



# ESG Overview



**Purpose led.  
People powered.**



We're not landlords. We're people.



# Introduction

## Purpose led. People powered.

Redefine takes an integrated approach to business and value creation. Our purpose – **to create and manage spaces in a way that changes lives** – guides everything we do. We are committed to creating and preserving sustained value for all our stakeholders. We believe that by embedding environmental, social and governance (ESG) factors into every aspect of our business, we will be sustainable in the long term.

Our commitment to integrating ESG into every aspect of what we do is supported by our ESG strategy, which sets high-level goals for incorporating ESG into our investment processes, day-to-day operations, and stakeholder engagements. Our embedded ESG approach informs our strategic decisions and operations – ensuring our choices align with our values and strategic objectives to enable long-term value creation while ensuring transparency and accountability for our actions. The strategy is supported by policies and procedures that provide more technical detail on the implementation thereof, such as the climate risk framework, human rights policy and supplier code of conduct.

We are also a formal signatory to the United Nations (UN) Global Compact, making us the first South African REIT to do so. This demonstrates our long-term commitment to sustainability principles. The UN Global Compact is a call to companies everywhere to align their operations and strategies with 10 universal principles in the areas of human rights, labour, environment and anti-corruption. With more than 12 000 companies based in over 160 countries, and more than 60 local networks, it is the largest corporate sustainability initiative in the world.

For more information, see our [United Nations Global Compact: Annual progress report against the Ten Principles](#)

To achieve our purpose, we have developed a robust business model and a responsive and progressive strategy. Our strategy seeks to tackle the issues addressed by the 17 UN Sustainable Development Goals (SDGs) – deemed of critical importance to sustainable growth. We have identified primary and secondary SDGs internally, based on their relevance to our business, to guide how we will prioritise our resources and commitments. Furthermore, we have identified the most significant priorities across each of the SDGs, throughout our value chain. This is supported by forward-looking targets that are geared towards making tangible progress against the SDGs.

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[View our full 2022 ESG report](#)



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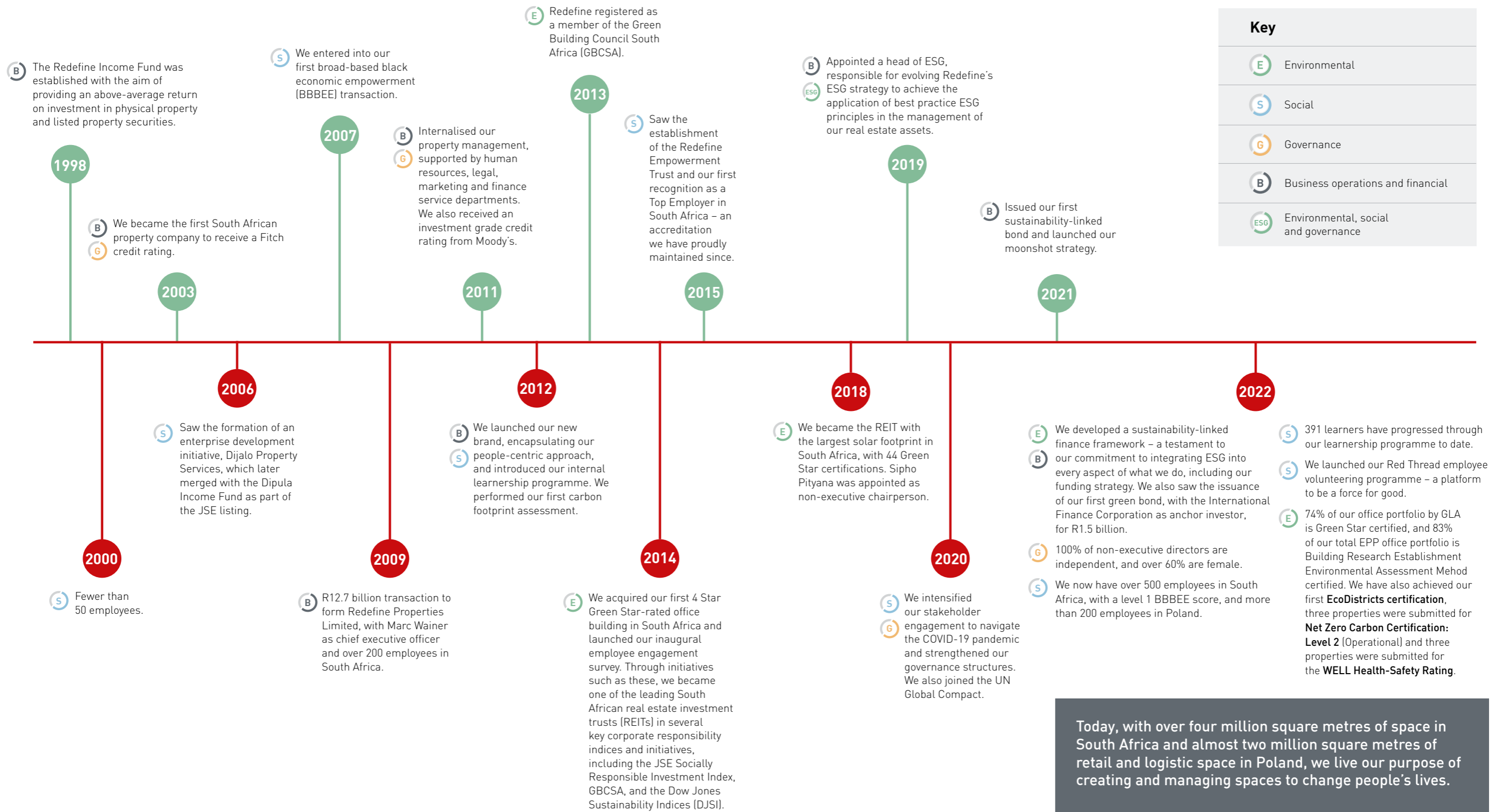
# How does ESG business integration benefit us?

At Redefine, we see integrating ESG into our business as an opportunity, and one we strive to harness.

BENEFITS	OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> <li>▪ Investors sharpen their focus and base investment decisions on ESG performance</li> <li>▪ Rating agencies increasingly integrate ESG factors into credit rating analyses</li> <li>▪ By proactively adapting to climate change, we can actively manage these risks and identify related opportunities, thus ensuring that our assets remain operational and our business remain competitive in a low-carbon economy</li> <li>▪ We attract sustainable tenants through our strong ESG performance</li> <li>▪ Our robust governance framework helps avoid corporate failures</li> <li>▪ Employees want to work for responsible companies – retaining and motivating employees depends on their connection to our purpose and meaning</li> <li>▪ We mitigate reputational harm and our broader enterprise-wide risks by managing ESG-related risks</li> <li>▪ By influencing sustainable behaviours across our value chain, we can embed many aspects of ESG without significant financial investment</li> <li>▪ We improve strategic forecasting by assessing the impact of ESG on our ability to attract equity and debt funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improving the quality and comparability of our public disclosure improves investor trust in the authenticity of our ESG journey</li> <li>▪ By focusing on ESG awareness in our value chain, both upstream (suppliers) and downstream (tenants, communities), we are better able to prepare for the transition to net zero</li> <li>▪ Our continued focus on internal governance and an ethical culture protects us from governance and corruption-related risk</li> <li>▪ By focusing on data gathering and digitisation, we can make informed decisions on ESG risks and opportunities and leverage our data to fully understand our ESG performance</li> <li>▪ Focusing on diversity, inclusion and gender equality allows us to help remedy the broader lack of inclusivity in the South African real estate sector</li> <li>▪ Improving our ESG performance allows us to access sustainable finance markets in the long term</li> <li>▪ We objectively promote continuous development by measuring and tracking our impact to assess our ESG performance</li> <li>▪ The development of a real estate sector-specific ESG disclosure guidance framework in 2023 will allow us to objectively compare our ESG performance against our local peers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Developing an ESG approach that takes into account the differences between South Africa and Poland from a climate and socioeconomic perspective can result in a complex groupwide ESG strategy</li> <li>▪ Building internal capacity to monitor and constantly adapt to changing science-based target-setting methodologies and social impact measurement, which are complex areas to monitor and achieve consistently</li> <li>▪ The approach to ESG among investors (local and international) and funders remains opaque and inconsistent</li> <li>▪ Government policy (at a national, provincial and local level) may not be adapting fast enough to enable the transition to a low-carbon economy</li> <li>▪ Inconsistent approach to the management of ESG risks and opportunities in the South African real estate sector</li> <li>▪ Decarbonisation requires the cooperation of tenants to truly succeed, which can be difficult to achieve due to differing ESG approaches among tenants</li> </ul>

# Our journey to here – 23 years of sustainable value creation

From modest origins, Redefine has grown exponentially to deliver consistent value for all our stakeholders.



Today, with over four million square metres of space in South Africa and almost two million square metres of retail and logistic space in Poland, we live our purpose of creating and managing spaces to change people's lives.

# Benchmarking our progress against our peers

We benchmark our performance against our peers – nationally and internationally – to inform our strategy and adopt international sustainability best practices across our organisation. It also satisfies the requirements from several of our major investors for us to provide sustainability data in a standardised score-based format.

## DJSI/S&P Global CSA

The DJSI tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria using the Standard & Poor's (S&P) Global Corporate Sustainability Assessment (CSA). We have elected to once again participate in the S&P Global CSA in order to gauge our relative ESG performance against international best practice. The content of the S&P Global CSA questionnaire is also updated on an annual basis. In 2022, the questionnaire included an increased focus on social criteria, particularly in people analytics, diversity and inclusion, as well as climate-related data, in closer alignment with Task Force on Climate-Related Financial Disclosure (TCFD).

OUR OVERALL SCORE COMPARED TO THE INDUSTRY AVERAGE		
	Redefine total sustainability score	Total industry average
2022	56	40
2021	56	27
2020	52	30
2019	53	36
2018	52	37
2017	55	42
2016	56	43

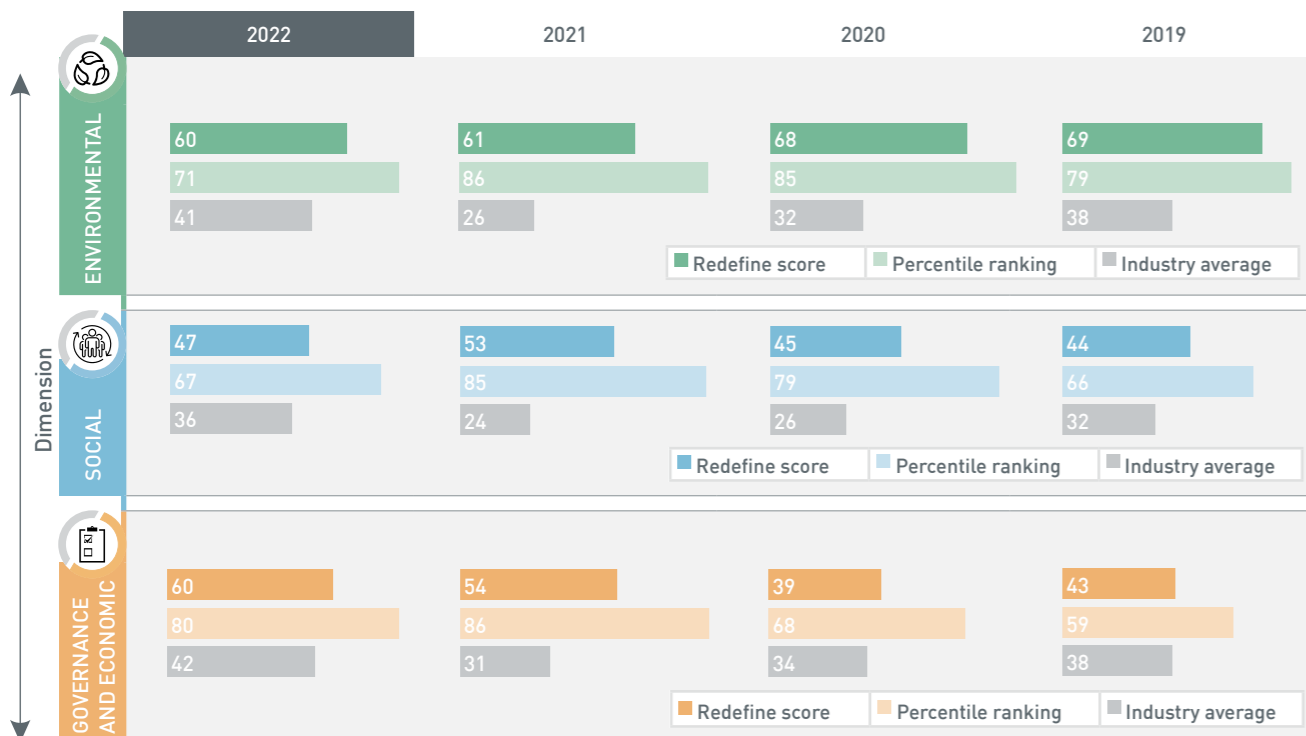
In 2022, we achieved a total sustainability score of 56, which is in line with our total sustainability 2021 score, and higher than our score of 52 in 2020, illustrating the progress we have made in articulating our underlying ESG strategy and improving our overall performance. The industry average increased from 27 in 2021 to 40 in 2022. We continue using our scorecard to identify targeted areas for improvement, in conjunction with the other sustainability-related indices in which we participate.

In 2022, we were not selected for inclusion in the DJSI, as we did not meet the applicable minimum criteria for emerging markets, which moved from 71 in 2021 to 69 in 2022.

The S&P Global CSA results set out alongside compare Redefine's score to the global real estate industry average and indicate the percentile ranking achieved for each dimension.

## Redefine's S&P Global SAM CSA results by dimension

Our detailed scores and rankings for each dimension are set out below. For the environmental dimension, our scores will improve once we enhance our environmental management system and clearly articulate our approach to biodiversity management; and the social dimension score will improve as we fully implement and measure the outcomes of our tenant journey programme and implement human rights due diligence processes in our operations and supply chain.



## GRESB

GRESB assessments are guided by investors and the industry to provide reliable and standardised global benchmarks on material ESG issues to capital markets. The GRESB real estate assessment aligns with international reporting standards and frameworks such as the Global Reporting Initiative, Principles for Responsible Investment, Sustainability Accounting Standards Board, DJSI, TCFD, UN SDGs and the Paris Agreement.

Globally, 1 820 real estate and infrastructure entities participated in the GRESB assessments in 2022 (2021: 1 520). GRESB benchmarks continued to cover the ESG performance of real estate and infrastructure funds, companies and assets, providing investors with validated data and insight on complex sustainability issues.

We compare our results from 2020 only since GRESB introduced a new reporting structure for the 2020 assessment, which assesses and scores standing investments and developments separately.

Our GRESB assessment results continue to assist us in benchmarking our performance against our peers and identifying areas for development and improvement across all aspects of ESG that affect us as a real estate company.

Our GRESB assessment results	REDEFINE			PEERS	
	2022	2021	2020	2022 GRESB average	2022 Peer/benchmark average
<b>STANDING INVESTMENTS</b>					
Management score	25	24	21	27	23
Performance score	46	41	38	47	51
GRESB score	71	65	59	74	78
<b>ESG breakdown</b>					
Environmental	40	37	36	40	45
Social	14	13	10	16	16
Governance	16	15	13	18	17
<b>DEVELOPMENT</b>					
Management score	25	24	51	27	25
Development score	59	48	21	54	49
GRESB score	84	72	71	81	76
<b>ESG breakdown</b>					
Environmental	42	34	36	38	32
Social	22	19	10	22	23
Governance	20	19	13	21	21

In addition to providing a performance score, GRESB also measures the level of disclosure by listed property companies and REITs against several indicators aligned with the GRESB assessment. These disclosure levels are expressed through a rating scale from A (most transparent) to E (least transparent).

The benchmark covers approximately 150 000 (2021: 117 000) assets. The data combines high-level overall scores with in-depth information across numerous ESG data points, including performance indicators such as GHG emissions, waste, and energy and water consumption.

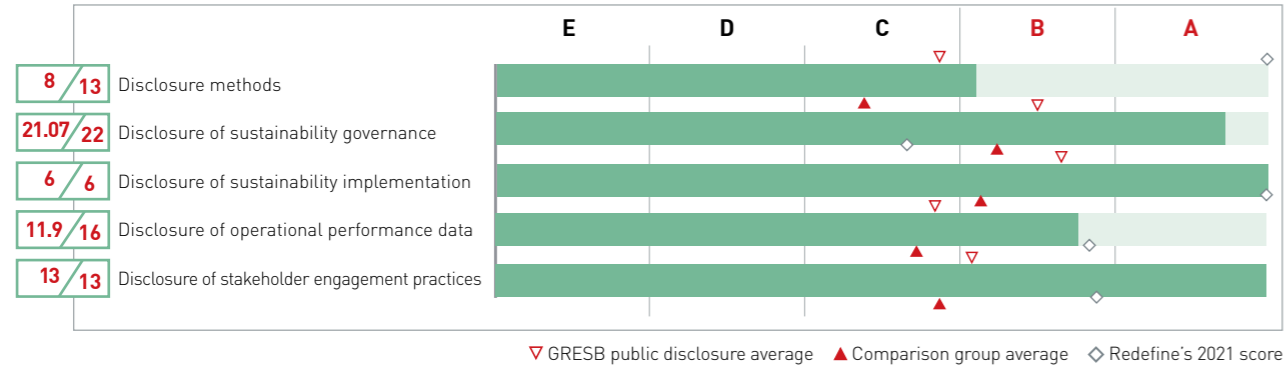
The dataset now covers 1 820 listed and non-listed funds. GRESB data is used by 170 institutional and financial investors with more than USD 51 trillion in assets under management. Together with the GRESB public disclosure dataset, this includes full coverage of all major listed real estate indices.

# Benchmarking our progress against our peers

continued

In 2022, our public disclosure level was rated A (2021: B), while the global average improved to a B rating (2021: C) and the comparison group average maintained a C rating (2021: C). Redefine was placed second in the South African diversified comparison group. Our disclosure performance per disclosure topic is also above GRESB public disclosure averages and its comparison group average and is included below.

## Redefine's GRESB disclosure ratings



## FTSE4Good Emerging Index

The FTSE4Good Emerging Index series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE ESG ratings are used as the core basis to determine the constituents of the FTSE4Good Emerging Index. Each company in the research universe is given a FTSE ESG rating ranging from zero to five, with five being the highest rating.

The criteria are based on publicly available data and assessing ESG practices, as FTSE does not accept data or information provided privately by companies. This improves the credibility of data and enhances transparency across the market.

In 2022, Redefine was included for the seventh consecutive year in the FTSE4Good Emerging Index review.

## Redefine's FTSE4Good Emerging Index score

	2022	2021	2020	2019
<b>ESG overall score</b>	<b>3.1</b>	3.6	3.5	3.3
Environment	2.6	2.8	3.2	2.3
Social	2.6	3.2	3.2	2.3
Governance	4.3	5.0	4.3	4.0

