed its first B-BBEE strategy, with the target for 2023 being to achieve a level 7 B-BBEE rating and a level 5 rating in 2024. This will ensure alignment to Transaction Capital's transformation objectives in South Africa, that seek to address historical imbalances.



SA Taxi achieved a level 4 B-BBEE rating for 2022. The decrease in the target score, from the previous level 3, is due to a decrease in the budgeted skills development spend as well as a decrease in management control points. SA Taxi focused on initiatives in the social economic development, enterprise and supplier development pillars ensuring the maximum scores were reached.



Performance against the Department of Trade and Industry generic scorecard for the years ending 30 September:

Element*	2022 Score	2021 Score	Weighting	2022 Score	2021 Score	Weighting	2022 Score	2021 Score	Weighting
Ownership	23.15	22.82	25.00	22.00	25.00	25.00	21.89	23.26	25.00
Management control	8.93	10.20	19.00	14.20	13.41	19.00	6.92	8.61	19.00
Skills development	17.05	18.79	20.00	16.53	21.40	20.00	14.82	16.00	20.00
Enterprise and supplier development	36.66	38.00	42.00	38.74	36.07	42.00	36.25	37.27	42.00
Socioeconomic development	5.00	5.00	5.00	5.00	3.62	5.00	5.00	5.00	5.00
<b>Total points</b>	<b>90.79</b>	<b>94.81</b>	<b>111.00</b>	<b>96.47</b>	<b>99.50</b>	<b>111.00</b>	<b>84.88</b>	<b>90.14</b>	<b>111.00</b>
<b>B-BBEE contributor status level</b>	<b>Level 3</b>	<b>Level 3</b>		<b>Level 1</b>	<b>Level 1</b>		<b>Level 4</b>	<b>Level 3</b>	
<b>B-BBEE procurement recognition level</b>	<b>110%</b>	<b>110%</b>		<b>125%</b>	<b>125%</b>		<b>100%</b>	<b>110%</b>	

\* WeBuyCars has a strategy in place to commence with its first B-BBEE rating in 2023. WeBuyCars aims to achieve a level 7 rating in 2023 and a level 5 rating in 2024.

## Economic impact



### We drive economic growth by promoting credit market stability



Nutun provides a range of business services to a global market. Its most significant business service, Nutun Business Services South Africa (previously Transaction Capital Recoveries), acts either as a capital enabler in acquiring and then collecting on non-performing loan portfolios, or as a service provider on an outsourced contingency or on fee-for-service basis. These business activities broadly contribute to the efficiency and effectiveness of the South African and Australian credit systems. Our contribution includes the acquisition of non-performing loan (NPL) portfolios to be collected as principal from consumer-facing entities, which assists them to strengthen their balance sheets by accelerating cash flow and removing NPLs. This in turn improves the consumer-facing entities' ability to continue providing debt finance to the consumer market.

### We support a sustainable supply of credit by improving the functioning of credit markets

Nutun drives economic growth by promoting credit market stability through unlocking value from its clients' NPLs, in both South Africa and Australia:

#### South Africa:

##### The collections market in South Africa

**R32 billion**

Acquisition of NPL portfolios as principal by Nutun

**R82 billion**

Face value of non-performing<sup>1</sup> unsecured consumer debt monitored by the National Credit Regulator

##### Other fragmented participants in addressable market

<sup>1</sup> Unsecured consumer debt in arrears for 90 days or more. Nutun's target market and assets under management also include sectors not regulated by the National Credit Regulator (NCR), being SMEs, education, insurance, public sector, telecommunications, state-owned enterprises and utilities.

##### Value of debt serviced by Nutun (South Africa)

Nutun collections (South Africa)	2022	2021	2020
Customer experience management (CXM) services*	<b>R2.8 billion</b>	R2.9 billion	R2.7 billion
Capital enabled (CE) services	<b>R1.7 billion</b>	R1.4 billion	R1.0 billion
<b>Total</b>	<b>R4.5 billion</b>	<b>R4.3 billion</b>	<b>R3.7 billion</b>

\* Restated to exclude RTC Public Sector, which was incorrectly included previously.

#### Australia:

**R2.6 billion**

value recovered for clients through CXM services

(2021: R2.7 billion)  
(2020: R4.5 billion)

**R131 million**

value recovered through CE services

(2021: R93 million)\*  
(2020: R96 million)\*

\*Restated

In Australia, fewer NPL portfolios are being offered for sale, as banks continue to be lenient on outstanding credit through debt moratoria programmes. These market dynamics have resulted in low supply and high demand for NPL portfolios in FY2022, yielding sub-optimal returns for the risk assumed. Given the prevailing Australian market conditions, group capital could be invested more optimally in alternate opportunities. Hence, Nutun has sold its Australian NPL portfolio, as of 30 September 2022, at book value and will focus on expanding international capital light CXM services which will attract more favourable margins. We will look to re-enter the international book buying market if the opportunity to earn better yields arises.

**Selling their NPL portfolios frees up operational capacity and regulatory capital within Nutun's client base, enabling these financial institutions to enhance and optimise their lending activities.**

##### Our support for financial institutions to date:

**R47.6 billion**  
original face value

**R32.5 billion**  
remaining face value

**R5.6 billion**  
capital outlay

**~R16 billion**  
provision release<sup>2</sup>

**~R12.6 billion**  
risk-weighted asset release<sup>3</sup>

**~R1.5 billion**  
regulatory capital release<sup>3</sup>

- The provision release was estimated using the expected losses per the South African banks' regulatory Pillar III reports. This estimate was also applied to non-bank NPL sellers.
- The risk-weighted assets and regulatory capital releases were estimated per the South African banks' regulatory Pillar III reports. These estimates are only applicable to South African banks.

Nutun has assisted its South African clients by acquiring NPL portfolios to the value of R32 billion since embarking on its NPL portfolio acquisition strategy in 2013. This has facilitated the release of approximately R16 billion in credit provisions and R12.6 billion in risk-weighted assets across various banking products, including credit cards, personal loans, and home loans, among others. The NPL portfolio acquisitions made during FY2022 relate to ~370 000 consumers with an average outstanding balance of R22 325, which, according to our estimates, resulted in an average consumer credit provision and risk-weighted release of R9 259 and R7 490, respectively.

### We do not service clients who participate in reckless lending

The benefit to society of supporting credit extension is not relevant if lenders are offering inappropriate levels of credit. Thus, Nutun does not service clients who participate in reckless lending and has a policy in place to assess client books for ethical lending in South Africa and Australia.



Economic impact/Nutun continued



## We rehabilitate debtors ethically and responsibly



Nutun rehabilitates and educates debtors (both consumers and SMEs) to enable their expedited re-entry into credit markets. We subscribe to and monitor adherence to best-resolution practices, across compliance with all applicable regulations and guided by corporate governance oversight and ethical practice.

By rehabilitating indebted consumers and educating them on the importance of repaying their debts as a legal obligation, and by structuring payments in a manner they can afford, indebted consumers can re-enter and remain active in the credit system.

**~215 000**

average number of rehabilitated debtors in the year to the value of

**~R455 million**

(2021: ~180 000 rehabilitated debtors to the value of ~R308 million)  
(2020: ~220 000 rehabilitated debtors to the value of ~R309 million)

Our monthly payment plans balance rehabilitation with affordability

**R1 018**

average payment amount before defaulting<sup>1</sup>

(2021: R 1 070) (2020: R 986)

**R779**

promise to pay

(2021: R779) (2020: R720)

**R347**

amount finally agreed

(2021: R334) (2021: R378)

## We work to better financial intermediation for all stakeholders

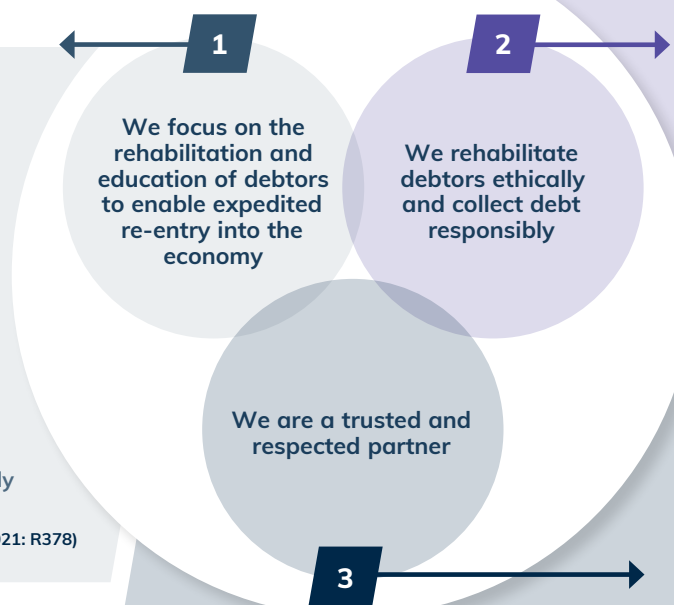


We provide a range of services that support financial intermediation, which facilitates payment and salary flows.

**R161.1 billion**

Value of electronic transactions processed by Nutun Transact

(2021: R155.2 billion) (2020: R134.4 billion)



**R156**

Nutun average fees per account over the life of active accounts

(2021: R126)\* (2020: R109)

# Restated.

**R1 176**

maximum fees permitted per Debt Collectors Act<sup>2</sup>

(2021: R1 176) (2020: R1 176)

**13.3%**

ratio of average fees charged to maximum permitted in regulation<sup>2</sup>

(2021: 9.27%) (2020: 9.27%)

The average fees per account charged by Nutun refers to a rolling three-year 'months in distress' triangle which entails tracking the fees per account until the consumer/account has been settled/rehabilitated.

Nutun call centre agents are trained to negotiate repayment plans to ultimately rehabilitate the consumer in an ethical manner. This is reinforced through coaching of our call centre agents in a live environment and through scripted messaging to debtors. On specific mandates, Nutun is measured by its clients on the rehabilitation of their debtors which impacts whether or not the consumer then resumes buying their products/services.

Our digital consumer portal allows customers to go and refer to their credit score to track their progress towards rehabilitation. Debtors can also acquire a consolidated credit health report from our credit health platform<sup>3</sup> to provide them with more detail on the state of their credit health.

Nutun fosters best resolution practices through its focus on integrity, corporate governance, social policies and procedures, and adherence to specific legislation, including the Debt Collectors Act and Protection of Personal Information Act (POPI).

**Our clients rank us amongst our service provider competitors:**

Ranked as 1st or 2nd in 90% of CXM mandates (collections) in South Africa

Ranked as 1st or 2nd in 100% of CXM mandates (collections) in Australia

**Tracking resolution of complaints can be used as a proxy for customer satisfaction.**

The Proportion of complaints resolved that are received through debtor complaints channel:

**57%**

resolved within one month

(2021: 58%) (2020: 55%)

**81%**

resolved within three months

(2021: 91%) (2021: 91%)

**85%**

resolved within six months

(2021: 97%) (2020: 96%)

The group's risk and technology committee conducts bi-annual reviews of data privacy and protection policies and practices in South Africa and Australia.

1. Average payment plan prior to default as sourced from the various credit bureaus.
2. The Debt Collectors Act permits fees and expenses to be recovered from a debtor in respect of items on the Fee and Expense Annexure, which may not exceed the capital amount of the debt or an amount defined by the Debt Collectors Act, being R1 176 including VAT, whichever is the lesser. This excludes any attending taxation and fees related to the instalment.
3. [https://credithealth.nutun.com/credit\\_health/](https://credithealth.nutun.com/credit_health/)

Economic impact continued

Economic impact



WeBuyCars is a trusted principal trader of used vehicles through its vertically integrated e-commerce and physical infrastructure, offering finance, insurance and other ancillary products to its customer base. Foundational to its business model are proprietary data sets and artificial intelligence (AI) led pricing that enable WeBuyCars to dynamically adjust pricing in response to vehicle market values and market demand.

Operating in the South African market, where personal vehicles remain a necessity for many people, WeBuyCars supports economically stressed consumers as they opt to trade down from new to used vehicles. These vehicles also provide a more affordable entry point for first-time vehicle ownership. And as a trader of used vehicles, WeBuyCars directly supports the circular economy.

*“Our rich dataset, proprietary systems and analytics capabilities enable the business to operate efficiently and rapidly adjust to changes in the market. This allows us to consistently deliver a customer experience that is innovative and efficient.”*

– Faan van der Walt, WeBuyCars CEO



**We contribute to consistent and sustainable economic growth**



WeBuyCars is a key player in the South African used-vehicle trading sector with exciting growth prospects. The South African National Household Travel Survey of 2020 showed a positive shift toward people buying used vehicles with passengers becoming first time vehicle owners. The study found that 23% of households use personal vehicles as their main mode of transport. WeBuyCars is focused on growing market share through its physical and e-commerce platforms by differentiating the experience offered to customers. During the year WeBuyCars launched five new warehouses, taking its offering to 13 physical locations in the country. Extending its physical infrastructure and ongoing improvements to its digital offering has allowed WeBuyCars to raise its target for volume of vehicles traded from 10 000 a month to 15 000 vehicle sales a month in the medium term.

WeBuyCars is also excited about proving its sales concept and expanding internationally, having identified Africa as a primary opportunity, but also looking at other emerging markets.

Sources:

1. National Household Travel Survey 2020.
2. Calculated – Autotrader car industry report Jul 2021 – Jun 2022.
3. Internal estimation using eNatis & Lightstone data (double counting eliminated).

**23%** of households use personal vehicles as main mode of transport, with a **positive shift from passengers to owners**

**18.9%**  
Owners<sup>1</sup>  
▲ 2013: 13.7%

**4.0%**  
Passengers<sup>1</sup>  
▼ 2013: 9.7%

Travel time is one of most important reasons for dissatisfaction with public transport

**Personal vehicles rank well in this area:**

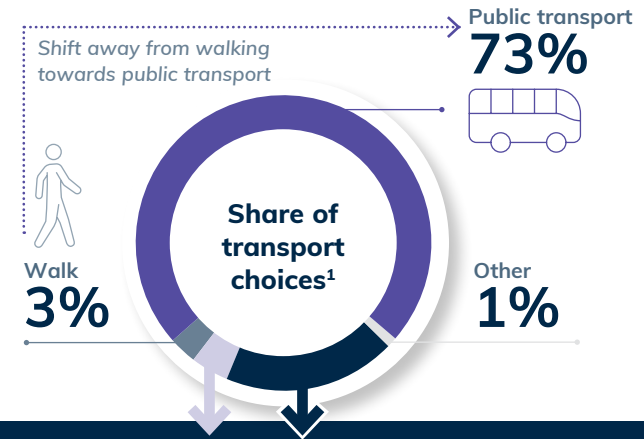
**~47 minutes**  
Personal vehicles<sup>1</sup>

**~85 minutes**  
Public transport<sup>1</sup>

**12% ^**  
Online searches for used cars  
Compared to prior 12 months<sup>2</sup>

**312 million**  
Online consumer advert views<sup>2</sup>

**Personal vehicles sales vs prior year**  
New passenger vehicle sales: **▲ 10%** in FY2022<sup>3</sup>  
Used passenger vehicle sales stable at prior year levels<sup>3</sup>



Passengers **4%**



Owners **19%**

Personal vehicles **23%**

Economic impact/WeBuyCars continued



**We strive to grow consistently**

**R17.9 billion**

in annual turnover  
(2021: R10.4bn) (2020: R6.3bn)

**42.2%**

growth in number of cars bought  
(2021: 50.6%) (2020: 1.7%)

**42.5%**

growth in number of cars sold  
(2021: 49.2%) (2020: 1.4%)

**2 456**

number of employees in South Africa  
(2021: 1 468) (2020: 1 019)

**13**

Location of branches where services are offered in South Africa  
(2021: 8) (2020: 6)

**We support the economy with our taxes**

**R285 million**

total company tax paid in the year  
(2021: R211 million) (2020: R207 million)

**We empower our customers by providing a trusted service in an industry with historically low levels of trust**



WeBuyCars is a well-known, reputable and trusted brand in an industry where trust and customer satisfaction have traditionally been low, and the group stands to bring greater transparency and accountability to this market.

WeBuyCars enables a safe and trusted used car buying and selling experience to both individual customers and dealerships. In WeBuyCars, AI and machine learning has ensured that vehicles are bought and sold at a fair price, driving profitability and consumer trust.

**~10 848**

vehicles purchased per month in FY2022  
(FY2021: ~7627) (FY2020: ~5 064)

**~10 484**

vehicles sold per month in FY2022  
(FY2021: ~7356) (FY2020: ~4 931)

**~8 580**

vehicles bays in 13 vehicle supermarkets  
(FY2021: ~5807) (FY2020: ~3 507)

**We create a more accessible market for car buyers and sellers**

The WeBuyCars' e-commerce platform enables customers to choose their preferred vehicle and price point faster and arrive at their decision sooner. This model specifically gives customers the information they need to make an informed choice that suits their needs.

While WeBuyCars can offer a fully digital sales experience, its physical presence remains key to cater for all customers' needs. A customer can decide to buy a car online only or at one of the physical outlets, or a combination of both where they can do certain aspects of the transaction digitally and the rest at a vehicle supermarket.

Growth in e-commerce platform now accounts for **27.3%**

of total sales  
(FY2021: 30.4%) (FY2020: 29.8%)  
with a longer-term focus to expand business-to-consumer (B2C) capabilities.

**34 300**

car sales conducted online  
(2021: 26 810)  
(2020: 17 617)

**We provide reliable customer service**

WeBuyCars believes in a full transparency approach when marketing vehicles. As such, each vehicle has a published independent Dekra used vehicle report that can be used to assist a customer in their evaluation of a vehicle when looking to purchase.

Finance, insurance and other value-added products including tracking devices and warranties are an integral part of WeBuyCars' product offering. Focus has been placed on building out this proposition over the last few years. These offer great value to its clients. WeBuyCars is expanding the range of these services and is focused on strengthening the relationships with these service providers.

**100%**

of vehicles purchased are paired with a Dekra assessment  
(2021: 100%) (2020: 100%)

**~2.8**

insurance and value added products per unit sold  
(2021: 3.07) (2020: 3)



Economic impact continued

**Economic impact**



**We empower SMEs through financial inclusion**

SA Taxi supports financial inclusion by providing developmental finance, insurance and allied services to minibus taxi operators who would otherwise not have been able to access traditional funding. It's specialist credit risk management capabilities enable SA Taxi to finance previously under-banked or financially excluded clients. This in turn empowers these operators to become viable SMEs that support direct and indirect job opportunities in the minibus taxi industry, and thus delivers a unique social impact.

SA Taxi's business model drives efficiencies across the full minibus taxi value chain. This translates into more affordable products and services for its clients, which further supports the viability of these minibus taxi SMEs that are the largest and most vital mode of transport within the integrated public transport network.

Our insurance business, SA Taxi Protect, has designed bespoke policies to meet minibus taxi owners' specific needs and includes comprehensive vehicle cover including passenger liability as well as business interruption cover. SA Taxi continues to grow its insurance business in the open market (for clients not financed by SA Taxi) and developing new

bespoke insurance products to deepen penetration, thereby extending cover to a wider number of operators.

The unprecedented floods in KwaZulu-Natal in April 2022 temporarily disrupted public transport services and severely damaged Toyota's manufacturing plant, resulting in its closure from mid-April to August 2022. Although the production of Toyota minibus taxis has now recommenced, supply of new taxis remained significantly constrained until the end of FY2022, impacting SA Taxi's ability to originate new loans and grow its gross loans and advances portfolio.

Although commuter activity has increased as economic activity in South Africa recovers post the COVID-19 pandemic, it remains lower than pre-pandemic levels and is not expected to return to those levels in the short-term. This, together with high fuel prices, has placed the minibus taxi industry's profitability under strain, exerting pressure on taxi operators' ability to afford their finance instalments and insurance premiums. In this context, SA Taxi's fully refurbished QRT provide an affordable yet reliable alternative to buying a new vehicle.

Due to the extended impact of the above, this has subdued SA Taxi's performance against its ESE framework indicators. As the minibus taxi industry recovered slowly from the unprecedented events of the past few years, our strategic focus in the second half of FY2022 was on optimising the group's core business lines. As we grow our GoMo offering after having strategically repositioned it within the SA Taxi business, SA Taxi will seek to recalibrate its minibus taxi business by being more selective in the taxi operators and vehicle variants supported. This prudent approach will contribute to preserving credit quality, as SA Taxi targets higher quality and more experienced minibus taxi operators.



**We promote financial inclusion by providing sustainable and responsible loans to SMEs who might otherwise be denied access to credit**

**R37.7 billion**  
loans originated since 2008 creating 105 033 SMEs

**9 178**  
total loans originated in the year  
(2021: 8 591) (2020: 6 250)

**20.8%**  
gross loans and advances – stage 3

Against ~70% proportion of small businesses which fail within their first year<sup>1</sup>  
(2021: 19.5%) (2020: 26.1%)

**5.7%**  
credit loss ratio  
(2021: 4.3%) (2020: 7.3%)

**75%**  
proportion of SME customers classified as previously under-banked or financially excluded  
(2021: ~76%) (2020: ~80%)

<p><b>~571</b> average credit score<sup>2</sup> for loans granted by SA Taxi (2021: ~590) (2020: ~580)</p>	<p><b>versus</b></p>	<p><b>~640</b> average credit score for loans granted by banks (2021: ~640) (2020: ~640)</p>
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**16 533**  
direct jobs created in financed fleet in the year  
(2021: 15 464) (2020: 11 250)

**27 555**  
indirect jobs created in financed fleet in the year  
(2021: 25 773) (2020: 18 750)

<sup>1</sup> Small Business Institute study in partnership with the Small Business Project – The number of formal micro, small & medium businesses in South Africa, January 2019.  
<sup>2</sup> Empirica score. The reduced empirica score for FY2022 is due to the stronger weighting from origination of QRTs in the year, with a mix of around 60% QRTs to 40% new vehicles.

<p><b>We invest in previously excluded groups and underserved demographics</b></p>	<p><b>100%</b> loans provided to black-owned SMEs (2021: 100%) (2020: 100%)</p>	<p><b>25.2%</b> loans provided to female-owned SMEs (2021: 24%) (2020: 26%)</p>
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**We provide support services to SMEs across the value chain**

**14%**  
of national fleet serviced by SA Taxi  
(2021: 14%) (2020: 13%)

**30 673**  
insurance policies for financed clients  
(2021: 30 324) (2020: 29 630)

**36 308**  
minibus taxis financed  
(2021: 35 381) (2020: 32 890)

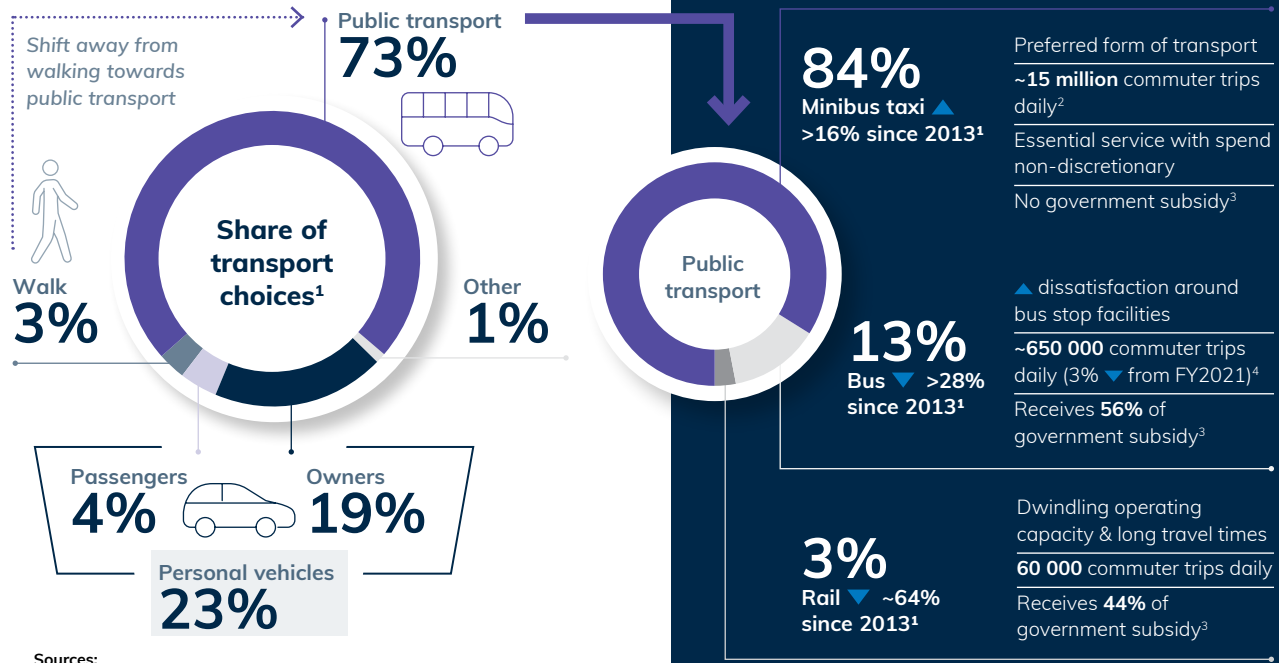
**12 699**  
insurance policies for non-financed clients (open market)  
(2021: 11 309) (2020: 11 228)



## We promote social inclusion by helping millions of commuters to access services and economic opportunities



Minibus taxis are the dominant mode of transport within South Africa's integrated public transport network. By supporting minibus taxi operators, SA Taxi contributes to commuter mobility, which is a precursor to economic activity.



**Sources:**  
 1. National Household Travel Survey 2020 (conducted before the start of the COVID-19 pandemic).  
 2. Reuters.  
 3. As per the Public Transport and Infrastructure System Report conducted for the National Treasury.  
 4. Bus and Rail as per Stats SA.

## We support a critical public transport service

**2.4 billion**  
 kilometres travelled by SA Taxi's financed fleet in the year  
 (2021: 2.2 billion) (2020: 1.9 billion)

**2.1 million**  
 commuter trips per day provided by SA Taxi's financed fleet  
 (2021: 2.1 million) (2020: 2.0 million)

**~366 million**  
 litres of fuel purchased  
 (2021: ~333 million) (2020: ~310 million)

**76%**  
 proportion of work and educational trips made via minibus taxi  
 (2021: 76%) (2020: 75%)

## We are a trusted and respected partner

**28%** proportion of repeat customers (indicating financed operator satisfaction levels)  
 (2021: 28%) (2020: 28%)

Economic impact/SA Taxi continued



## We work to better the public transport industry for all stakeholders

SA Taxi helps to improve the public transport industry by promoting inclusivity, formalisation, and safety.

In February 2019, SANTACO acquired 25% of SA Taxi in a transformational ownership transaction. As a strategic partner, SANTACO now participates in a larger share of the minibus taxi revenue streams of the value chain to achieve meaningful and sustainable commercial benefits. A key motivator for the ownership transaction with SANTACO was the group's recognition of the need for socioeconomic transformation in South Africa, especially as SA Taxi operates in an industry that is constituted entirely of black-owned SMEs as well as to support the viability of taxi operators' businesses, but also their ability to repay loans and insurance premiums.

This strategic partnership continues to inform a deeper understanding of clients and is driving collaborative new product development and access to a larger addressable market. At the same time, the partnership is deepening the social impact at the core of SA Taxi's purpose – as a key partner and industry player in supporting the sustainability of the minibus taxi industry.

Positive outcomes of the SANTACO partnership include collaboration on initiatives to support operator profitability, an increased focus on industry development and initiatives to improve road safety. Through this partnership the Association Incentive Project was launched during the year which is aimed at supporting the taxi associations to be sustainably run businesses while incentivising them to bring profitable finance deals to SA Taxi. Through this partnership, SA Taxi has enabled the associations to become direct suppliers for SA Taxi by supplying us with reliable customers.

As a continuation of the partnership established with Bridgestone last year, SA Taxi increased the number of safer and new tyres sold to SA Taxi financed clients and other minibus taxi operators, enhancing road safety. SA Taxi also partnered with TOPSTAR Taxi Association to launch a tyre fitment centre in Mbombela, where taxi operators can repair and/or replace tyres without having to leave the taxi rank.

SA Taxi applies its telematics and other data from across the business to change driver behaviour in the industry, with a view to improving the performance of our operators' businesses. One example is through SA Taxi's 'route envelope' analysis. The telemetry from a minibus taxi in a specific area will show that a usual short-distance route has suddenly changed to a long-distance route, sometimes after a very short turnaround time and often in the December or April holidays, with a far higher risk of an accident occurring. We provide this risk assessment to specific operators and to SANTACO, which allows them to communicate with specific associations and encourage the development of protocols to lower these types of risks.

**R44.6 million**

dividends paid to the minibus taxi industry in 2022\*  
(2021: R60.0 million)  
(2020: R27.4 million)

\* Gross amount including debt servicing costs.

**R196.8 million**

total value of dividend paid to the minibus taxi industry to date.

## SA Taxi rewards

SA Taxi also has a loyalty programme designed specifically for the taxi industry. Through this programme SA Taxi has partnered with service providers to bring added value to its rewards members, offering both cash rewards and exclusive benefits, such as savings on tyres, earning rewards on parts, maintenance, and fuel. These offerings provide benefit to customers while improving vehicle safety.

In FY2022 SA Taxi introduced the rewards app to provide on the go information for operators. It enabled spend of an operator's rewards wallet at the SA Taxi Auto Parts store. SA Taxi Rewards also implemented driver campaigns to promote weekly fuel spend, while allowing the driver to select their own rewards and implemented association level agreements to benefit members.



**62 702**

number of rewards cards  
(2021: 52 992) (2020: 34 547)

**R4 million**

rewards earned by the industry through SA Taxi's reward programmes, creating cost saving for SMEs  
(2021: R3.3 million) (2020: 1.8 million)

## We form partnerships that promote safety within the industry

**45 525**

Bridgestone tyres sold to the industry at a reduced rate  
(2021: 43 741) (2020: 39 298)

According to research by the CSIR, nearly 20% of accidents involving minibus taxis have tyre failure as a contributing factor. Incentivising tyre replacement with new and safer tyres thus contributes to road and commuter safety.

**R1.7 million**

investments in taxi infrastructure, including donating patrol vehicles and upgrading minibus taxi ranks  
(2021: R2.2 million) (2020: R3.4 million)

## We promote formalisation of the industry

**R625 million**

value-added tax contributed by SA Taxi through the supply of minibus taxis  
(2021: R550 million)  
(2020: R372 million)

**R2.7 billion**

tax contributed to fuel levies by SA Taxi's fleet  
(2021: R2.3 billion)  
(2020: R2 billion)

Part of the formalisation of the minibus taxi industry is through tax contributions to the national fiscus. SA Taxi supports tax contributions from this predominantly cash-based industry through the value-added tax (VAT) contribution from SA Taxi's new and QRT vehicle sales.

In addition, as a major user of petrol and diesel, the minibus taxi industry contributes to the fiscus through fuel levies.





## Social impact

### Our people

Our people are the foundation of our ability to engage meaningfully with our clients, innovate in respective markets, leverage technology and data, and create shared value for our stakeholders. Consequently, the group seeks to develop, engage and reward employees and executives to engender an entrepreneurial, high-performance, ethical and inclusive culture.

We have various board committees that oversee fair practices towards our staff. The remuneration committee provides governance oversight on behalf of the board and ensures that our remuneration philosophy supports the strategic objectives of the group. The social and ethics committee monitors many of the aspects listed under the King IV practices, including employment equity, fair remuneration, equal pay for equal work, safety, health, economic transformation, public health and safety, consumer protection, community development and protection of human rights.

“Our people form the backbone of our business’ ability to succeed and continue growing sustainably. We pride ourselves in our human and intellectual capital initiatives, and place strong focus on the growth of our people.”

– David Hurwitz, group CEO

### Our people philosophy

**Board** succession planning seeks to balance specialised understanding of the group’s businesses with new perspectives to enhance strategic guidance, oversight and control.

The **group executive office (GEO)** has an experienced and specialised leadership team with proven entrepreneurial, merger and acquisition, technical, financial and risk management skills.

Divisional **executives** are accountable for the competitiveness, relevance and performance of their respective businesses, with active support from the group executive office.

Our business and people objectives are operationalised within the divisions in the following way:

#### Entrepreneurial, high-performance and ethical culture

A sense of ownership and motivation to innovate, within specific business models and risk parameters.

Transaction Capital establishes cohesive leadership teams within its divisions that have the responsibility and requisite level of operational authority to deliver on clearly defined strategies.

The group preserves sufficient flexibility of management to support an entrepreneurial spirit, while maintaining management accountability and robust risk processes.

The Transaction Capital ethics charter defines our vision, mission and values, and outlines our approach to operating as a values-based group. It is implemented in the divisions through a dedicated ethics structure.

#### Reward

Fair remuneration commensurate with the level of skill, experience, seniority and industry practice.

Performance incentives applied to drive specific behaviours that support group, divisional or departmental performance and ensure alignment with the group’s sustainability and transformation objectives.

The group’s conditional share plan (CSP) is a mechanism to attract and retain key employees while providing them with the opportunity to share in the success of the division, and to align their interests with those of shareholders.

#### Executive capability

Executives are appropriately qualified and have deep experience within their areas of specialisation. This intellectual capital is typically applied over a much smaller asset base at Transaction Capital than in larger organisations, with the concomitant expectation of higher performance.

For **Nutun**, senior managers employed to deepen the division’s penetration into adjacent market segments apply their professional experience and skills to a narrower market segment compared to their previous roles.

For **WeBuyCars**, our senior management is made up of deep knowledge and expertise in the business as well as external professional expertise which continues to move the organisation forward. We strive to continue growing our market share within the motor industry, and this can only be achieved by having a strong and united senior management team, with varying skills and experience.

For **SA Taxi**, our entrepreneurial senior management team applies its professional and financial experience across SA Taxi’s divisions to support ongoing specialisation and commercial outcomes in each market segment.

#### Specialism

Executives, management and employees are expected to become specialists in their role by applying broader experience to a narrow focus.

#### Meaningful employment

Engender an understanding of the broader social context applicable to each employee’s role, in line with the social relevance of Transaction Capital’s divisions.

**Nutun’s** employee value proposition provides a unified and standardised human resources framework across the full spectrum of benefits, including ongoing training and development, and opportunities for professional growth.

As **WeBuyCars** grows, it continues to provide meaningful employment opportunities across the spectrum, from wash bay attendants to data scientists. The growth allows the organisation to offer meaningful opportunities for employment, development and promotion of existing staff.

At **SA Taxi**, our people belief and aspiration determine which key levers should be activated to achieve our business outcomes. These are underpinned by our values as expressed in the SA Taxi Way, which defines the culture of business.

Social impact continued

## We hire inclusively



The group is committed to job creation and driving transformation in its workforce, including increasing the representation of previously under-represented groups and contributing to youth employment. In South Africa, unemployment rates remain persistently high, our ability to create sustainable employment is crucial as the group continues on its growth trajectory. This growth will have a significant socioeconomic impact.

### We contribute to employment

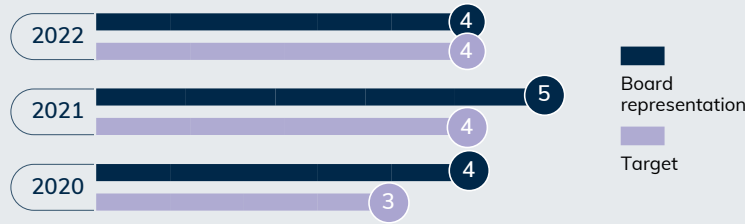
Group		2022	2021	2020	2019	2018
Number of employees	↑	6 844	3 953	3 965	4 662	4 445
Growth of employment	↑	73% <sup>1</sup>	0% <sup>2</sup>	(14%) <sup>3</sup>	5%	9%
<b>South Africa</b>						
Number of employees	↑	6 419	3 463	3 259	3 962	3 865
Growth rate of employment	↑	85%	6%	(18%)	3%	13%
National unemployment rate <sup>4</sup>	↓	32.9%	34.9%	30.8	29.1%	27.5%
Movement in national unemployment rate	↓	2%	^ 4.1%	^ 1.7%	^ 1.6%	v 0.2%

1. Employee growth is due to the acquisition of WeBuyCars and including them in our reporting for FY2022.  
 2. Recoveries Corporation in Australia retrenched 69 employees in FY2021 in response to the impacts of the COVID-19 pandemic.  
 3. Decrease in the number of employees predominantly due to a Section 189 process (which deals with large-scale retrenchments) in Nutun (previously TCRS) that affected 544 employees.  
 4. Source: Stats SA Quarterly Labour Force Survey Quarter 3 2022.

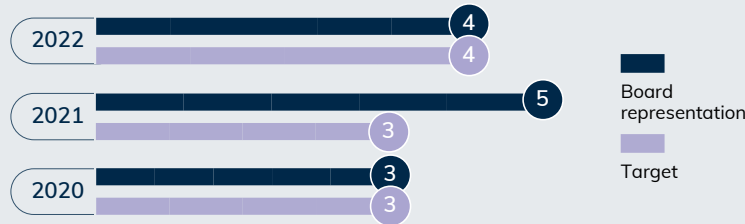
### Our employment practices contribute to socioeconomic transformation

The group supports the principles and aims of diversity at board level and has a diversity policy in place to address gender and racial diversity.

#### Number of female directors



#### Number of black directors



The nominations committee sets voluntary targets for race and gender diversity and assesses progress annually. Targets align to the JSE Listings Requirements on the promotion of diversity.



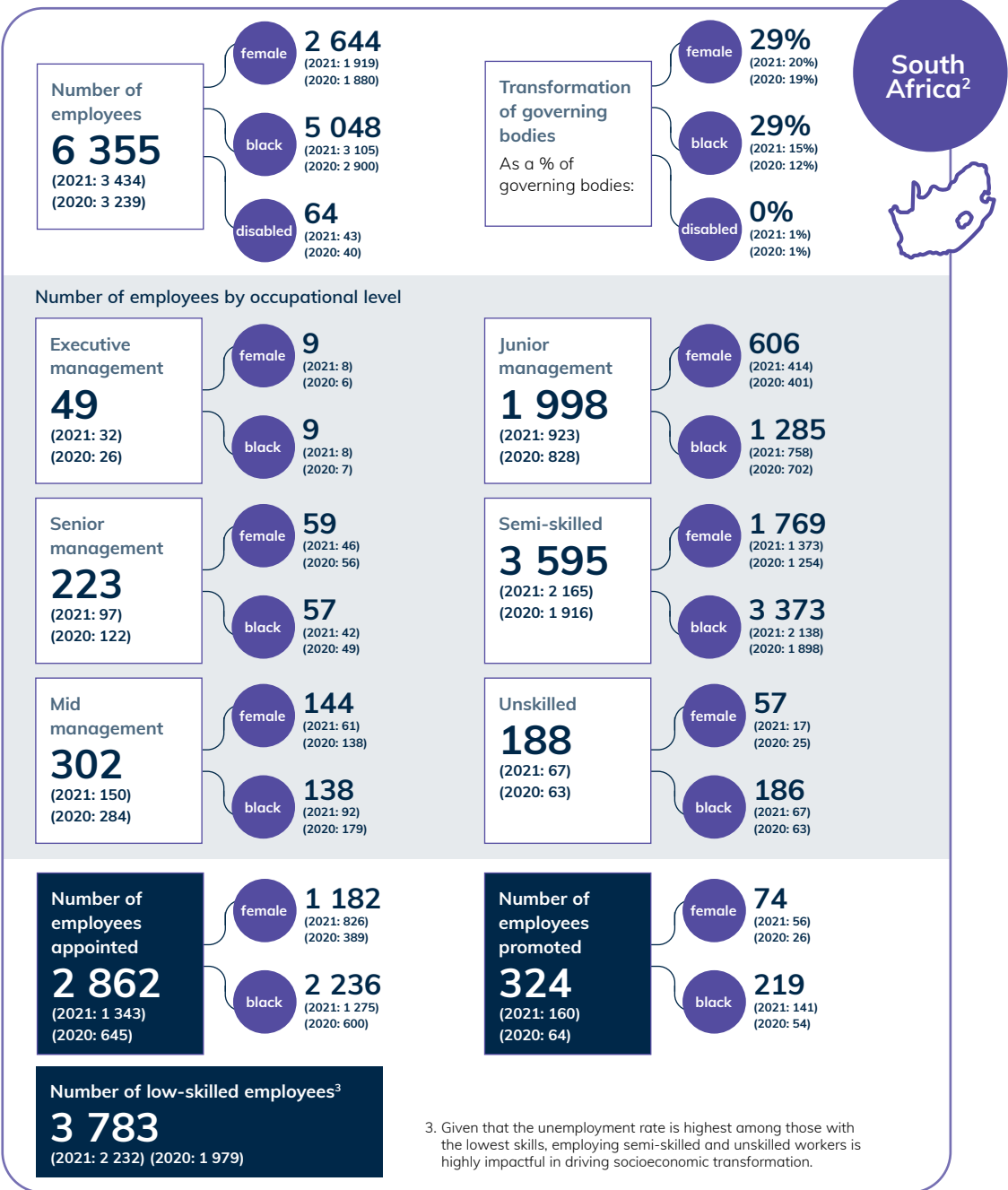
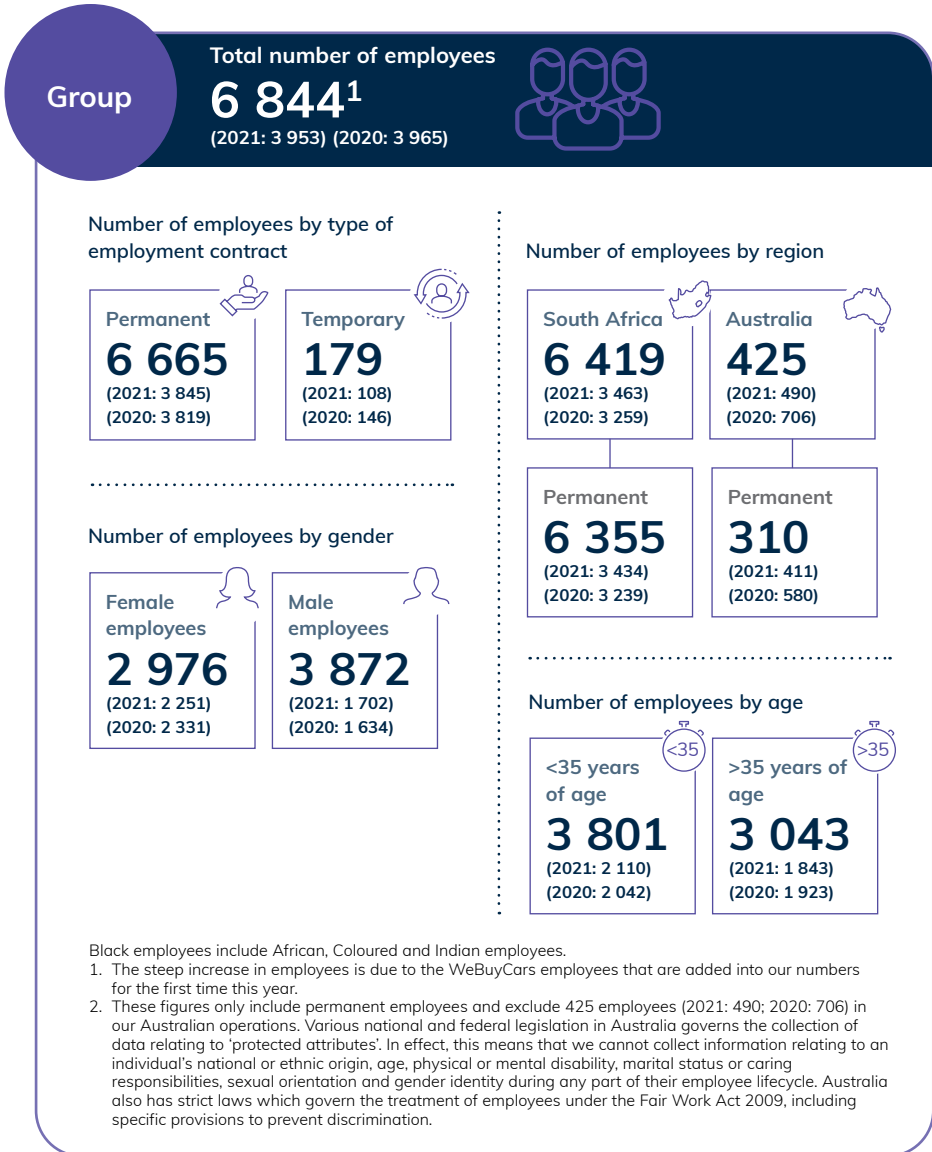
Please see page 04 in the Governance report for more details on the composition of the board.



Social impact continued

We hire inclusively continued

Group diversity statistics



3. Given that the unemployment rate is highest among those with the lowest skills, employing semi-skilled and unskilled workers is highly impactful in driving socioeconomic transformation.





Social impact continued

We hire inclusively continued

**We contribute to youth employment**

Unemployment disproportionately affects younger South Africans, with a national youth unemployment rate of 59.6% in the third quarter of 2022<sup>1</sup>. With Nutun and WeBuyCars both in growth phases, we see significant potential to positively contribute towards youth employment. As a group we have identified partners and invested in various initiatives and training that create opportunities for South African youth to enter the workforce for the first time. These activities contribute directly to enhancing future employability for this cohort.

**Youth employment in South Africa**

	2022	2021	2020	Labour force participation rate <sup>1</sup>
Total number of employees	6 420	3 463	3 259	
As a % of total headcount				
< 25 years old	11%	8%	8%	25.8%
< 35 years old	57%	53%	53%	71.2%
Youth employed within the financial year (<25 years old) <sup>2</sup>	628			
Youth employed within the financial year (<35 years old) <sup>2</sup>	2 012			
People on internships and learnerships of SA Taxi	41	15	15	
Call centre agent trainees of Nutun (as a % of Nutun headcount)	55%	60%	49%	

1. Source: Stats SA Quarterly Labour Force Survey Quarter 3 2022.  
2. FY2022 is the first year of reporting this metric.

A key material matter for Transaction Capital is our ability to support and develop our people in a progressive manner both professionally and personally to maintain great performance levels. This is part of the reason why we have appointed a Talent Programme Manager in October 2022 to create, steer and develop our talent programme.

Transaction Capital believes that its progress is dependent on the intellect, calibre and character of its people, and their ability to innovate and create value for its counterparties and stakeholders. We aim to attract the best leadership and operational management teams across our various divisions, which we believe is central to our success. We have various programmes we are running to ensure we are attracting the right talent and empowering our youth.

*“With our business in a growth phase, we are capitalising on the opportunity to contribute to sustainable youth employment in South Africa. We have various initiatives on the go to employ bright young talent and empower youth.”*

– David Hurwitz, group CEO

**Transaction Capital's CA programme**

In 2021, we launched our chartered accountant (CA) training programme, with our first CA trainees having started with us in 2022. The CA(SA) designation represents a robust professional qualification in the financial world, and the associated skillset is of great value to the commercial sector and broader society. As such, we seek to contribute to the continued growth of this profession and to maximise the value these individuals add to the group. Transaction Capital employs CAs across all levels in its various divisions.

The programme was launched as a group-wide initiative with trainees being given the opportunity to gain experience at the group executive office and across our divisions over their three years of articles. It is important for us to find candidates who are not only strong academically but who also embody the group's values of ownership, entrepreneurship, partnership, integrity and all-round excellence.

The opening of applications for the programme in 2022 was well received, with ~1580 applications received, and we selected our top five who joined us in January 2022. These candidates are currently on their second rotation within various divisions of the group and are adding valuable input to the teams which they are assisting.

During FY2022, we further requested an increase in our trainee numbers to the South African Institute of Chartered Accountants (SAICA) for our next intakes. We have been granted an increase to a total of 30 trainees on our programme (across all three training years). This will allow us to significantly grow the programme, while being able to build the structures and processes needed to train these graduates. Our applications for 2023 were opened and we again received good feedback, with 454 applications. We have selected 4 candidates who have started the programme with us in January 2023.

**Immersion programme**

We have also launched our Immersion Programme, a holiday work programme allowing third and final year students studying towards a CA(SA) qualification to immerse themselves in the world of work and obtain a better understanding of the group. Our first immersion programme was run for a week in July with a second session run in December 2022. Over 1000 applicants applied for the July opportunity, with 21 top achieving students invited to attend the programme.

The programme gave us the opportunity to assess the students on their strengths, capabilities and culture fit into Transaction Capital. A panel of professionals from each business unit assessed the candidates throughout the week, culminating in an interview at the end of the programme. This has resulted in us signing up four candidates to start their articles employment with us in 2023, three candidates for 2024 and one candidate for the 2025 intake.



Join our CA Immersion programme

December break

Transaction Capital IMMERSION PROGRAMME

Social impact continued

We hire inclusively continued

Youth employment and diversity



**Debt Recovery Programme**

The call centre remains Nutun’s highest contributor to employment growth and the primary entry point for most of our talent through the Debt Recovery Programme (DRP). The DRP is used to build our talent pipeline through recruiting and training agents. All new collectors are required to complete the 26-day programme, accredited with FASSET.

Most new recruits into the call centre have only recently completed high school, contributing to youth employment. A total of 65% of the call centre workforce is African female which is indicative of our commitment to positive contribution towards the alleviation of unemployment rate in South African where the African female demographic is recorded as the most economically vulnerable group.

Of the 493 trainees who completed the DRP this year, ~28% were 18 – 25 years old, while ~83% were younger than 35 years. Most of the trainees were absorbed into the business as call centre agents after the successful completion of the programme. The remaining trainees will be called upon when employment opportunities are confirmed.

**YES programme**



The YES programme is a business-led initiative which seeks to create employment for the youth and has created over 76 000 jobs since 2018. Nutun has been participating in this initiative since 2019.

Nutun recruited 27 young interns to be part of the YES programme in FY2022. We continue to drive the placement of interns in areas beyond the call centre operations of the business to facilitate meaningful workplace exposure for youth who have attained qualifications beyond the grade 12 level. A total of 70% of the interns are female, with 100% of the interns being from the designated ACI groups. Three of these interns were absorbed on permanent employment contracts.

**Learnerships**

Our key transformation focus area for the year was skills development. We registered 67 learners on learnerships in the contact centre and general management learnership programmes in FY2022 (including 35 disabled learners). We continued our bursary funding to support our employees (Fundza) and employee’s dependents (Nisela).

Youth employment and diversity



WeBuyCars is a rapidly growing business which requires us to recruit ahead of the curve to allow for a comprehensive training period. Building capacity is our number one priority to keep up with the growth in volumes. We are working with the W&R SETA to conduct further learnership programmes and internships which will contribute to the upskilling of the youth.

On the transformation and diversity front WeBuyCars has established an Employment Equity (EE) committee which will meet quarterly to discuss and share solutions on how to better attract and retain diverse employees into the organisation. Some of the key areas of focus are as follows:

- ▷ Empower diverse employees by giving equitable promotions and upholding diverse representation in senior and executive positions.

- ▷ Ensuring that employee development plans are created, enabling the company to start creating employment opportunities for its high performing blue-collar workers, by promoting them into more senior roles.
- ▷ Establishing a young talent programme within the business, to feed into some of the company’s high turnover roles within buying and sales. This programme will be targeted at equity graduates that are in the job market and will provide an opportunity to start their careers with WeBuyCars. We will run a trial vacation programme in June and December of 2023 to find suitable candidates, with an aim to officially launch the programme in January 2024.
- ▷ Equity recruitment strategy – the company has revised the current recruiting process to ensure that greater focus is placed on giving diverse candidates equal opportunity to be hired within senior management roles, and in the buying departments.
- ▷ WeBuyCars has targets in place to increase female representation within the company.

Youth employment



SA Taxi ran three learnerships for internal staff and one learnership for unemployed youth within our community to improve the availability of critical and scarce skills. Additional internships for unemployed black youth seek to provide them with essential work experience for the future.

In addition, 13 interns currently studying at public Technical Vocational Education and Training colleges were placed within SA Taxi, in partnership with the Department of Basic Education, to provide workplace experience over an 18-month period.

SA Taxi recruited a total of 211 new youth employees during the year, showing its commitment to youth employment. Of these 44 of the recruits were between the ages of 18 to 25 and 167 were between the age of 25 to 35.



Social impact continued

## We empower our staff



### Employee wellbeing

#### Mental wellness initiative

The physical and emotional wellbeing of our employees remains a critical priority and as part of our wellness initiative within the group executive office, we have partnered with an organisation, to deliver a mental wellness programme for the new graduates in the business. We aim to equip our graduates with skills that will enable them to proactively manage stress and prevent burnouts. Our goal is to roll this out to a wider audience of young professionals in due course.

#### Mentorship

Our graduates also completed a mentorship programme in the year. Both mentors and mentees took part in this programme, which equipped them with skills on how to go about the mentoring relationship and the best way to gain the most out of it. This is one of the initiatives that the graduates have really appreciated, as it will guide them from the onset of their careers and throughout the three-year period.



## Nutun is a proud Top Employer for 2023

Top Employer certification is awarded to companies with an outstanding employee focus, who develop their people strategies to provide the best working environments for employees.



### Vaccination initiative

The vaccination incentive campaign at Nutun was centred around the theme: create moments of human connection and lasting memories. This campaign was initiated to encourage those who were hesitant or delayed in getting vaccinated to use our onsite vaccination facilities. We ran a random lucky draw to incentivise and encourage vaccination.

### Culture, Employee Value Proposition (EVP) and employee experience

Nutun is on a future-fit journey to develop and embed an EVP that is aligned to our brand promise, attracts talent, inspires employee engagement, and positions us as an employer of choice. The goal is to redefine and connect the employee experience to our organisation's vision and align this with our employees' expectations. Key considerations in developing the Nutun employee personas was to profile the needs, barriers, and the immediate goals of our employees to ensure that our design process fully integrates the employee point of view. The outcome will be a refreshed Nutun EVP.

## Nutun rewards and recognition

Nutun prides itself in being an advocate for positive change and empowerment. This is why we held a competition called the X challenge car giveaway which took place on 6 May 2022 and was positioned to reward the top performing call centre agents for the year. Ten of the top agents, which all happened to be women, qualified for the final draw to be one of two lucky winners to win Renault Kwids in front of an audience which consisted of 200 fellow colleagues and was live streamed across the organisation.

To ensure no one walked away empty handed, the runners-up received a cash prize. This was an extraordinary reward and the company's way to appreciate and celebrate the hard work its employees had put in. One of the key elements of success in a company is the empowerment of employees and Nutun looks to keep taking great strides in this regard to further solidify our status as a good corporate citizen. We commend the hard work of our staff!





**Social impact continued**

**We empower our staff continued**



**Vaccination Initiative**

During the year WeBuyCars' staff were proactively encouraged to get vaccinated, and this would enter them into a lucky draw where they could win a cash prize.

**Culture of Trust**

The WeBuyCars buying team is very intentional about building a culture of trust within the buying department. This is done through giving buyers the responsibility of working autonomously. They have access to WeBuyCars' intellectual property and financial information in order to carry out their roles to the best of their ability.

**Staff Recognition**

We pride ourselves in recognising our employees for their contributions to the business. On a monthly basis, staff are nominated as "employees of the month" based on various criteria, including time management, dress code, honesty, reliability, and respect. These staff are recognised publicly within the branch and their photos are printed and placed at reception.

We also promote a high-performance culture by ensuring that we recognise our top performers in the organisation. Their names are included in our WeBuyCars newsletter and quarterly e-magazine.

**WBC Bursary Initiative**

On an annual basis we provide opportunities for staff to apply for a bursary to further their studies. Most of our bursary allocations assist staff to complete their drivers' licences, matric certificates, and other short courses.

We also offer a handful of opportunities to our senior staff to apply for undergraduate or postgraduate university qualifications or to study towards an MBA. Our bursary allocation is paid up to 75% of the required amount and is based on merit, seniority, and aligned to the staff members' role.



SA Taxi strives to create a high-performance culture in driving its business objectives. This is mainly achieved through the rigorous performance management system in place. Each employee sets development goals aligned to company objectives, with a review of performance against these agreed objectives during the year.

**Wellness initiative**

We realise that great business outcomes rest on the wellness of our employees. From a wellbeing perspective, SA Taxi set up an onsite clinic to be operational throughout the pandemic and to continue to provide essential services post the pandemic, while ensuring compliance to occupational health regulations. Health screening campaigns were run during the year focusing on diabetes, high blood pressure and HIV. The annual wellness day was successful where we provided access for our staff to optometrists, dieticians, medical aids, and physical health providers.

Employees also have access to the Employee Assistance Programme which aims to assist employees and their immediate family members with regards to their ongoing challenges, such as trauma, counselling and substance abuse, to name a few.

Our focus for this financial year was to drive well-rounded occupational health and wellness programmes that seek to achieve a psychologically and physically healthy workforce. SA Taxi continually conducts primary healthcare consultations within our high-risk areas, to assess the health of our employees within these areas.



Our focus for this financial year was to drive well-rounded occupational health and wellness programmes that seek to achieve a psychologically and physically healthy workforce.



Social impact continued

We empower our staff continued

We value our employees

Group	2022 <sup>1</sup>	2021	2020
<b>Turnover rates</b>			
Voluntary employee turnover rate	20%	16%	16%
▶ Female employee voluntary turnover rate*	11%	10%	–
▶ Black employee voluntary turnover rate (South Africa only)*	13%	10%	–
▶ Senior management voluntary turnover rate*	1%	0%	–
Total employee turnover rate <sup>2</sup>	32%	29%	34%
▶ Female employee turnover rate*	17%	18%	–
▶ Black employee turnover rate (South Africa only)*	24%	22%	–
▶ Senior management turnover rate*	1%	1%	–
<b>Occupational health and safety<sup>3</sup></b>			
Implemented OHS management system as per defined OHS policy	✓	✓	✓
Injuries and/or ill health related to working conditions	49	96 <sup>4</sup>	34
▶ Of which were reportable cases	23	33	9
▶ Of which were first aid cases	26	63	25
▶ Of which were fatalities	0	0	0
<b>Employee benefits<sup>5</sup></b>			
Proportion of employees on:			
▶ Healthcare benefits	87%	73%	77%
▶ Provident fund or pension benefits	92%	82%	84%

\* 2021 was the first year of tracking and reporting on this indicator.  
 1. 2022 is the first year of reporting WeBuyCars as part of the group's employee reporting metrics, and thus year on year comparison may be skewed.  
 2. A large portion of Nutun's employees work in the call centre environment and are first-time employees, contributing to higher turnover. Refer to the section "We contribute to youth employment" on page 26 for detail on our support for youth employment and enhancing their employability. The 2020 figure also includes the retrenchments resulting from the Section 189 process at Nutun.  
 3. WeBuyCars is not tracking this metric accurately yet and will look at reporting this in FY2023.  
 4. The increase in 2021 is partially attributable to the inclusion of Nutun's operations in Australia for the first time in 2021 (29 injuries, of which 20 were reportable cases and 9 were first aid cases). In addition, SA Taxi also noted an increase in the number of injuries as its employees returned to the workplace following the level 5 COVID-19 lockdown restrictions in 2020.  
 5. Extending healthcare and pension benefits to our employees demonstrates the group's commitment to the health and wellbeing of its workforce. Benefits are also extended to low-skilled employees, who would otherwise not have access to the social security these benefits provide. All permanent employees are required to participate in a medical aid and provident or pension fund and can participate in the group's schemes or through an individual or their spouse's schemes (with proof of membership required if not participating in the group's schemes). The reported figures only include employees covered through the group's schemes. We aim to disclose total membership of scheme participation (including group and individual or through a spouse's scheme) in the following reporting year.

The divisions have various initiatives in place to attract and retain staff, including training and development to further their careers. A large portion of Nutun's workforce operate in the call centre environment, where many staff are first time job seekers, resulting in higher turnover rates, which is normal for this industry. Employee turnover rates at WeBuyCars and SA Taxi remain below national and sector averages.

We invest in our people's potential

Group*	2022	2021	2020
<b>Training</b>			
Average training hours per employee per year	33	26	17
Total training spend per year (Rm)	11.2	8.7	6.3
<b>Junior employee development</b>			
Average number of years on the job for junior employees:			
▶ < 25 years old	1.3	1.2	1.4
▶ < 35 years old	2.8	3.1	3.0

\* WeBuyCars is excluded from this summary as they are putting processes in place to accurately track this going forward.

As an ongoing initiative, the group invests in training and development to improve the skills of our people and enhance their future employability. Within the context of high unemployment among those with lower skills, skills development plays an important role in reducing the unemployment rate in South Africa.

**Social impact continued**

**We empower our staff continued**

**Training & development**



Nutun invests strongly in employee training (with an average annual internal training spend of ~R5.1 million). This includes the 26-day FASSET accredited Debt Recovery Programme, and various leadership and disability programmes.

Nutun spent a total of **~136 000 hours** on training in the business in 2022

This represents a 12% increase from the prior year, attributable to an increased focus on learnerships, operational training to support employee performance against targets, and an increased requirement for compliance training.



**Fundza Bursary**

The Fundza bursary remains the core driver for the development of Nutun’s employees and was established to assist employees to obtain tertiary qualifications. It remains a key enabler for career progression and promotions and the achievement of our transformation goals. Fundza bursaries amounting to R1.8 million were awarded in 2022, benefiting 92 employees across different entities within Nutun. A total of 95% of the bursary beneficiaries are from the designated groups ACI and 65% of the beneficiaries are female. Funding was awarded for fields of study that are complimentary and relevant to skills required for business operations.

**Women in leadership development programme**

Nutun launched the Women in Leadership Development Committee with the aim to create a platform for dialogue on women empowerment and launch initiatives and programmes that drive female leadership development, progression and visibility in the organisation.

**POPI compliance training**

100% of our employees completed POPI training.

**YES initiative**

Nutun continued its participation in the YES initiative with YES4Youth.

See **page 26** for further details on the programme

**Disability learnership**

We embarked on a Contact Centre Learnership for 23 disabled learners in partnership with the Skills Development Corporation to the value of R1.3 million. This learnership ran from September 2021 and ended in August 2022.

**Leadership learning programmes**

We have two leader directed interventions: The First Line Leadership Development Programme (FLLDP), and the Harvard Mentor Programme.

The FLLDP is aimed at supervisors, team leaders and call centre managers in the operations space and focusses on developing leadership capabilities and bench strength.

The Harvard Mentor Programme is a leadership programme designed to support the development of leaders at senior and middle management levels. Ten current and future leaders joined the programme which focused on developing high potential leaders for succession.

**Call centre learning programmes**

The DRP is an accredited skills programme for call centre agents. On average we train 90 agents per month.

Refer to **page 26** for more detail on this learning programme.

**Pelican Programme**

The Pelican Programme is a skills transfer programme for newly recruited, but experienced call centre agents who are coached by top performing peers.

**Talent management and organisational development**

**The graduate programme**

Nutun has a two-year programme targeting black graduates younger than 25 across various academic disciplines that are relevant to our operations. The key objective of this programme is to develop high-calibre emerging talent, fast-track their development and afford them opportunities to progress within the organisation. This will progressively feed into our various successor pools. Six graduates were included in the 2022 graduate programme.

**The Young Professionals Programme**

The new Young Professionals Programme seeks to address business needs through driving transformation at junior levels, investing in the long-term vision of these individuals as future leaders.

**Talent management**

Embedding integrated talent management is a key focus for Nutun. During 2022, line managers were trained on our talent management approach and toolkits by the HR team. This supported managers to have crucial one-on-one discussions with team members on matters relating to career advancement and aspirations, boosting performance and strengthening existing talent.

**Succession planning**

Succession planning is a critical strategic focus area within our business. To ensure business continuity, the Nutun talent pool was segmented into leadership, critical/scarce, emerging and graduate talent pools. Currently all key roles have successors in place with a particular focus on growing our emerging and young professional talent pool. We have expanded our identification of successors from a baseline of 30 in 2020 to 118 successors in 2022, with more successors from designated groups (females & ACI employees).



Social impact continued

We empower our staff continued



### Learning and development initiatives

We conducted several internal training initiatives in 2022 underpinned by our strong customer service drive. Great customer service is key to our daily operations, and we endeavour to ensure that every engagement with a client is a positive one.

**During the year:**

- ▷ WeBuyCars had 148 delegates successfully complete the full buyers training, enabling them to have the right skills to become buyers for the business. This is a 10-day programme, totalling 11 840 training hours for all of the delegates.
- ▷ There were 210 sales executives and sales assistants who received the full sales training module during 2022. The training is a 10-day programme, totalling 16 800 training hours for all of the delegates.
- ▷ We had 100 of our call centre staff who underwent a comprehensive three month training programme which included the following modules: national cash retail training, vehicle training info, understanding business roles, NaTIS training, bid to finance introduction, new system layout training, Nexus and memo of agreement training, customer care, and payment requisitions.
- ▷ We have two managers completing the GIBS International Leadership Development Programme.
- ▷ We also have a number of our newly appointed sales managers who will be undertaking management development training.

### Internal training initiatives during the year included:

**Compliance training:**

- ▷ POPI Act training
- ▷ Ethics and sexual harassment training
- ▷ Occupational health & safety, fire marshal, firefighting and first aid training for all new branches that have opened, and for those branches whose certificates were about to expire.

**Operational training:**

- ▷ Accident reporting
- ▷ Booster training for our buyers
- ▷ Lead management training
- ▷ Customer training
- ▷ Telephone etiquette

Using a discretionary grant received through the W&R SETA, we were able to send some of our employees on the following courses:

- ▷ Effective selling skills – 25 sales candidates completed this training in 2022
- ▷ Customer care – 22 employees completed the training in 2022, with another 48 employees scheduled for this training in early 2023.



### Leadership development programme

Within the SA Taxi business, the Siya Phambili programme focuses on achieving leadership development for our staff and aligns to the competencies in our job architecture, while driving the development of our ACI employees. This year's intake consisted of 44 employees. Taking the total to 121 employees on the programme to date.

Through a return-on-investment survey conducted we see a significant shift in the delegate's personal growth and development which implies that the delegates exhibit increased levels of productivity and engagement, enhanced communication, leadership, and emotional intelligence skills.



Social impact continued



**We are a good corporate citizen**

In addition to the social impact of their respective business models, the divisions deliver targeted corporate social investment (CSI) programmes and contribute directly to humanitarian needs. Underpinned by the group’s robust governance framework and sound governance practices, we ensure that our business platforms operate ethically and with zero tolerance for corruption.

**We contribute to humanitarian needs**

**R12.7 million**

Total CSI spend

2021: R14 million

2020: R13 million

**0.75%**

Proportion of net profit after tax dedicated to CSI programmes

2021: 1.9%

2020: 6.5%



Nutun is active in supporting CSI programmes aligned to its core operations, while also investing in initiatives that aim to uplift targeted communities. Our focus for CSI remains rooted in supporting the education of previously disadvantaged beneficiaries and the development of black-owned enterprises. Nutun has newly established a Social Impact Committee, with a mandate to identify worthy causes for social economic development (SED) spend, to ensure that we make a meaningful contribution that can be tracked.

**Social economic development**

**6 218**

Number of lives improved through CSI programmes

2021: 696

2020: 315

**iThemba Trust**

Nutun is a shareholder of the iThemba Trust, a non-profit organisation focused on community transformation and development. Over the past three years, we have donated ~R1.9 million to the iThemba Trust in support of their early learning phase initiatives. Our contributions to the iThemba Trust have included donations to two beneficiary organisations, Head Start Kids and Project Literacy.

Head Start Kids is an early childhood development non-profit organisation whose main goal is to provide pre-school children (6 months to 5 years of age) of low-income families with a comprehensive wellness programme to meet their emotional, social, health, nutritional and psychological needs. Project Literacy is a non-profit organisation established to address the needs of illiterate and semi-literate adults in South Africa through their education and training programmes and adult education and training. Our contributions are set out below:

**712**

Number of beneficiaries

2021: 254

2020: 448

**R1 216**

Amount paid per beneficiary

2021: R1 600

2020: R1 600

**R866 200**

Total contribution

R2021: R 406 400

2020: R716 800

In addition, Nutun has been involved in the following programmes for the year:

Beneficiary	Description	Nature of support	Number of beneficiaries
Nisela	Bursary programme for employee’s dependents offering primary or tertiary level education.	Education: funding primary, secondary & tertiary education	96
SAICA Enterprise Development & The Hope Factory	Support the SAICA associated SMEs, entrepreneurial incubators as well as unemployed black citizens to start their own business through accredited skills programmes, mentorship, community workshops and financial literacy training.	Donation	2
Learning and Programme Development (LAPD)	Fund the education of Early Child Development and Junior primary teachers that will service underprivileged communities.	Donation	1
Aahaah Shuttle and Tours	A 100% black female-owned organisation for scholar transportation and tours to Sowetan landmarks.	Donation	3
Mandela Day Food Drive	Employee led donation and food drive for needy communities in Johannesburg and Durban.	Donation	1 100
Jay’s Catering	Offering Jay’s Catering with support, use of space and a grant to assist in growing the business. They provide the canteen services offered to our staff.	Provision of office space and grant	1
JAG Foundation	A foundation that uses sport and play as educational tools to impart life skills to children from vulnerable communities.	Donation	5 000
Imbeleko Foundation	A 100% black female-owned foundation established to benefit orphaned/vulnerable children from rural KwaZulu-Natal. The foundation runs an after-school curriculum programmes. Nutun’s support has contributed to: <ul style="list-style-type: none"> <li>▷ A nutrition programme that feeds children attending the Imbeleko trust afterschool academy.</li> <li>▷ A peer-to-peer afterschool education and mentorship programme for tertiary students.</li> </ul>	Education: external bursaries	9
Supplier development – TC Kwande	TC Kwande currently has six employees based at our premises at our call centre operations at 100 Main Johannesburg. We continue to support them with floor space and utilities. The group has contributed R1.9 million for the year.	Provision of office space, including desks and IT infrastructure	6
<b>Total number of beneficiaries</b>			<b>6 218</b>



WeBuyCars actively engages in CSI initiatives that uplift communities while addressing basic human needs. A number of charitable donations are done through WeCare and are aligned with WeBuyCars' core principles of sustainability.

### We contribute to the development of communities

Some of the beneficiaries included:

Beneficiary	Description	Nature of support	Number of beneficiaries
PACT sanctuary for animals	Donated towards the building of shelters for animal welfare.	Donation	30
Shiloh	Donated to the childcare and educational organisation of Shiloh based in the Western Cape, who support disadvantaged children, providing them with an excellent education. We donated through buying school stationery, sanitary goods and food for the children.	Donation	170
Childcare facilities	Supported six childcare facilities across the country through buying goods, stationery, food, and contributing through monetary donations.	Donation	498
Community outreach programmes	Supported ten community charity outreach programmes across the country during the year.	Donation	>2 027
School beneficiaries	Donated to three high schools, to support them with their educational needs.	Donation	2 901
Vastrap Trust	Donated to the Vastrap Trust which supports a local primary school in South Africa.	Donation	1 402
Radio station outreach	Supported various radio station outreach programmes.	Donation	8
Paarl school	Donated to a school for children with disabilities.	Donation	500
Resthaven Ministries	Donated to a senior citizen care facility to contribute to the health and care of these patients.	Donation	51
Centurion Cricket Academy	Contributed through monetary donation to the sporting academy.	Donation	100
Staff welfare	Supported staff with health procedures and requirements.	Health support	3
Rally to Read	An organisation promoting literacy at grassroots level, in remote rural schools across South Africa.	Donation	n/a
<b>Total number of beneficiaries</b>			<b>&gt;7 690</b>

### WeBuyCars also donated

**1 500**

blankets during the Mandela Day initiative.

Under the WeCare banner, WeBuyCars had its first back-to-school project where staff from all the different branches had the opportunity to visit different children's homes and schools to hand out stationery.

Two charities, Operation Healing Hands and Rally to Read, benefitted from the "Ons koop 'n kar" programme on Kyknet which is co-sponsored by WeBuyCars. A total amount of R424 000 has been donated to them for community outreach. WeBuyCars also supported the Hopesong project driven by the Goeie Nuus Fabriek by giving them a monetary donation to the value of R120 000. Through this project, schools had to reach out to a charity of their choice, and learn the Hopesong as well as the accompanying dance, record it and enter it into the competition.

As part of our wider B-BBEE strategy, a process will be implemented to ensure that all donations are critically evaluated and that the contribution and impact to the various beneficiaries and organisations has a meaningful contribution that can be tracked to ensure sustainable impact.







SA Taxi plays an important role in the South African society as a financial service provider and as such established the SA Taxi Foundation as an extension of its commitment to the population. The foundation is a non-profit organisation that is aimed at implementing sustainable projects that contribute to taxi communities. In the South African market, SA Taxi Finance and SA Taxi Foundation are uniquely positioned to have a meaningful impact on the economy and society, particularly as the business' client base represents individuals classified as previously disadvantaged.

### We contribute to the development of communities

Some of the beneficiaries included:

Spend Beneficiary	Description of the relationship/ contribution	Nature of support	Number of beneficiaries
Mbombela Tyre Centre	SA Taxi partnered with TOPSTAR Taxi Association to launch a tyre fitment centre in Mbombela, where taxi operators can repair or replace tyres without having to leave the taxi rank. The centre was also fitted with furniture donated by SA Taxi	Donation	2
Home of Hope for Girls	Gender based violence project synergies	Donation	5
Sandton Taxi rank	SA Taxi contributed to the branding of the Sandton Taxi rank. We also donated equipment and furniture to the launch of the Pause Lounge which opened in April 2022, to ensure a comfortable space for taxi drivers during off-peak times to come and rest and relax. SA Taxi provided the catering for the launch of this pause area.	Donation	5
General public	SA Taxi contributed to social economic and health outreach programme during the year, by donating COVID-19 vaccine gift bags as well as assisting with vaccine distribution	Health donation	6 162
Taxi association	Contribution to the taxi associations for various initiatives during the year.	Donation	19
<b>Total number of beneficiaries</b>			<b>6 193</b>

### Blood drive

SA Taxi also held a blood drive for staff on site during the year. Our blood drive efforts have shown promise with 39 candidates having donated blood. This is a pleasing increase from the previous result of 16 and well above the SANBS target of 15.

### Mandela Day

Over the years, the commemoration of Mandela Day has gone from 67 minutes to a month-long period where individuals and organisations proactively seek ways to give their time, resources, and talents to their community.

This year the SA Taxi Foundation and members of SA Taxi committed the month to serve Berea Home of Hope for Girls, one of the Foundation's long-standing beneficiaries who provide a nurturing and safe residence to vulnerable children and teenagers who are survivors of abuse. This year's Mandela Month commitment was revamping the library collection, which the girls can access as part of the school or leisurely reading.

Ten staff members spent a morning giving their time and talents to the Home of Hope for Girls to upgrade the library shelves and provide more books as well as a brand new black and white printer. The founder of Home of Hope for Girls, Mam Khanyisile Mota expressed her gratitude stating, "We're grateful to SA Taxi and SA Taxi Foundation, whose support this Mandela Month will go a long way."

In addition to Home of Hope for Girls, the SA Taxi Foundation firmly supports early childhood development programmes, road safety awareness, and allocation of mobile libraries in lower-income communities, to give young children, who are also valued commuters of minibus taxis, access to the resources they need for quality education. The commitment to making South African better for all remains beyond the annual Mandela Day commemoration.





## Environmental impact

### We understand our important role in promoting climate resilience



The group recognises the rapidly changing global context and the risks associated with environmental and social factors, particularly climate change. The physical effects of climate change and environmental degradation, as well as the transition to a low-carbon and more circular economy, present both physical and transitional risks, while also offering new opportunities for the group to consider. We ensure we keep environmental aspects top of mind, while balancing this with the strong social and economic impacts that the business has. To this end, we recognise that our investment decisions and capital allocations have both social and environmental impacts.

We are committed to supporting sustainable and inclusive economic growth within the markets in which we operate.

With WeBuyCars operating in the second-hand car business, downstream emissions are carbon intensive. However, as a second-hand car dealership, the business will evolve into selling greener (hybrid or electric) vehicle options as the South African market evolves and adopts these technologies. As such, the business model is a follower to the uptake in the market and is not able to lead the transition to lower carbon vehicle options. Despite this, WeBuyCars is a contributor to the circular economy of the vehicle industry, through extending the life of consumer vehicles, avoiding emissions from new vehicle production, and providing an affordable alternative for customers to new vehicles.

Although Nutun has a low overall impact on the natural environment, it continues to undertake initiatives to reduce its environmental footprint.

SA Taxi contributes to reducing the carbon footprint of the minibus taxi industry through modernising the minibus taxi fleet and contributing to a circular economy through its salvage and repair operations, while its fully refurbished QRTs keep vehicles in use for longer. Together, given SA Taxi's unique market position, these activities play a crucial role in reducing the GHG emissions from South Africa's minibus taxi industry, supporting decarbonisation in the transport sector.

#### The group:

Supports the Paris Agreement's aim of limiting global warming to well below 2°C compared to pre-industrial levels, and pursuing efforts to limit it to 1.5°C.

Although our direct operations have a low overall impact on the natural environment, we continue to undertake initiatives to understand and manage our carbon footprint, in keeping with our duty of care towards the environment.

We also recognise the imperative for sustainable development to build a prosperous and resilient society.

We acknowledge that our most impactful influence is to manage and reduce the carbon emissions in our financed minibus taxi portfolio.





**Environmental impact continued**

**We understand our important role in promoting climate resilience continued**



**IFRS ISSB climate disclosure roadmap: progress and commitments**

The group has early adopted the draft IFRS ISSB standards, to the extent possible, which builds on the recommendations of the Financial Stability Board’s TCFD guidance and will form a comprehensive global baseline of sustainability disclosures going forward. We are on a reporting journey and will, over time, expand and refine our reporting as we continue the process of firmly embedding these principles and reporting standards within our business and our operations, building it into our culture and how we operate.

1

**IFRS ISSB focus area  
Governance**

Recommended disclosure	Our response
<p>Understand the governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> <li>▷ In accordance with King IV, the board is ultimately responsible for ensuring the group is a responsible corporate citizen.</li> <li>▷ The board has delegated oversight of the group’s ESEG impact including climate change to the social and ethics committee. The specific climate-related risks and opportunities have been delegated to the risk and technology committee to manage these in terms of impact and likelihood.</li> <li>▷ Executive management’s responsibility for climate-related risks and opportunities has been assigned at group level and is the responsibility of the CFO, supported by senior managers in the group.</li> <li>▷ A groupwide ESEG steering committee, chaired by the group CFO, drives sustainability initiatives, including the management of climate-related risks and opportunities, across the group.</li> <li>▷ The group’s risk management framework has been updated to include climate risk as a material risk. We have elaborated on what we identify as climate risks for the business.</li> <li>▷ Updates to remuneration policy:                             <ul style="list-style-type: none"> <li>• In FY2021: additional detail was provided for sustainability targets included as a measure in the qualitative component of short-term incentives for key executives.</li> <li>• In FY2022: an additional ESEG hurdle was included in the long-term incentives for executives, which link to meeting our emission reduction targets which are in line with our commitment to be materially below 2°C global warming.</li> </ul> </li> </ul>

**Looking forward**

- ▶ Further updates to the risk management framework to enhance governance around climate-related risks and opportunities:
  - Allocate management responsibility at divisional levels.
  - Embed climate-related risk identification, analysis, monitoring and reporting across the group.
- ▶ Continuous upskilling of our board, management and employees.

**Reference**

Refer to **pages 10 and 11** for further detail on the group’s approach to governance and sustainability.

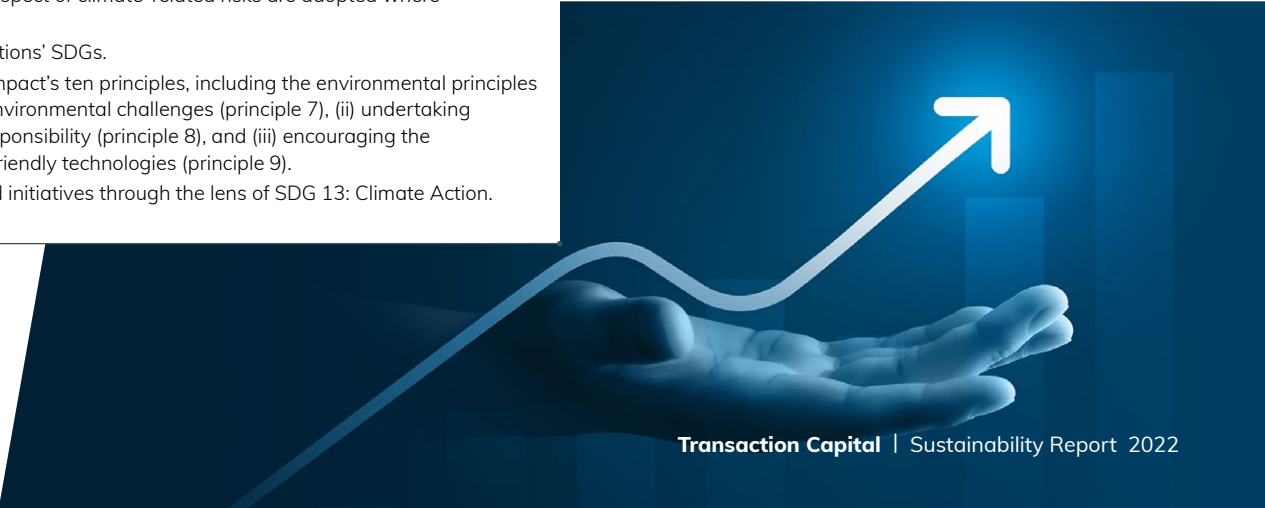


**2** IFRS ISSB focus area  
**Strategy**

Recommended disclosure	Our response
<p>The impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning over the short, medium and long term.</p> <p>Granular disclosure on climate change related changes to business model, resource allocation, future changes to financial position and performance because of climate change, as well as indirect response to climate change risks and opportunities through working with suppliers.</p> <p>The resilience of the organisation's strategy under different climate-related scenarios, including areas of uncertainty for strategy resilience, the capacity of the business to adapt over time and details of how resilience analysis was conducted.</p>	<ul style="list-style-type: none"> <li>▷ We acknowledge the urgency of climate change and recognise that our investment decisions and capital allocation have both social and environmental impacts.</li> <li>▷ We support the Paris Agreement's aim of limiting global warming to well below 2°C compared to pre-industrial levels, and pursue efforts aligned to limiting this to 1.5°C.</li> <li>▷ GHG emission reduction targets have been set for the group for the short (2025), medium (2030) and long term (2035). To date we are tracking ahead of target. As it stands now, we will not use carbon offsets to meet these targets but look to reduce emissions through our own mitigation actions.</li> <li>▷ Early adopting the draft IFRS ISSB Sustainability and Climate Change disclosure standards, to the extent possible. Disclose meaningful environmental and climate-related impacts on the business and related mitigation measures and opportunities, guided by the recommendations of the ISSB standards.</li> <li>▷ Minimise the group's direct carbon footprint by applying a precautionary approach to the natural environment and undertaking initiatives that demonstrate environmentally responsible behaviour.</li> <li>▷ Explore and invest in products and services that accelerate the transition of the minibus taxi industry to a low-carbon and more circular economy.</li> <li>▷ Engage consistently with a broad range of stakeholders to inform our strategy and ensure alignment with stakeholder concerns and expectations.</li> <li>▷ We hosted an inaugural climate change impact workshop for the group which has allowed us to comprehensively summarise our climate-related risks and opportunities, providing detail around likelihood, magnitude, time-horizons, and financial implications.</li> <li>▷ Identify the exposures of group entities that are vulnerable to climate-related risks and assess the potential financial impact should these materialise. If possible, put plans in place to mitigate these impacts.</li> <li>▷ Continue with the work of the social and ethics and risk and technology committees to assess social and environmental matters against measurable metrics and targets, and the group's impact in this regard.</li> <li>▷ Ensure that adequate mitigation measures in respect of climate-related risks are adopted where appropriate.</li> <li>▷ Contribute to the achievement of the United Nations' SDGs.</li> <li>▷ Embrace, support and enact the UN Global Compact's ten principles, including the environmental principles of (i) supporting a precautionary approach to environmental challenges (principle 7), (ii) undertaking initiatives to promote greater environmental responsibility (principle 8), and (iii) encouraging the development and diffusion of environmentally friendly technologies (principle 9).</li> <li>▷ The group continues to focus on climate-related initiatives through the lens of SDG 13: Climate Action.</li> </ul>

**Looking forward**

- ▶ The group will undertake work to include WeBuyCars in the group emission reduction targets. This will be undertaken in FY2023.
- ▶ The group will pursue efforts to further reduce its emissions in line with a 1.5°C classification, as appropriate.
- ▶ An assessment of climate related concentration risk in our value chain will be undertaken in FY2023.
- ▶ The group needs to consider its indirect mitigation efforts and how it plans to impact its supply chain choices based on climate related issues.
- ▶ The group's climate resilience under various scenario analyses will be unpacked in FY2023.
- ▶ Continued work to obtain a comprehensive view of the potential financial impact of climate-related risks and opportunities on the group's financial position, financial performance and cash flows. This will be an in-depth analysis that will be thoroughly unpacked in the next two years.



**Environmental impact continued**

**We understand our important role in promoting climate resilience continued**

**3 IFRS ISSB focus area  
Risk management**

Recommended disclosure	Our response
<p>The organisation's process for identifying, assessing and managing climate-related risks and opportunities.</p> <p>How these processes are integrated into the overall risk management process.</p>	<p>▷ Transaction Capital hosted an inaugural climate change impact workshop for the group including all the subsidiaries. This was aimed at educating the business units of the threats posed by climate change to our business and included a collaborative brainstorming session to identify the various risks and opportunities that climate change poses to our business. Climate-related risks have been incorporated into the group's risk management framework, with climate risk elevated from an emerging risk to a material risk for the group in FY2021 and remains a material risk in FY2022.</p>

**Looking forward**

- ▶ We will be integrating these identified risks and opportunities as part of our formal risk management practices in the group going forward, with the aim to assist with prioritising climate related risks relative to other business risks.

**Reference**

These risks and opportunities have been captured in this sustainability report, with quantification of the financial impacts, refer to **page 39** onwards.

**4 IFRS ISSB focus area  
Metrics and targets**

Recommended disclosure	Our response
<p>Metrics to assess climate-related risks and opportunities in line with strategy and risk management process.</p> <p>Scope 1, 2 and 3 GHG emissions and related risks, split per subsidiary.</p> <p>Targets to manage climate-related risks and opportunities, and performance against targets, and how they compare to international agreements and if they have been validated.</p>	<p>▷ Scope 1, scope 2 and material scope 3 GHG emissions have been calculated for the group for FY2022.</p> <p>▷ We have quantified the emissions of the WeBuyCars business for the year, this was their first such quantification carried out.</p> <p>▷ We have reported all emissions for the group in the sustainability report on both a consolidated group level and split by subsidiary.</p> <p>▷ Overall GHG emission reduction targets have been adopted and reported. Targets are based on the Absolute Contraction Approach as defined by the Science Based Targets initiative (SBTi).</p> <p>▷ Remuneration inclusions:</p> <ul style="list-style-type: none"> <li>• The achievement of our emission reduction targets has in FY2022 been included as a non-financial environmental hurdle in the long-term incentive scheme for executive remuneration.</li> <li>• The operationalisation of the ESE frameworks within the businesses, which includes the data collection and reporting elements were included since FY2021 as environmental hurdles in the short-term incentive scheme.</li> </ul>

**Looking forward**

- ▶ Continuous improvement of the robustness of our environmental data collection processes, with an aim to get to monthly capturing and reporting and a further vision for automation of data collection processes and reporting.
- ▶ Dedicated managers at each division responsible for managing and monitoring GHG emissions.
- ▶ Update our science-based target to include the WeBuyCars business and align to an intensity-based target which allows for business growth. Once revised to get this approved by the SBTi over the medium term.
- ▶ Continued alignment of our disclosures on metrics and targets with international developments specifically to the IFRS ISSB standards.
- ▶ Quantification of percentage of assets/business activities vulnerable or aligned to climate risks and opportunities.

**Reference**

Further detail and quantification of the group's metrics and targets is included in this sustainability report from **page 46** onwards.

Environmental impact continued

## Risk management

The group views climate change as both a risk to our business and an opportunity for us to adapt and evolve. We define risk as uncertain future events that could influence our ability to achieve our objectives. The possibility of loss is inextricably linked to uncertainty, thus for risk to be quantified, both the probability of an event occurring and its consequences must be considered. A detailed framework for managing risk is in place to facilitate rational decision making.

The group's risk management approach aims to prevent the destruction of value through deliberate planning, arranging, and controlling of activities and resources to minimise the negative impact of risks to tolerable levels. It also entails maximising the potential opportunities and positive impacts of risks to achieve the group's strategic objectives and enhance value creation.

The group's environmental policy formalises and integrates our approach to climate change into our risk management framework.

Transaction Capital continues to enhance its processes for identifying, assessing, and managing climate-related risks and opportunities. The group recognises that climate-related risk management requires collaboration between the risk management function, operations, and governance forums.

### Input parameters to identifying risks and opportunities

When identifying climate risks and opportunities, we include all our operations within the assessment and build off and consider various aspects: from our own lived experiences, considering what we have seen happen to other businesses due to climate change, research from the Intergovernmental Panel on Climate Change's various Assessment Reports, and assessing global risk reports such as the World Economic Forum's Global Risk Report top 10 risks, to name a few. All these elements are considered and applied to ensure we cover our bases in terms of potential climate risks and opportunities for our business.

Climate change risk has been elevated from an emerging risk to a material risk in the group's risk register. Refer to the risk methodology provided in our group risk report which unpacks how likelihood and impact of our risks are quantified, and how this is used to define our material risks based on our risk thresholds.

Refer to the **Risk report** for more detail on **pages 03 and 04**.

## Climate-related risks and opportunities

The risk and opportunities identified at our climate change impact workshop are set out below. We indicate the detail of the risk/opportunity and quantify the financial impact of these aspects where possible. We will be integrating these identified risks and opportunities as part of our formal risk management practices in the group going forward. Part of this work includes developing and implementing mitigation measures to minimise our impact in this regard, as well as ensure we can capitalise on opportunities that may arise from climate change.

### Timeframes

The group defines its time-horizons as follows:

**Short-term:**  
up to 2025  
(1 – 3 years)

**Medium-term:**  
up to 2030  
(3 – 8 years)

**Long-term:**  
up to 2035  
(8 – 13 years)

### Magnitude

The magnitude describes the extent to which the impact, if it occurred, would affect our business. Magnitude will include a combination of factors including:

The proportion of operations affected.

The size of the impact on these operations.

The potential for shareholder or customer concern.

Transaction Capital defines magnitude as:

**Low**  
insignificant or minor impact on operations, revenues and shareholders.

**Medium**  
moderate impact on operations, revenues and shareholders.

**High**  
major impact on operations, revenues and shareholders.



Environmental impact continued

Risk management continued

Climate-related risks



Risk type: Acute physical **Flood**

Flood risk has become a reality for the group, both in South Africa and Australia. During the financial year the damage from the unprecedented KwaZulu-Natal floods in April 2022 was experienced across the business.

- ▶ Most noticeable was the impact on SA Taxi as the floods severely damaged Toyota's manufacturing plant, resulting in its closure from April – August 2022, halting supply of new taxis. This impacted the ability to originate new loans for SA Taxi, thus reducing revenues. The business had to adjust its strategy to focus more on its QRTs, increasing the sales targets and supplying an affordable, reliable alternative to buying a new vehicle, while minimising industry waste.
- ▶ The WeBuyCars warehouses had to operate on skeleton staff during this period (for a week and a half), with access to the warehouse limited for both staff and clients, impacting sales. Damage to road infrastructure also impacted the ability to distribute vehicles between warehouse sites across the country.
- ▶ Nutun has its biggest call centre in Durban which was also impacted. Employees were impacted by not being able to access the office because of damage to road infrastructure, while in their personal capacity through property damage, burst water pipes impacting fresh water supply as well as electricity disruptions.

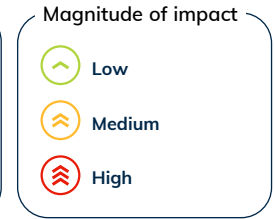
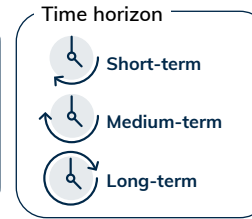
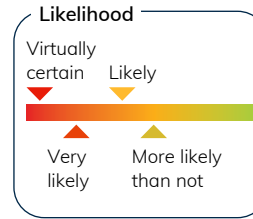
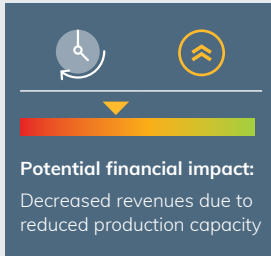
Similar devastating floods were experienced in Australia between February to April and again in October 2022. There was no material impact to the Nutun business, but there was some short-term hold on some client activity during this time.

**Financial impact and explanation (ZAR)**

In FY2022 SA Taxi lost around R12 million in revenue because of not being able to originate new loans during the period when the Toyota manufacturing facility was impacted by the floods in Durban.

WeBuyCars had reduced sales from its Durban warehouse during the flood period, estimated at around 1 000 cars not sold, amounting to a loss of approximately R14 million.

Nutun offered support to employees, such as emergency leave, purchasing virtual voucher to buy essential goods, establishing a water tanker and portable ablutions at the office premises and offering counselling. These costs amounted to R61 000.



Risk type: Acute physical **Drought**

WeBuyCars has already experienced the impact of drought on its business through the droughts experienced in the Cape region in 2018. Water is a crucial input to the business, to enable the cleaning of vehicles to prepare for sale.

Refer to the details provided in the WeBuyCars case study on **page 51** as to how they mitigated against this water risk.



**Financial impact and explanation (ZAR)**

WeBuyCars has invested over R3.3 million towards installing water harvesting tanks at its warehouse facilities.



Environmental impact continued

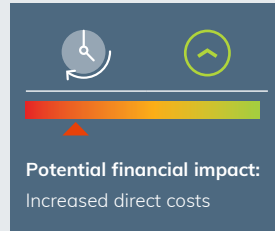
Risk management continued

Climate-related risks continued



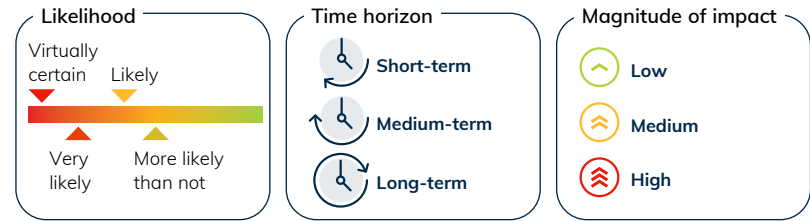
Risk type: Acute physical  
**Heavy precipitation (rain, hail, snow/ice)**

Weather events such as storms and hail pose a risk to WeBuyCars as a few of the buying yards are outdoors and only protected from the elements by shade cloth. If they were to experience such extreme weather events, they may experience damage to property and goods, which would increase direct costs due to having to fix the damaged vehicles before being able to sell them. This is a risk that is reasonably likely in the short term but hasn't been experienced by the business yet, although we remain aware of the potential risk.



**Financial impact and explanation (ZAR)**

An estimate of repairs to a damaged car from hail could cost anywhere between R1 000 to R6 000 depending on what damages are caused.



Risk type: Acute physical  
**Wildfire**

Nutun is at risk in its Australian operations particularly to wildfires. The 2019 and 2020 wildfires had devastating consequences in the country. The probability of a fire of this intensity (Fire Weather Index) has increased 30% since 1900 due to climate change and will continue to pose a short-term risk for the business. Some consequences of these fires include damage to land and infrastructure, loss of life, compromised water quality, bad air quality, as well as mental health and post-traumatic stress. These devastating consequences could impact both the staff of Nutun as well as our clients and in turn our ability to collect from clients that are under pressure from climate exacerbated events.



**Financial impact and explanation (ZAR)**

No direct impact on Nutun was experienced in FY2022.





Environmental impact continued

Risk management continued

Climate-related risks continued



**Risk type:** Reputation and market risk  
**Inability to attract co-financiers and/or investors due to uncertain risks related to the climate**



**Potential financial impact:** Decreased access to capital

The group recognises the rapidly changing global context and the risks associated with environmental and social factors, particularly climate change. With pressure mounting around climate change and the need to transition to a lower carbon economy, this can pose a reputational risk to the group if we are not seen to be responsibly managing our contribution to climate change. This is a material topic for the group, its shareholders and investors, and it is important that we can manage our stakeholder concerns through deliberate positive environmental action, to ensure we can maintain good relationships and thus keep confidence in our business objectives.

Refer to the group's ESEG highlights presented on **pages 05 and 06** as to actions we are taking to mitigate these risks.

**Financial impact and explanation (ZAR)**

Such a risk could potentially limit our ability and/or ease and/or cost of tapping capital markets, which will impact both organic and inorganic future growth opportunities. This could also potentially reduce the liquidity in the Transaction Capital share which reduces the universe of potential shareholders. This is not quantifiable at this stage.



Climate-related opportunities



**Opportunity type:** Products and services  
**Development and/or expansion of low emission goods and services**



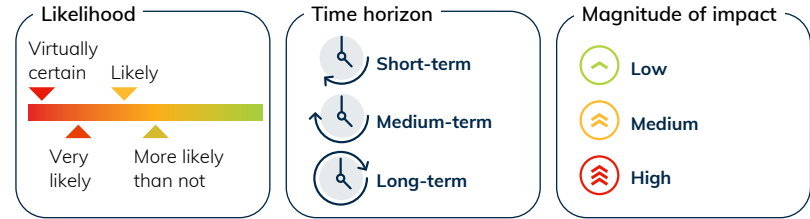
**Potential financial impact:** Increased revenues resulting from increased demand for products and services

The transport industry accounts for over 10% of GHG emissions in South Africa, with road transport accounting for more than two-thirds of these emissions. Addressing emissions reduction in the transport industry will have a significant beneficial environmental impact. SA Taxi continues to investigate the feasibility of alternative fuel vehicles such as compressed natural gas (CNG) and electric vehicles which could pose a climate opportunity for the business in the long term. There is also an opportunity for SA Taxi to attract funding from DFIs for EV initiatives. While global efforts are focused on e-buses, the group has had constructive engagements with DFI partners in this space.

Refer to our "re-energy" write up on **page 54** for our views on greening the taxi industry through alternative fuel options.

**Financial impact and explanation (ZAR)**

Research into alternative fuel minibus taxis has been carried out inhouse and thus covered in the normal operating expenses of SA Taxi, no additional capital has been spent.





Environmental impact continued

Risk management continued

Climate-related opportunities continued

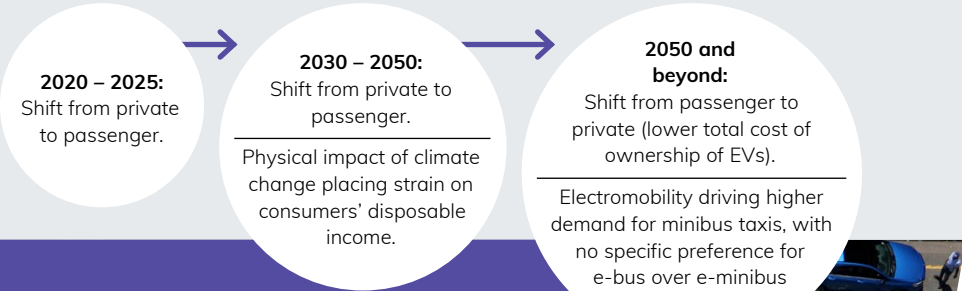


Opportunity type:  
Resource efficiency

**Increased revenues resulting from increased demand for products and services**

South Africa's Nationally Determined Contributions (2021) and Green Transport Strategy (2018 – 2050) focus on shifting 20% of private transport to public transport by 2025. SA Taxi considers the modal shift in response to public policy an opportunity, with increased demand for SA Taxi's product offering. These strategies have short medium and longer term focuses, which has opportunity for the minibus and eventually e-minibus taxi industry to play its role:

**Potential financial impact:**  
Increased revenues resulting from increased demand for products and services



**Financial impact and explanation (ZAR)**  
Not quantifiable at this stage.

**Likelihood**  
Virtually certain, Likely, More likely than not, Very likely

**Time horizon**  
Short-term, Medium-term, Long-term

**Magnitude of impact**  
Low, Medium, High



Opportunity type:  
Markets

**Increased diversification of financial assets (e.g., green bonds and infrastructure)**

The group is committed to driving sustainable and inclusive socioeconomic growth through the delivery of sustainable finance solutions. This is seen as a short-term opportunity for the business if we are performing well in ESEG matters. To this end, SA Taxi developed and published its first sustainable bond framework in May 2021, which allows the issuance of green and social bonds that support SA Taxi's financing efforts in the minibus taxi industry.

Refer to the SA Taxi ESEG Highlights on **page 06** to learn more about its Transsec 5 issuance which is an evident benefit of receiving sustainable financing options.

Similarly, if Nutun is seen to be a good corporate citizen and doing good towards the environment, the business has a reputational opportunity which will positively influence its cost of capital and social license to operate and expand the business further.

**Potential financial impact:**  
Increased access to capital

**Financial impact and explanation (ZAR)**

In November 2021, the group concluded a Transsec 5 tap issuance. This raised an additional R543 million for SA Taxi and set a new milestone by achieving a weighted average margin of 167 basis points above the three-month JIBAR.

Environmental impact continued

Risk management continued

Climate-related opportunities continued



Opportunity type: **Use of lower-emission sources of energy**  
Energy source

As an opportunity to build operational resilience and reduce reliance on the heavily coal fired electricity grid in South Africa, the group is investigating the opportunity to mitigate emissions through renewable energy production/consumption, as well as water use optimisation initiatives.

WeBuyCars is the subsidiary leading the way, refer to the case study on WeBuyCars presented on **page 51**.

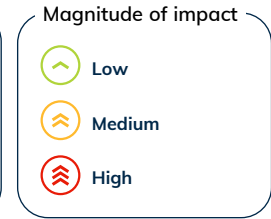
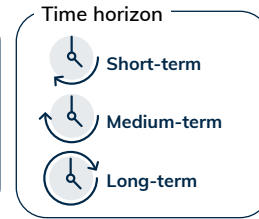
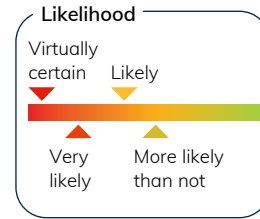
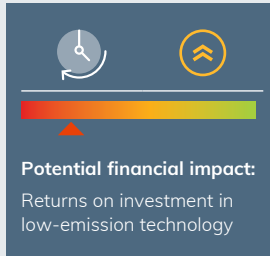
SA Taxi has also installed solar at its facilities, to reduce reliance on the grid, contributing around 13% to electricity consumption on site.

The group is also investigating the opportunity of procuring renewable energy from independent power producers through wheeling agreements. This will reduce our scope 2 emissions. Nutun has consolidated three of its offices into one green building to reduce its carbon footprint from FY2023.

**Financial impact and explanation (ZAR)**

Assuming an average electricity price of R1.90/kWh for WeBuyCars, they are saving around R1.9 million per year on electricity costs because of their solar PV installations.

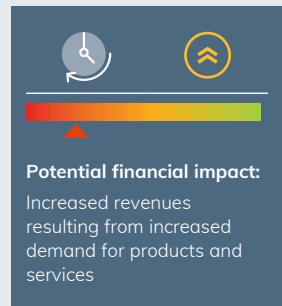
SA Taxi is saving around R600 000 in electricity costs annually.



Opportunity type: **Development and/or expansion of low emission goods and services**  
Products and services

Physical climate change events such as floods resulted in an opportunity for SA Taxi to increase and upscale its delivery of QRTs as there was a higher demand, while new taxis from Toyota were of limited supply. As customers become more price sensitive this continues to show an opportunity for the business. Through the QRT business SA Taxi plays a key role in reducing emissions of the taxi industry and contributing to a circular economy through its salvage and repair operation. This also poses an opportunity for SA Taxi to start offering additional insurance products to the market, leading to new revenue streams.

Refer to the circular economy write up for SA Taxi from **page 53 to 55** for more details.



**Financial impact and explanation (ZAR)**  
Not quantifiable at this stage.





Environmental impact continued

Risk management continued

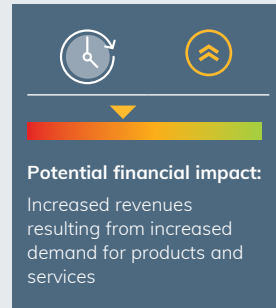
Climate-related opportunities continued



Opportunity type:  
Markets

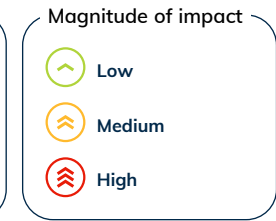
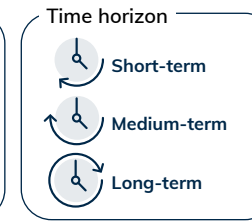
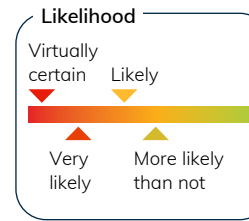
**Increased sales of liability and other insurance to cover climate-related risks**

Climate change will exacerbate distressed debt, with lower disposable income and higher unemployment. This poses a transitional opportunity for Nutun. Its sophisticated ability to price NPL portfolios for prevailing market conditions, together with its extensive collection's infrastructure, positions it strongly to accelerate the acquisition of NPL portfolios. In doing so, Nutun rehabilitates and educates debtors to enable their expedited re-entry into credit markets. Nutun's operations will become even more relevant given the impact of climate change, and strengthen our social purpose of promoting stable, functioning credit markets, and facilitating financial rehabilitation.



Financial impact and explanation (ZAR)

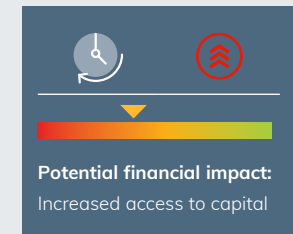
Not quantifiable at this stage.



Opportunity type:  
Markets

**Improved ratings by sustainability/ESEG indexes**

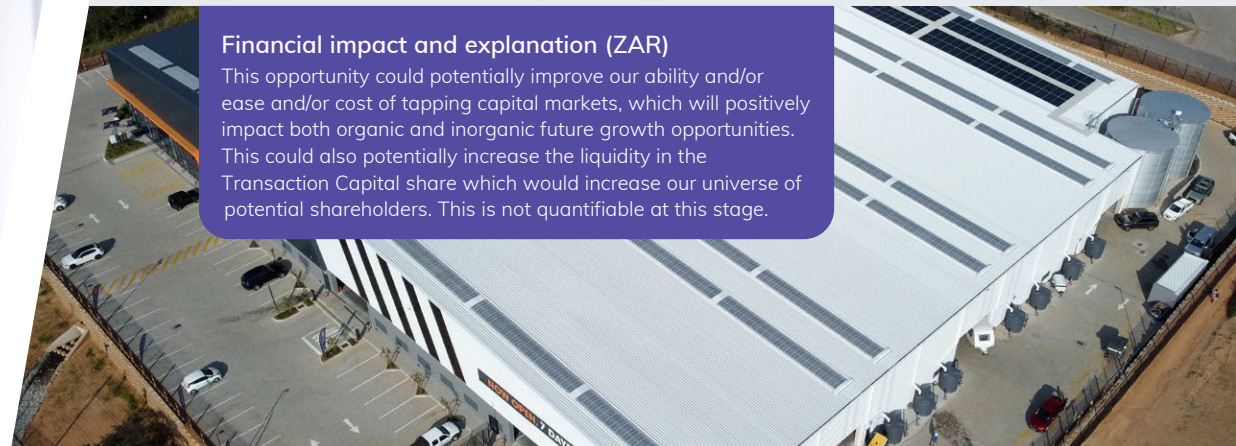
The group identifies a climate change opportunity to openly and transparently report on our climate change journey and initiatives to address this global challenge. In turn this will enhance our reputation amongst investors and stakeholders and has the potential to increase our access to capital as well as increase our share price and market capitalisation over time.



For more information on our reporting approach, please refer to our ISSB disclosure roadmap on **pages 36 to 38**.

Financial impact and explanation (ZAR)

This opportunity could potentially improve our ability and/or ease and/or cost of tapping capital markets, which will positively impact both organic and inorganic future growth opportunities. This could also potentially increase the liquidity in the Transaction Capital share which would increase our universe of potential shareholders. This is not quantifiable at this stage.





Environmental impact continued

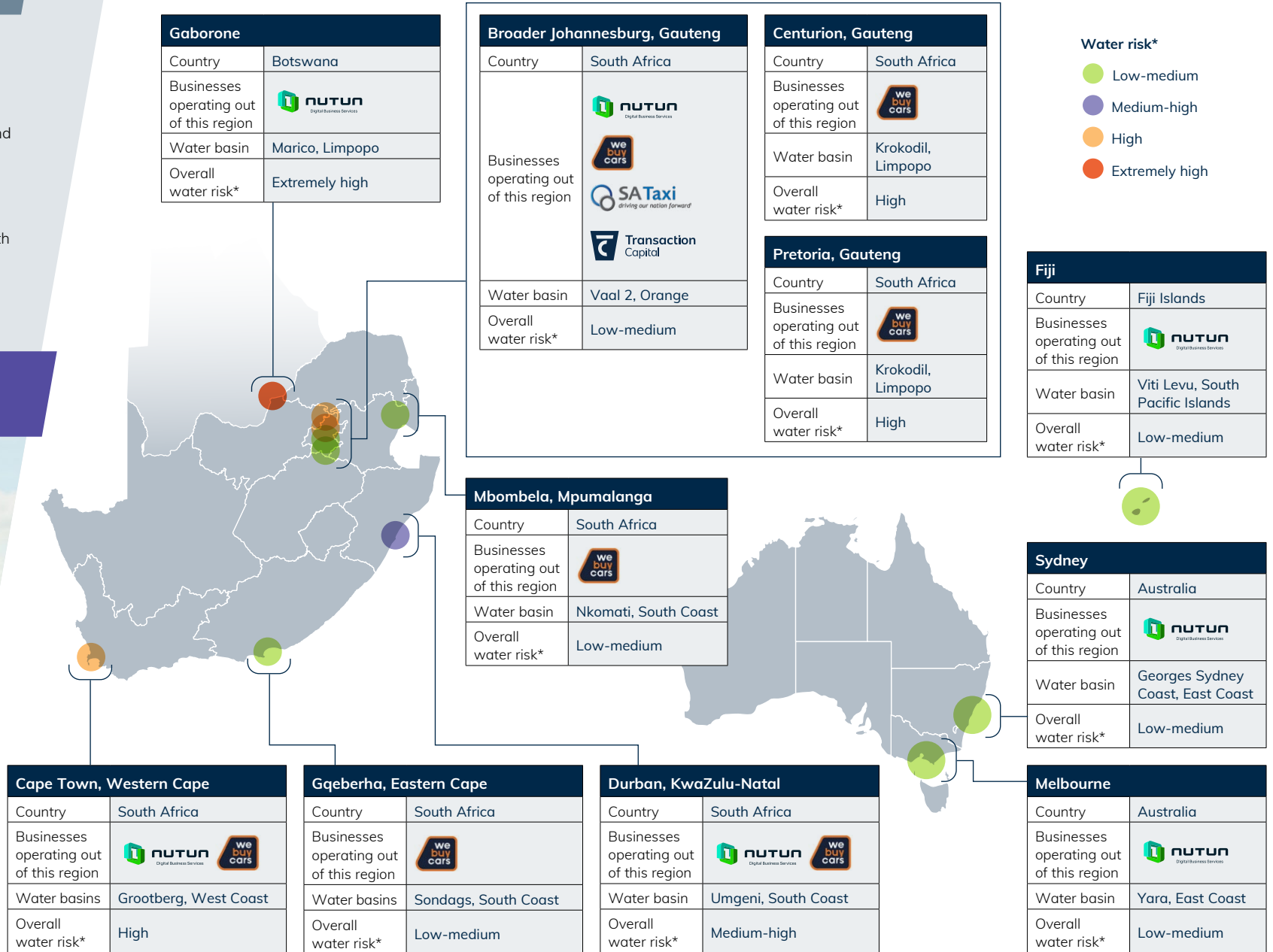
## Metrics and targets

The group is committed to measuring, tracking, and reporting the impact of our operations on the natural environment, and we embrace our responsibility to manage our water, energy and carbon footprint.

### Water

This page summarises our operations, with the various water basins in which we operate, and their overall water risk as defined by the World Resource Institute's Aqueduct Water Risk Atlas.

We remain conscious of our water consumption due to the regions in which we operate.



\* As defined by the World Resource Institute's Aqueduct Water Risk Atlas.

Environmental impact continued

Metrics and targets continued

Water continued



The WeBuyCars business was impacted by the 2018 Cape Town droughts which restricted the business from washing cars. This had a direct impact on sales. WeBuyCars has since invested in water harvesting and storage tanks at 11 of its 13 branches to reduce its dependence on the municipal water supply. These grey water harvesting systems at its facilities ensure that the branches are completely self-sufficient and can refrain from consuming municipal water during the rainy season for the washing of cars.



SA Taxi has installed a borehole providing non-potable water to one of its building's ablutions. The installation was completed in November 2021 and is currently supplying on average 48.8kL of borehole water to the building, reducing the reliance on municipal water supply.

Water consumption data at our facilities is rudimentary, with some sites not currently measuring or capturing this information accurately. We will start putting systems in place to improve this data capturing going forward.

Water consumption (kL) <sup>1</sup>	2022	2021	2020
Group executive office <sup>2</sup>	25	13	n/a <sup>3</sup>
SA Taxi	20 480	26 069	26 774
Nutun (previously TCRS) South Africa	12 573	12 564	24 059
Nutun (previously TCRS) Australia <sup>4</sup>	3 521	6 313	9 669
WeBuyCars <sup>5</sup>	24 106	n/a	n/a
<b>Total</b>	<b>60 705</b>	<b>44 959</b>	<b>60 502</b>
<b>Total excluding WeBuyCars<sup>6</sup></b>	<b>36 599</b>	<b>44 959</b>	<b>60 502</b>

1. Water consumption data capturing is something we are still working to improve. We will start putting systems in place to improve accuracy going forward.
2. This includes water consumption from our satellite head office buildings. The main head office water consumption figures are included in Nutun South Africa's figures as we currently share office space with them. Going forward these offices will be in different locations and will be reported separately.
3. Lease only started in FY2021.
4. Water consumption at the Australia operations was materially impacted by COVID lockdowns and working from home. There are less people working in the office and therefore less water is being consumed.
5. This is the first year of quantifying the WeBuyCars water metrics.
6. Presented for year-on-year comparative purposes.





Environmental impact continued

Metrics and targets continued

**Energy**

**Electricity consumption**

The majority of our sites at this stage use grid electricity, with the South African grid being predominantly coal fired, while the Australian grid is slightly less carbon intensive when compared to the South African grid. The WeBuyCars business has installed solar PV at 8 of its 13 branches, ensuring that its branches are less reliant on our national electricity grid. The total installed capacity of solar at WeBuyCars is 1 058 kWp, generating approximately 29% of the business' electricity needs. SA Taxi has installed two solar systems at their operations, with a total capacity of 243 kWp. These plants are contributing approximately 13% to the electricity consumption at SA Taxi, reducing reliance on the grid.



Electricity consumption (kWh) <sup>1</sup>	2022	2021	2020
Group executive office	23 490	1 644 <sup>2</sup>	64 694
SA Taxi	2 432 053 <sup>3</sup>	3 087 873	3 108 542
Nutun South Africa	2 488 976	2 492 874	3 493 146
Nutun Australia	638 669 <sup>4</sup>	578 293	720 061
WeBuyCars <sup>5</sup>	4 885 439	n/a	n/a
<b>Total</b>	<b>10 468 627</b>	<b>6 160 684</b>	<b>7 386 443</b>
<b>Total excluding WeBuyCars<sup>6</sup></b>	<b>5 583 188</b>	<b>6 160 684</b>	<b>7 386 443</b>

1. We are working on implementing metering systems at our various sites to measure electricity consumption more accurately. This will improve our electricity data going forward. As of November 2022, we have already installed electricity meters at four of SA Taxi buildings, which account for around 70% of its electricity consumption. These meters allow us access to real time electricity data for these buildings. We aim to verify our electricity data in FY2023.
2. Reduction due to head office moving into shared office space with Nutun South Africa. The reported number represents the electricity consumption at our satellite head office space.
3. Approximately 13% of SA Taxi's electricity consumption is generated through onsite solar PV.
4. Year-on-year increase between FY2022 and FY2021 because of the new Prushka facility acquired in FY2022.
5. This is the first year of quantifying the WeBuyCars energy metrics. Approximately 29% of this electricity consumption is supplied by onsite renewable solar PV.
6. Presented for year-on-year comparative purposes.

**Diesel and petrol consumption**

Fuel consumption on site is used for either mobile fuel in vehicles or stationary combustion in diesel generators. During 2022 Eskom implemented significant load shedding to bring stability to the national electricity grid in South Africa. This has resulted in an increased usage of diesel in backup diesel generators to produce power at our operations, specifically seen at Nutun South Africa and SA Taxi.

Fuel consumption (kWh)	2022	2021	2020
Group executive office	25 257	23 348	29 238
SA Taxi	11 019 464	10 533 404	6 944 315
Nutun South Africa	494 591	107 795	340 686
Nutun Australia	3 645	3 623	2 558
WeBuyCars <sup>1</sup>	11 967 875	n/a	n/a
<b>Total</b>	<b>23 510 832</b>	<b>10 668 170</b>	<b>7 316 797</b>
<b>Total excluding WeBuyCars<sup>2</sup></b>	<b>11 542 957</b>	<b>10 688 170</b>	<b>7 316 797</b>

1. The first year of quantifying the WeBuyCars energy metrics.
2. Presented for year-on-year comparative purposes. The increase in fuel combustion at the South African operations is due to the stationary fuel combustion in diesel generators, which was required due to the extensive loadshedding experienced in the country during the year.



**Environmental impact continued**

**Our carbon footprint**

The group's carbon footprint has been calculated according to the international Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard methodology and includes all direct scope 1 and indirect scope 2 emissions as required by the GHG Protocol, with the material scope 3 emission sources for our businesses included. The base year has been set as 2020, being the earliest period for which reliable data is available. The appropriateness of the base year, when operations were significantly impacted by COVID-19, will be assessed on an ongoing basis as we adjust to a new way of doing business. FY2022 is the first year we have calculated and reported on the WeBuyCars carbon footprint.

**Metrics and targets continued**

**Methodology:**

- ▷ GHG Protocol

**Consolidation approach:**

- ▷ Operational control

**Emission factor data sources:**

- ▷ Defra (2022)
- ▷ International Energy Agency
- ▷ Eskom (electricity in SA)

**Intensity ratios:**

- ▷ GHG emissions per employee
- ▷ GHG emissions per m<sup>2</sup> of buildings
- ▷ GHG emissions per total income

**GHG emissions inventory:**

**Coverage:**

Employees covered by carbon footprint



Buildings covered by carbon footprint in m<sup>2</sup>



**Transaction Capital Group consolidated emissions**

(For year-on-year comparison purposes we have excluded WeBuyCars from the group's consolidated carbon footprint, but this is provided below in the subsidiary splits for FY2022.)

Metric tonnes of CO <sub>2</sub> e <sup>1</sup>	2022	2021	2020 (base year)	2022 – 2021 movement	2021 – 2020 movement
<b>Scope 1: direct emissions</b>					
Stationary combustion	1 469	162	199	807% <sup>2</sup>	-19%
Mobile combustion	1 419	2 285	1 635	-38%	40%
Product use: refrigerant gases (Kyoto Protocol)	69	21	17	229%	27%
<b>Total scope 1 emissions</b>	<b>2 957</b>	<b>2 467</b>	<b>1 850</b>	<b>20%</b>	<b>33%</b>
<b>Scope 2: indirect emissions</b>					
Purchased electricity	5 292	6 354	7 404	-17%	-14%
<b>Total scope 2 emissions</b>	<b>5 292</b>	<b>6 354</b>	<b>7 404</b>	<b>-17%</b>	<b>-14%</b>
<b>Total scope 1 and 2 emissions</b>	<b>8 249</b>	<b>8 821</b>	<b>9 254</b>	<b>-6%</b>	<b>-5%</b>
<b>Intensity metrics</b>					
Scope 1 and 2 emissions per employee	1.93	2.304	2.506	-16%	-8%
Scope 1 and 2 emissions per m <sup>2</sup> of building	0.13	0.18	0.215	-27%	-16%
Scope 1 and 2 emissions per total income (Rm)	1.90	2.1	3.01	-10%	-30%

1. This table excludes emissions from WeBuyCars so that year-on-year comparison is possible.  
 2. The year-on-year increase in stationary fuel scope 1 emissions is due to the increased use of diesel generators during the extensive loadshedding experienced in South Africa in 2022.

**Value chain emissions**

**Scope 3: indirect emissions from value chain**

Category 1 – purchased goods and services	180	148	85	22%	74%
Category 2 – capital goods	Not relevant				
Category 3 – fuel and energy related activities	2 243	743	738	202%	1%
Category 4 – upstream transportation and distribution	1.9	0.5	0.7	258%	-29%
Category 5 – waste generated in operations	17	67	111	-75%	-40%
Category 6 – business travel	685	317	560	116%	-43%
Category 7 – employee commuting	Considered immaterial				
Category 8 – upstream leased assets	Not relevant				
Category 9 – downstream transportation and distribution	Not relevant				
Category 10 – processing of sold products	Not relevant				
Category 11 – use of sold products	Relevant, but not yet quantified				
Category 12 – end-of-life treatment of sold products	Relevant, but not yet quantified				
Category 13 – downstream leased assets	Not relevant				
Category 14 – franchises	Not relevant				
Category 15 – investments (SA Taxi's financed minibus taxi fleet) <sup>1</sup>	441 235	437 696	419 381	1%	4%
<b>Total scope 3 emissions</b>	<b>444 361.9</b>	<b>438 971.5</b>	<b>420 875.7</b>	<b>1%</b>	<b>4%</b>

1. The scope 3 category 15 emissions represent GHG emissions from SA Taxi's financed minibus taxi fleet for the financial year under review and relative to the SA Taxi financed portion only, as directed by the Partnership for Carbon Accounting Financials carbon accounting methodology for financial institutions. To see SA Taxi's contributions to emissions abatement within the taxi industry please refer to the summary on page 55.

Environmental impact continued

Metrics and targets continued

Our carbon footprint continued

Emissions split by subsidiary for FY2022

Metric tonnes CO <sub>2</sub> e for FY2022	NUTUN Digital Business Services	We buy cars	SA Taxi driving our nation forward	Transaction Capital
<b>Scope 1: direct emissions</b>				
Mobile combustion	16	2 674	1 396	7
Product use: refrigerant gases (Kyoto Protocol)	11	0	58	0
Stationary combustion	110	228	1 359	0
<b>Total scope 1 emissions</b>	<b>137</b>	<b>2 902</b>	<b>2 813</b>	<b>7</b>
<b>Scope 2: indirect emissions</b>				
Purchased electricity	3 020	3 692	2 248	24
<b>Total scope 2 emissions</b>	<b>3 020</b>	<b>3 692</b>	<b>2 248</b>	<b>24</b>
<b>Total scope 1 and 2 emissions</b>	<b>3 157</b>	<b>6 594</b>	<b>5 061</b>	<b>31</b>

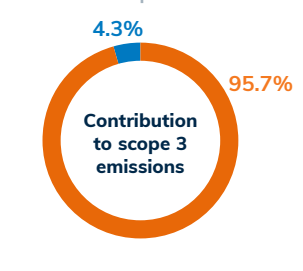
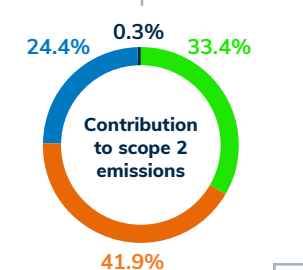
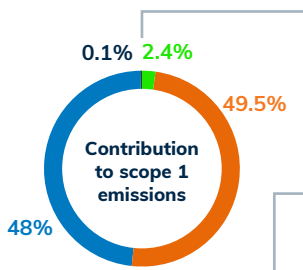
Intensity metrics	Nutun	WeBuyCars	SA Taxi	Group executive office
Scope 1 and 2 emissions per employee	1.16	2.96	3.38	0.56
Scope 1 and 2 emissions per m <sup>2</sup> of building	0.08	0.04	0.20	0.18
Scope 1 and 2 emissions per total income (Rm)	1.02	2.74	1.95	0.20
Scope 1 and 2 emissions per vehicle sold (WeBuyCars), per vehicle financed (SA Taxi) <sup>1</sup>	n/a	0.05	1.08	n/a

1. This metric is only relevant for WeBuyCars and SA Taxi.

Value chain emissions

Category	Nutun	WeBuyCars	SA Taxi	Group executive office
<b>Scope 3: indirect emissions from value chain</b>				
Category 1 – Purchased goods and services <sup>1</sup>	97	1 263 672	81	2
Category 3 – Fuel and energy related activities	932	1 797	1 302	9
Category 4 – Upstream transportation and distribution	Not relevant	2 666	Not relevant	1.9
Category 5 – Waste generated in operations	17	153	Not quantified at this stage	Included as part of Nutun's waste emissions
Category 6 – Business travel	548	108	57	80
Category 11 – Use of sold products <sup>2</sup>	Not relevant	8 582 346	Not quantified at this stage	Not relevant
Category 15 – Investments <sup>3</sup>	Not relevant	Not relevant	441 235	Not relevant
<b>Total scope 3 emissions</b>	<b>1 594</b>	<b>9 850 742</b>	<b>442 675</b>	<b>92.9</b>

1. This relates to the embodied carbon within the cars purchased by WeBuyCars during the year.  
 2. This is the lifetime emissions related to the sale of vehicles by WeBuyCars. See note to the right for more detail.  
 3. The scope 3 category 15 emissions represent GHG emissions from SA Taxi's financed minibus taxi fleet for the financial year under review and relative to the SA Taxi financed portion only, as directed by the Partnership for Carbon Accounting Financials carbon accounting methodology for financial institutions. To see SA Taxi's contributions to emissions abatement within the taxi industry please refer to the summary on pages 54 and 55.



- Nutun
- WeBuyCars
- SA Taxi
- Group executive office



### Use of sold products (category 11) for WeBuyCars

The emissions from the products that WeBuyCars sells will only reduce as the vehicle market in South Africa adjusts and transitions to lower emitting vehicles like hybrid or electric vehicles. WeBuyCars does however contribute to the circular economy of the mobility industry, through extending the life of vehicles and reducing the need to produce new vehicles from newly extracted materials, thus contributing to avoided emissions.

This is further explained in the circular economy write up on page 53.

This is our first year of quantifying these emissions and we have used various assumptions to get a ballpark figure of what these emissions could look like. We will work to improve on our assumptions with time to calculate these scope 3 emissions more accurately.

**The assumptions used in FY2022:**

- ▷ We assumed that the average car has a lifespan of 30 years.
- ▷ Average km for a car per year: 20 000 km.
- ▷ Emission factor of an average unknown car was used = 0.17067 kgCO<sub>2</sub>e per km driven.



Environmental impact continued

Metrics and targets continued

Our carbon footprint continued

Case study



**WeBuyCars Solar and Water Harvesting**

WeBuyCars is leading the way of installing environmentally friendly solutions for the group. This includes reducing their reliance on the national electricity grid through installing solar PV at its warehouses, while also reducing reliance on the municipal water supply with its rainwater harvesting solutions.

**Solar**

WeBuyCars has already installed around 1 058 kWp of solar PV at 8 of its warehouses around the country. This has reduced the WeBuyCars' electricity bill, contributing approximately 1 400 MWh per year, which is approximately 29% contribution to the overall electricity consumption for the business and reducing emissions by 1 487 tCO<sub>2</sub>e annually. WeBuyCars has invested over R13 million towards these renewable electricity solutions.

**Water harvesting**

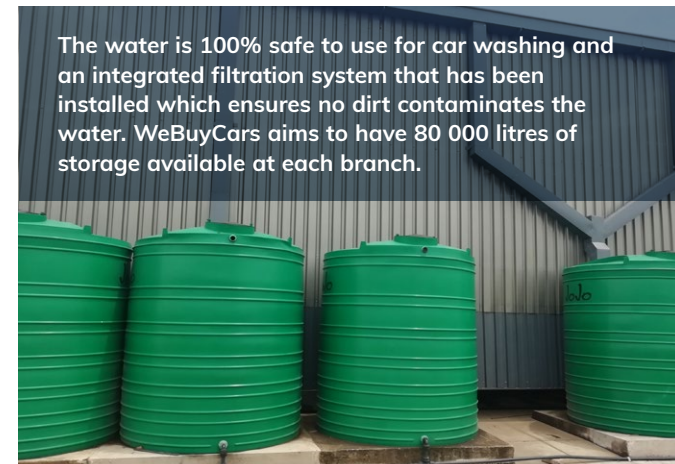
WeBuyCars believes that every company has an obligation to constantly increase sustainability efforts. This led to the installation of rainwater harvesting system at 11 of its warehouses, to wash thousands of vehicles and reduce interruptions during dry and drought periods. At some of its warehouses filtration systems have also been installed, which allows for the use of the water within the buildings as well.

This has dramatically reduced its reliance on municipal water, with these warehouses being completely self-sufficient, remaining off the municipal water grid during the rainy season for vehicle washing purposes. The primary objective is to harvest as much water as possible during the rainy season. The system works with water reservoirs being connected to the downpipes from the gutters so all water from the roofs flow into the reservoirs. These connect to the high-pressure systems in the wash bay via a pressure pump.

The initiative, which was piloted at WeBuyCars in February 2018 after moving into new premises in Midstream, Gauteng, and has now been rolled out at Silver Lakes (Pretoria East), Brackengate (Cape Town), Southgate (Johannesburg South), Springfield Park (Durban), The Dome (Randburg), Nelspruit, Gqeberha, Germiston, Polokwane and Epping.

Installed solar at the WeBuyCars branches:

	Dome	Germiston	Nelspruit	Springfield Park	Silver Lakes	Brackengate	JHB South	Midstream
Capacity	235 kWp	90 kWp	75 kWp	74 kWp	72 kWp	72 kWp	90 kWp	350 kWp
Date of installation	July 2022	Nov 2021	May 2022	Nov 2021	Nov 2020	Nov 2020	Nov 2020	Nov 2017



The water is 100% safe to use for car washing and an integrated filtration system that has been installed which ensures no dirt contaminates the water. WeBuyCars aims to have 80 000 litres of storage available at each branch.



Environmental impact continued

Metrics and targets continued

**Our carbon emission reduction targets**

The group has set a science-based target to reduce our scope 1 and 2 emissions, to support us in the mitigation and management of our climate related risks and opportunities. Our target is aligned with limiting the global temperature increase to well below 2°C in support of the Paris Agreement.

Our targets have been set based on the Absolute Contraction Approach (ACA) of the Science Based Targets Initiative (SBTi). The ACA is based on an allocation approach of the carbon budget that all companies should reduce or 'contract' their absolute emissions at the same rate, regardless of their initial emissions baseline. This method allows companies to set emissions reduction targets that are aligned with the global, annual emission reduction rate required.

The targets have been set for the short (2025), medium (2030) and long term (2035), with a base year of FY2020. Efforts to further reduce our impact to a 1.5°C classification will be investigated and pursued to the extent feasible.

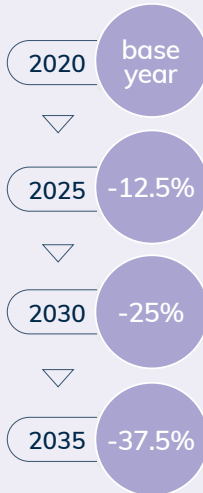


**Method used:**  
Science based target  
**initiatives:** Absolute contraction approach

Linear annual reduction rate  
**2.5%**

Temperature alignment  
**Well below 2°C**

**Timeframe and target ambition**



**How we plan to achieve targets**

The business aims to reduce emissions to meet our targets through implementing mitigation actions within our own direct operations. There is no plan at this stage to use carbon offsets to meet our targets.

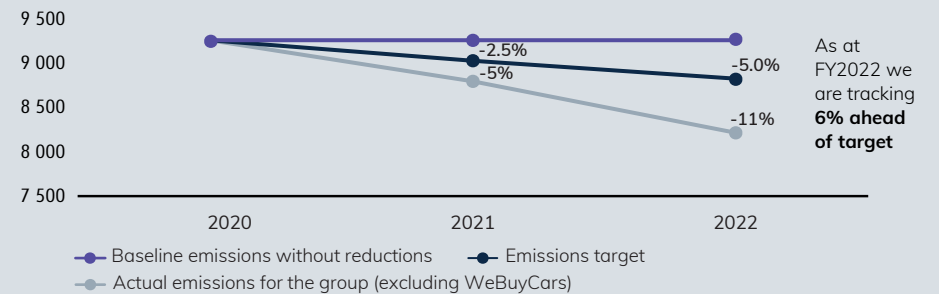
**Reviewing targets**

In the new year we will be reviewing our targets, with the aim to remain aligned to a well below 2°C global warming. Our revised targets will aim to be defined on an intensity basis, due to the growth we are experiencing within our business, which necessitates an increase in our head count and physical operations. This review will also allow us a chance to incorporate WeBuyCars into the scope of the target. We will aim to get the revised targets validated by the Science Based Target Initiative.

**Progress to target**

The progress against our targets is summarised in the below graph:

**Emission reduction target (Scope 1 and 2 emissions)**



**WeBuyCars** This is the first year of emission quantifications for WeBuyCars and this subsidiary hasn't yet been incorporated into our group wide targets. Work will progress on this in FY2023.

**Progress**

Good progress has been made by the group (excluding WeBuyCars) to reduce emissions in line with our targets to reduce global temperature rise by more than 2°C. Overall we have achieved an 11% reduction in scope 1 and 2 emissions since 2020, which means we are ahead of the 5% target which we should have achieved at this stage.

**Remuneration aligned to targets**

Our executive remuneration is aligned to our carbon emissions targets. 5% of their long-term incentive is reliant on the group meeting its targets set out above.

More detail about executive remuneration is provided on **page 75** of the remuneration report.

Environmental impact continued

## Our mobility platform businesses both operate within the context of the circular economy

At Transaction Capital we are of the opinion that circular strategies can pave the way towards sustainable mobility. Climate mitigation actions alone will not close the gap to reach our steep global targets of limiting global warming to 2°C but coupled with a transition to a global circular economy it is possible. The latest Circularity Gap report of 2021 states that the existing global mitigation pledges will bring us over 15% of the way towards meeting the Paris Agreement commitments, while the circular economy will deliver the remaining 85% of the contribution. The global economy today is only 8.6% circular, meaning there is an extensive circularity gap. Their research found however that we only need to close the circularity gap by a further 8.4% to reach global goals of limiting climate change to 2°C.

The outdated linear economy practice of 'take-make-waste' is not going to solve the global challenge.

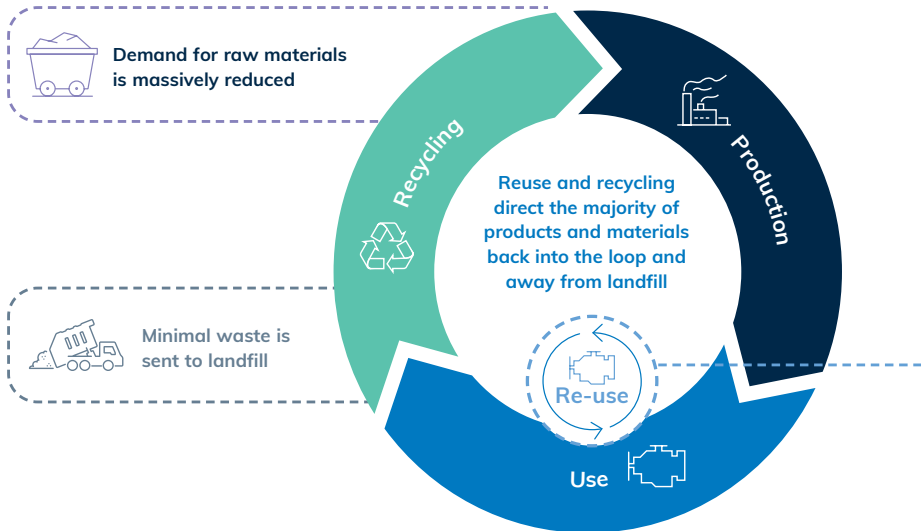


On the contrary, the circular economy principle of doing more with less, ensures that we deliver the same or even better output, with fewer material inputs and fewer emissions. We realise that this requires smart resource usage to curb consumption norms. At Transaction Capital we are key players within the mobility industry in South Africa with SA Taxi, GoBid\* and WeBuyCars and we are proud to be contributing to the circular economy of the industry.

\* During the current year, the group, through SA Taxi, acquired 40% of the ordinary share capital of GoBid (Pty) Ltd. GoBid buys and sells second hand, accident damaged and recovered stolen vehicles, via various sales platforms.

### Circular economy

In the circular economy reuse and recycling is maximised, requiring minimal new resource extraction, and ensuring that minimal products end up in the landfill.



### WeBuyCars' contribution to the circular economy

At WeBuyCars we operate wholly within the re-use aspect of the circular economy. We contribute to extending the life of a vehicle in South Africa, providing a trusted platform that enables our customers to have the choice of a second-hand vehicle versus a more carbon intensive new vehicle. As such, we believe we are contributing to a reduction of the consumption mentality that we are all accustomed to in the context of the linear economy, reducing the need for extraction of raw materials to produce new vehicles for the industry.

As such WeBuyCars contributes to avoided emissions within the car industry in South Africa. It is estimated that we avoided between 1 – 1.4 million tCO<sub>2</sub>e<sup>#</sup> from car manufacturing facilities, because of us selling second hand cars, and not needing to produce these as new vehicles for the market.

<sup>#</sup> These emissions are estimated using an average production emission factor for a car and multiplied by the number of vehicles sold by WeBuyCars during the year. Emission factor sources: Exiobase 3.8.2, 2021 and Renewable and Sustainable Energy Reviews, 2022.

The business of WeBuyCars will transition to selling lower carbon alternative vehicles as the market progresses and transitions, since operating in the second-hand market means we are a follower of the trends seen in the South African vehicle market.

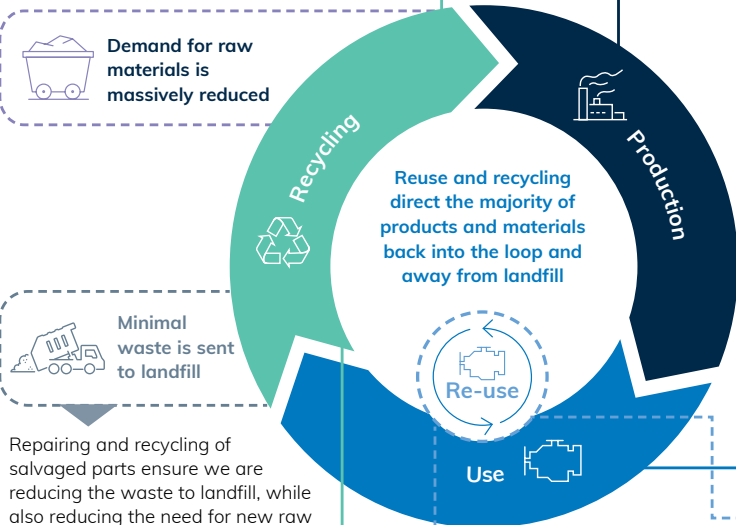


## SA Taxi's contribution to the circular economy

In the Quality Renewed Taxi (QRT) business, we are a key contributor to the circular economy of the taxi industry, through reconditioning, recycling, and retrofitting of taxis:

### Recycling – increasing the proportion of recycled material in taxis

- ▷ We optimise the lifecycle of materials and car parts through our salvage business, from the collection stage (purchasing of damaged/written off taxis that are not viable to repair and through importing of grey parts), to dismantling these vehicles, reusing parts, remanufacturing, and recycling components.
- ▷ Through purchasing of damaged/written off taxis, we have reduced the waste to landfill at the end of life of a taxi.
- ▷ The salvage business of SA Taxi has been sold as part of the GoBid transaction, with SA Taxi now owning 40% stake in GoBid. Through GoBid, SA Taxi contributes to the reuse of salvaged taxi stock (by way of insurance accident salvage vehicles as well as repossessions off the portfolio), selling these to private consumers, dealerships, and companies, preventing this from moving to landfill.



- ▷ **79 tonnes** of scrap metal was diverted for recycling and remelting in FY2022 (FY2021: 71 tonnes)
- ▷ **25 tonnes** of cardboard boxes recycled in FY2022 (FY2021: 15.8 tonnes)
- ▷ **2.73 tonnes** of general plastic recycled in FY2022 (FY2021: 1.84 tonnes)
- ▷ **2.1 tonnes** of PET plastic recycled in FY2022 (FY2021: 1.7 tonnes)
- ▷ **2.51 tonnes** of High-density polyethylene plastics recycled in FY2022 (FY2021: 2 tonnes)
- ▷ **1.1 tonnes** of glass recycled in FY2022 (FY2021: 0.8 tonnes)

### Re-energy

- ▷ SA Taxi has done extensive research into alternative fuelled taxis including electric taxis, compressed natural gas (CNG) taxis and the conversion of an existing combustion engine taxi to a battery-operated taxi.
- ▷ As it stands currently, considering the unique South African context, we face a myriad of complexities to get to a state of feasibility of these options for the taxi industry:
  - The tax regime and incentives for EVs are not yet conducive for import, however, government is currently reviewing excise duties on these vehicles, which should reduce import costs in time.
  - Currently the national transport infrastructure is poorly equipped to deliver products and services such as CNG filling stations and electric vehicle charging stations to enable these forms of technology to be rolled out on a large scale.
  - There is an additional weight consideration for road infrastructure itself, considering the wide reach of the minibus taxi industry.
  - Beyond logistical considerations for the vehicles themselves, there are questions about the impact to the fiscus (due to revenue loss from tax on fuels), along with electricity costs and supply issues.
  - The amount of space a battery occupies inside a taxi also reduces the number of passengers that can be transported compared to traditional minibus taxis, reducing fare revenue per trip.

- ▷ Electric taxis will be assessed in the longer-term strategy for SA Taxi. There are many stakeholders that must be included, and constraints considered and planned for to successfully replace the fleet. We are of the opinion that to drive mobility electrification in the South African context, the taxi is one of the most sensible vehicles to electrify due to the following factors:
  - Taxis have scheduled downtime during non-peak times and generally always return to the same base. This time and base could be used to charge the batteries.
  - Taxis are the most effective mode of transport moving many people at once, compared to electrifying a car that only transports one or two people per trip.
  - The high mileage of taxis would mean electrifying is more economical, this would reduce maintenance costs as well.
  - Reduced fuel costs would be a compelling benefit for taxi entrepreneurs.

### Reconditioning of old vehicles

- ▷ Through our refurbishing business we maximise on maintenance of the taxis and optimise our repairability of the components, which ensure we can extend the life of a taxi while improving the efficiency of the vehicles on the road.
- ▷ In our SA Taxi Auto Parts business we refurbish taxi parts and on-sell these to taxi operators at affordable rates, to enable reconditioning of their taxis, contributing to both re-use and passing on cost savings to the consumer.
- ▷ The Smart Seat business is a good example of reconditioning the seats within the minibus taxi to restore the interior of these vehicles to be as good as new.

### Retrofitting to extend life of a taxi

- ▷ During our reconditioning of the vehicles, we usually retrofit the vehicles with a new or refurbished engine which would allow these vehicles to run more efficiently, resulting in less polluting vehicles that last longer.



At SA Taxi we continue to innovate and improve operational efficiencies in our business, by looking across all these aspects covered above. We strive to continue adding value to the taxi industry through our contributions.



Environmental impact continued

**Circular economy continued**

**SA Taxi's contribution to the circular economy continued**

SA Taxi's fully refurbished QRTs provide operators with an affordable yet reliable alternative to buying a new vehicle and contributes to minimising industry waste.

QRT loan originations for the year increased 32%. This indicates continued strong momentum in the sale and finance of SA Taxi's fully refurbished QRT vehicles, and an enhanced contribution to a more circular economy.

The different approaches to reducing carbon emissions in the SA Taxi financed fleet are provided in the four mitigation cases below. The analysis has been quantified assuming the average emission per kilometre travelled per vehicle in the SA Taxi fleet. Given the proportion of the national fleet financed by SA Taxi (~14%), this has a material benefit at a national level, ultimately reducing the minibus taxi industry's GHG emissions. This analysis indicates that SA Taxi's contribution could achieve a reduction of approximately 0.48% of the full mitigation potential of carbon emissions proposed for the road transport sector of South Africa in 2022.

**SA Taxi's contribution to emissions abatement of scope 3 category 15 emissions (tCO<sub>2</sub>e)**

Mitigation case	2022	2021	2020
1. Improved fuel efficiency due to SA Taxi financed new vehicles replacing old vehicles	45 968	40 052	38 114
2. Improved fuel efficiency due to replacement of 14-seaters with 16-seaters	34 697	30 842	26 654
3. Improved fuel efficiency due to replacement of petrol vehicles with diesel vehicles*	22 319	22 728	17 746
4. Improved fuel efficiency due to vehicle refurbishments	1 178	1 001	771

\* In the South African context, replacing older petrol vehicles with new or QRT diesel vehicles, along with the cleaner grade of diesel available in the country, represents a higher mitigation of emissions.

Use **9.9%**

GHG emissions abatement of the minibus taxi industry  
(2021: 9.9%) (2020: 9.8%)

**4 707**  
Number of QRTs financed in 2022  
(2021: 3 553)  
(2020: 2 186)

**32%**  
Year-on-year growth in QRT loan originations  
(2021: 63%)  
(2020: 15%)



SA Taxi also completed its circular economy study during FY2022 to quantify the avoided emissions through its salvage, refurbish, re-use and recycling principles applied during the production of a QRT vehicle.

The study determined that SA Taxi avoids the following emissions:

Avoided emissions (tCO <sub>2</sub> e)	2022	2021
By preventing waste from ending up in landfills	5 371	4 393
Through implementing the principles of salvaging, refurbishing, and reusing parts during the production of a QRT	10 063	8 235
<b>Total avoided emissions through circular economy principles (tCO<sub>2</sub>e)</b>	<b>15 434</b>	<b>12 628</b>

**Other key focus areas across the group to reduce our FY2022 carbon footprint**

**Reducing our direct GHG emissions from energy usage**

- ▷ Investing in renewable energy solutions, such as solar PV to assist in electricity generation, reducing our scope 2 electricity-based emissions. This investment has been continuous year on year, with further capital laid out in FY2022.
- ▷ Replacement of old inefficient lighting with energy efficient lights in our buildings.
- ▷ Installing sensors in our meeting rooms and offices to automatically turn off the lights when rooms are unoccupied.

**Waste disposal**

- ▷ Paper and plastic recycling processes in place at most buildings, including relying on circular economy principles where possible. Embarking on a paperless drive, to replace documentation with electronic documents.

**Responsible water management**

- ▷ Grey water collections systems in place at select group premises, to reduce reliance on the municipal water supply and in turn reduce downstream emissions related to provisioning of water to facilities.

**Employee awareness campaigns advocating a cautious approach to consumption**

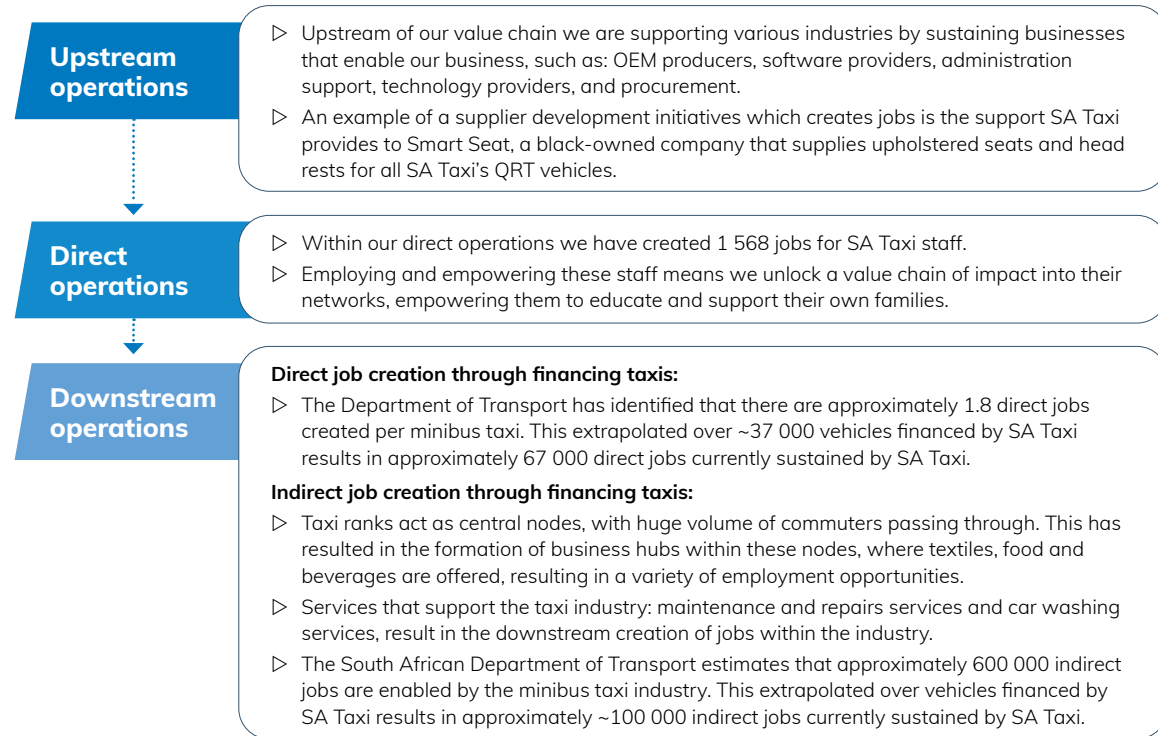
**Disposing of harmful products in a responsible manner by working with accredited third parties**

# Implementation roadmap

Realising the role, we play in our value chain is important in terms of our sphere of influence and the direct and indirect impacts we can have both up- and down-stream of our direct operations. We believe that realising the full potential of these impacts can mean that we are able to add real value and mitigate negative impacts, while building our competitive advantage within the economy. As a group we are aware of this potential and will be undertaking work in the year ahead to unpack and understand our full value chain better, so that we will be able to quantify our impacts within our sphere of influence covering economic, environmental, and societal impacts.

## SA Taxi value chain example:

A simplistic picture of the SA Taxi value chain and the impact we have on social inclusion, specifically job creation is depicted below:



**~1.8**  
Direct jobs per minibus taxi vehicle

**~184 700**  
Estimated direct jobs created by SA Taxi's fleet since 2008

**~307 900**  
Estimated indirect jobs created by SA Taxi's fleet since 2008



## ESEG data roadmap

We are on a journey at Transaction Capital to improve our data-capturing and data-sharing processes. This strategy is designed to put data at the centre of our group and to make this a more rigorous process, as is our financial data reporting. We are looking at improving the frequency of capturing and reporting, automating data extraction and transparency. We have enhanced our process from capturing data annually to monthly capturing, with the aim and vision to get to real-time data where possible. This process will take work and investment on our side, but something we are embarking on. We are investing in the Internet of things, including metering systems which will allow us to have real-time data. Where metering systems are not a plausible solution, we will look at using automated data scraping technology to scan and capture data from invoices to automate this manual data collection process and in turn remove any potential for human error. The vision is to couple this with an energy-efficient blockchain technology that will ensure our reporting is accurate and auditable. This future move to instantly verifiable and transparent data sets will put us at the forefront of ESEG reporting in South Africa.



## Reporting roadmap

We are also on a rigorous reporting journey with visions and ambitions of where we are hoping to get to, with the aim to move away from pure annual reporting. To give you a sense of what we are working towards:

- ▷ More frequent reporting, in smaller chunks. Aiming for quarterly reporting at a minimum.
- ▷ Different forms of reporting, to meet the different preferences, such as: excel/csv workbooks, podcasts, coupled with written form.

As we evolve, we hope to enhance our reporting, to be disclosing the material matters of our business at a frequency aligned to when they occur, while offering a wider range of materials that can be consumed by our stakeholders. We look forward to sharing these with you in the coming years.

# Appendix A: Regulations and policies

## Regulatory environment

Due to the nature of its businesses, the group is subject to a range of regulations and legislation, including, without limitation:

- ▷ National Credit Act.
- ▷ Consumer Protection Act.
- ▷ Debt Collectors Act.
- ▷ Second-hand Goods Act.
- ▷ Financial Sector Regulation Act.
- ▷ Insurance-related legislation including the Financial Advisory and Intermediary Services Act, the Insurance Act, the Short-term Insurance Act and Long-term Insurance Act.
- ▷ National Payment System Act.
- ▷ Anti-corruption and anti-money laundering legislation including the Financial Intelligence Centre Act and the Protection of Constitutional Democracy Against Terrorist and Related Activities Act.
- ▷ Competition Act.
- ▷ Legislation relating to the corporate affairs of the group, including the Companies Act, the Financial Markets Act, the JSE Listings Requirements and the JSE Debt Listings Requirements.
- ▷ Tax-related legislation, including the Income Tax Act and the Value-added Tax Act.
- ▷ Labour-related legislation, including the Labour Relations Act, the Basic Conditions of Employment Act and the Employment Equity Act.
- ▷ Legislation relating to information processing and electronic records including the Electronic Communications and Transactions Act, Protection of Personal Information Act, Promotion of Access to Information Act and the Cybercrimes Act.

## Policies and frameworks

The group has a comprehensive set of policies to guide its business conduct and the activities of its people. Stakeholders can find key policies below that are relevant to this report, but note that this is not an exhaustive list of all policies in place for the group and its divisions.

### Governance policies

- ▷ Anti-bribery and corruption policy.
- ▷ Whistleblowing policy.
- ▷ Board diversity policy.
- ▷ Director securities dealings policy.
- ▷ Environmental policy and position on climate change.
- ▷ Ethics charter.
- ▷ Human rights policy.
- ▷ Price sensitive information policy.
- ▷ Transformation policy.
- ▷ Broad-based Black Economic Empowerment policy.



### Human resource policies

- ▷ Compensation policy.
- ▷ Disciplinary process.
- ▷ Employee benefits policy.
- ▷ Employee conditions of employment policy.
- ▷ Fraud policy.
- ▷ Recruitment policy.
- ▷ Securities dealings policy.
- ▷ Sexual harassment policy.
- ▷ Training and development policy.



Specific divisional policies are published on their respective websites at  
<https://nutun.com/about>  
<https://www.webuycars.co.za/>  
<https://sataxi.co.za/legal-and-policy-documents/>



See **pages 23 and 24** of the **Governance report** for details of key regulatory developments.



# Glossary

<b>ACA</b>	Absolute contraction approach
<b>ACI</b>	African, Coloured, Indian
<b>AI</b>	Artificial intelligence
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BPO</b>	Business process outsourcing
<b>CE</b>	Customer experience
<b>CEO</b>	Chief executive officer
<b>CFO</b>	Chief financial officer
<b>CNG</b>	Compressed natural gas
<b>COVID-19</b>	The novel Coronavirus
<b>CSI</b>	Corporate social investment
<b>CSIR</b>	Council for Scientific and Industrial Research
<b>CXM</b>	Customer experience management
<b>DEKRA</b>	A vehicle inspection certification providing information on the mechanical and technical status of a vehicle
<b>DFI</b>	Development financial institution
<b>DRP</b>	Debt recovery programme
<b>EE</b>	Employment equity
<b>ESE</b>	Economic, social and environmental
<b>ESEG</b>	Economic, social, environmental and governance
<b>EV</b>	Electric vehicle
<b>EVP</b>	Employee value proposition
<b>FASSET</b>	Financial, Accounting, Management, Consulting and other Financial Services Sector Education and Training Authority
<b>FY</b>	Financial year
<b>GEO</b>	Group executive office
<b>GHG</b>	Greenhouse gasses
<b>GRI</b>	Global Reporting Initiative
<b>Group</b>	Transaction Capital and its subsidiaries
<b>HEPS</b>	Headline earnings per share
<b>IEA</b>	International Energy Agency
<b>IFRS ISSB</b>	International Financial Reporting Standards International Sustainability Standards Board
<b>JIBAR</b>	Johannesburg interbank average rate

<b>King IV</b>	King IV Report on Corporate Governance™ for South Africa, 2016
<b>kWp</b>	Kilowatt peak, the peak power of an energy system
<b>LTI</b>	Long-term incentive
<b>NaTIS</b>	National administration traffic information system
<b>NPL</b>	Non-performing loan
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OHS</b>	Occupational health and safety
<b>POPI Act</b>	Protection of Personal Information Act
<b>QRT</b>	Quality Renewed Taxi
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>SANTACO</b>	South African National Taxi Council
<b>SDGs</b>	Sustainable Development Goals
<b>SED</b>	Social Economic Development
<b>SETA</b>	Sector Education and Training Authority
<b>SMEs</b>	Small to medium-sized enterprises
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>tCO<sub>2</sub>e</b>	Tonnes of carbon dioxide equivalent
<b>UN</b>	United Nations
<b>W&amp;R SETA</b>	Wholesale & Retail Sector Education and Training Authority





# Corporate information

Share code: TCP

ISIN: ZAE000167391

JSE Limited sector: Financial Services

Listing date: 7 June 2012

Year end: 30 September

Company registration number: 2002/031730/06

Country of incorporation: South Africa

## Directors

### Executive

Sean Doherty (CFO)  
Mark Herskovits (CIO)  
David Hurwitz (CEO)  
Jonathan Jawno  
Michael Mendelowitz  
Roberto Rossi

### Independent non-executive

Buhle Hanise  
Suresh Kana (lead independent director)  
Albertinah Kekana  
Ian Kirk (chairman)  
Kuben Pillay  
Diane Radley  
Christopher Seabrooke  
Sharon Wapnick

## Company secretary and registered office

Lisa Lill  
The Bank, 12th Floor,  
24 Cradock and Tyrwhitt Avenue,  
Rosebank,  
Gauteng,  
2196

## JSE sponsor and equity markets broker

Investec Bank Limited  
(Registration number 1925/002833/06)  
100 Grayston Drive  
Sandton, 2196  
(PO Box 785700, Sandton, 2146)

## Debt sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)  
(Registration number 1929/001225/06)  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton, 2196  
(PO Box 786273, Sandton, 2146)

## Legal advisers

Edward Nathan Sonnenbergs Inc.  
(Registration number 2006/018200/21)  
150 West Street  
Sandton, 2196  
(PO Box 783347, Sandton, 2146)

## Transfer secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)

## Independent auditors

Deloitte & Touche  
(Practice number 902276)  
5 Magwa Crescent  
Waterfall City, 2090  
(Private Bag X6, Gallo Manor, 2052)



**Transaction**  
Capital