

OCTOBER

20  
23

Strengthening  
OUR RESILIENCE

ESG

INVESTOR  
PRESENTATION



Please follow our  
**LinkedIn** page for  
more details



We're not landlords. We're people.

# OUR CONVERSATION

Presented by: Anelisa Keke, Chief sustainability officer

- 1 Overview
- 2 Environmental
- 3 Social
- 4 Governance
- 5 Closing
- 6 Supplementary information



Black River Office Park, Western Cape

# OVERVIEW

Kwena Square, Gauteng

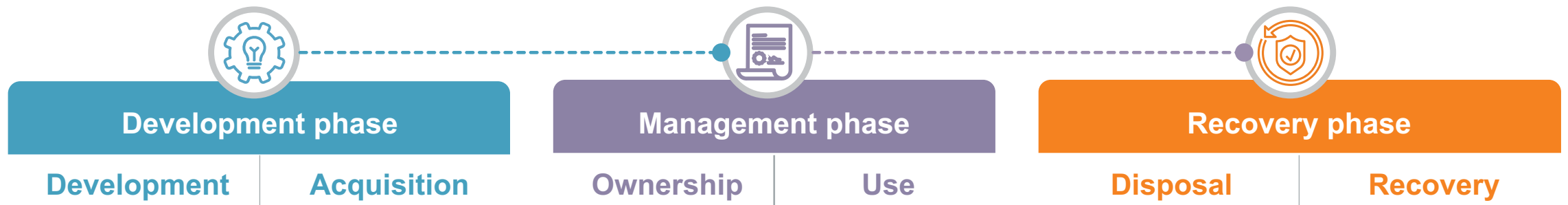


## Our ESG strategy

We are opting for the upside by scaling up our ESG initiatives to optimise our performance

- Our ESG strategy aims to deliver a meaningful impact on the primary and secondary UN SDGs that we previously identified
- The strategy is supported by targets with baselines, metrics and short-, medium- and long-term milestones and horizons
- Both Redefine and EPP are required to have long-term ESG strategies in place
- The focus is on managing sustainability-related risks and opportunities that safeguard our ability to let, insure, market and trade our assets
- We prioritise initiatives that create clear value for ourselves, our tenants, and other key stakeholders
- Our operational control boundary, i.e. the ESG strategy applying to assets under our operational control, remains the same

We aim to embed ESG into every aspect of our investments and operations



# Our approach is driven from a place of purpose

Putting people at the heart of what we do



Our **PURPOSE** is to create and manage spaces in a way that **transforms** lives



Our **MISSION** In this decade to deliver the **smartest** and most **sustainable spaces** the world has ever known



Our **VISION** is to be the **leading** South African REIT

Our **VALUES** hold us together



# Our refreshed pathways to bring our mission (moonshot) to reality

It's not what we do, but how we do it that sets us apart



## Embedding diversity, equity and inclusion

Creating and promoting an inclusive and transformative value chain that strengthens sustainable decision-making, creates a sense of belonging, and fosters innovation, creativity and positive and productive work environments, leading to prosperity and stakeholder satisfaction

To have our people and value chain fully representative of the society in which we operate



## Mobilising digital transformation

Enabling our people, through technological advancements and data, to ultimately enhance the quality and performance of our service offering, with primary focus on pivoting the tenant servicing model and transforming the experience

To achieve > 50% digital ratio



## Nurturing and optimising our ecosystems

Transforming from a product-driven strategy to a service-based business model that thrives on partnerships and platforms. Nurturing and maintaining mutually beneficial service-based collaboration with our stakeholders will be the catalyst to sustaining and extending value creation throughout our ecosystems

To achieve a product-service hybrid revenue model that will attract and retain tenants and entrench the continued relevance of our asset platform



## Being a catalyst for good

Our business activities are aimed at achieving a sustainable long-term impact on people, prosperity and the planet through our ESG strategy. This is centred around the 2030 UN SDGs that help us remain adaptable to an ever-changing market and ultimately equips us for the transition to a low-carbon economy

To achieve the 2030 UN SDGs that we have committed to



## Being curious innovators

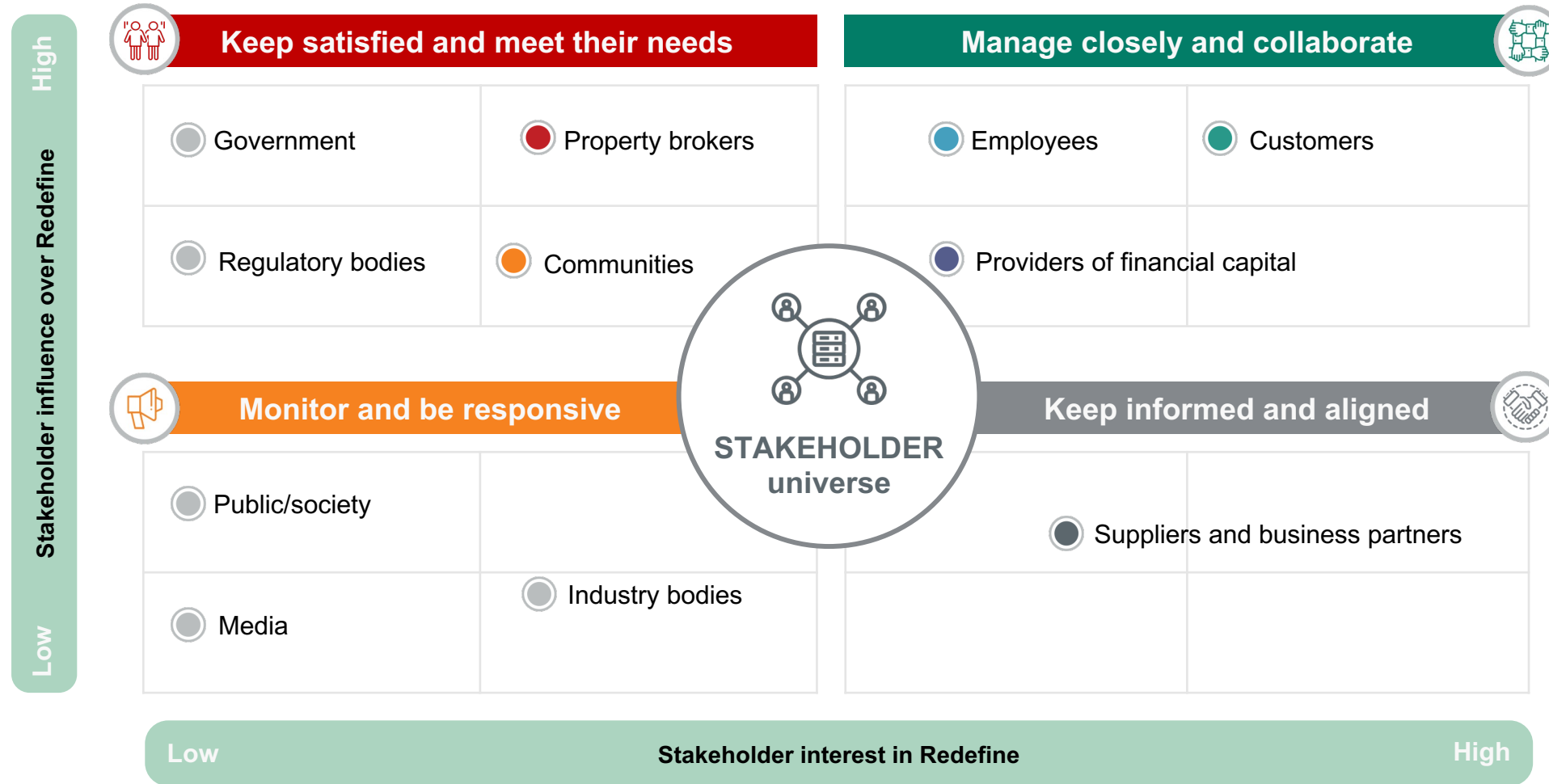
Continuing development of our people by fostering a culture of curiosity and a design-thinking mindset to evolve and grow our business by fundamentally transforming how it creates value across the stakeholder spectrum

To deliver an operating profit margin of 80% to 85% on a sustainable basis

2030 outcomes

# Updated Redefine stakeholder matrix

Don't dictate the engagement level, focus on what we aim to achieve

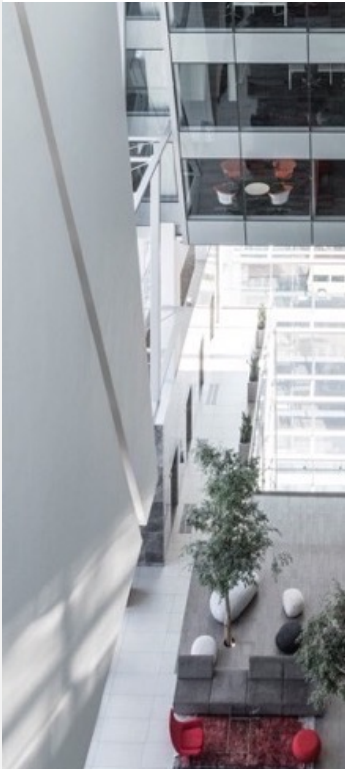


EPP is in the process of developing its stakeholder engagement strategy, which should be completed during FY24

# Our UN SDGs

Our efforts provide an opportunity to increase our attractiveness to key stakeholders

WE SUPPORT



Redefine primary UN SDGs 	
 <b>3</b> GOOD HEALTH AND WELLBEING Good health and wellbeing	 <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES Sustainable cities and communities
 <b>5</b> GENDER EQUALITY Gender equality	 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible consumption and production
 <b>7</b> AFFORDABLE AND CLEAN ENERGY Affordable and clean energy	 <b>13</b> CLIMATE ACTION Climate action
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH Decent work and economic growth	 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS Peace, justice and strong institutions
 <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, innovation and infrastructure	
Redefine secondary UN SDGs	
 <b>4</b> QUALITY EDUCATION Quality education	 <b>10</b> REDUCED INEQUALITIES Reduced inequalities
 <b>6</b> CLEAN WATER AND SANITATION Clean water and sanitation	 <b>17</b> PARTNERSHIPS FOR THE GOALS Partnerships for the goals

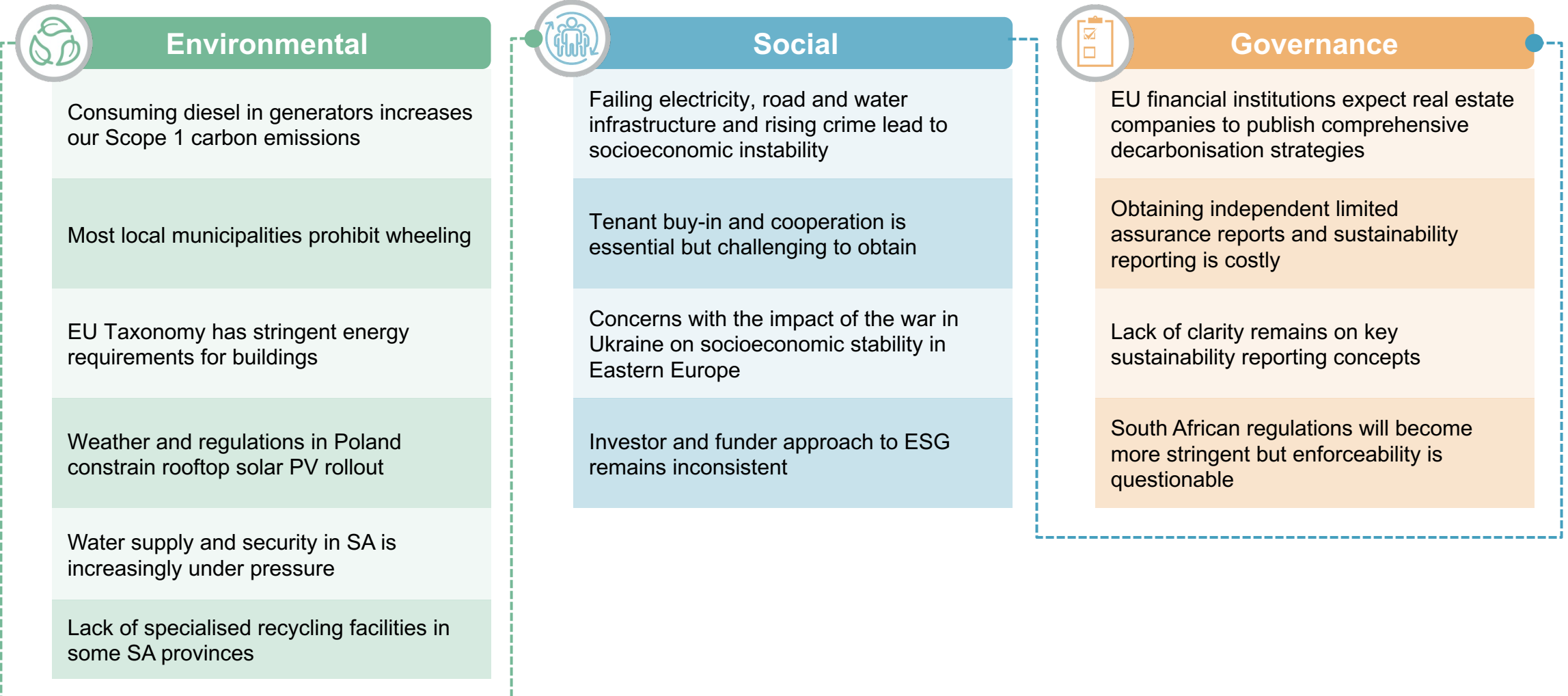
EPP UN SDGs 	
 <b>3</b> GOOD HEALTH AND WELLBEING Good health and wellbeing	 <b>10</b> REDUCED INEQUALITIES Reduced inequalities
 <b>4</b> QUALITY EDUCATION Quality education	 <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES Sustainable cities and communities
 <b>5</b> GENDER EQUALITY Gender equality	 <b>13</b> CLIMATE ACTION Climate action
 <b>6</b> CLEAN WATER AND SANITATION Clean water and sanitation	 <b>15</b> LIFE ON LAND Life on land
 <b>7</b> AFFORDABLE AND CLEAN ENERGY Affordable and clean energy	 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS Peace, justice and strong institutions
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH Decent work and economic growth	 <b>17</b> PARTNERSHIPS FOR THE GOALS Partnerships for the goals
 <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, innovation and infrastructure	

EPP does not categorise primary and secondary UN SDGs



# Key challenges affecting our ESG strategy



The key challenges affecting the strategy also present corresponding opportunities to further create value



# What we have achieved so far

Our strategy focuses on addressing risks and opportunities as market expectations evolve rapidly

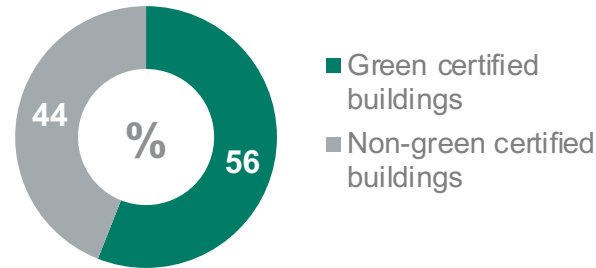
## Top green rated assets: SA

 Net zero carbon	2 Pybus	Commercial
	Rosebank Link	Commercial
	90 Rivonia Road	Commercial
 5 STAR	Black River Office Park	Commercial
	17 Winnipeg – Aeroport	Industrial
	Observatory Business Park	Commercial
	Riverside Office Park	Commercial
	Fairway Office Park	Commercial
	Ballyoaks Office Park	Commercial
	82 Maude	Commercial
	Hillcrest Office Park	Commercial

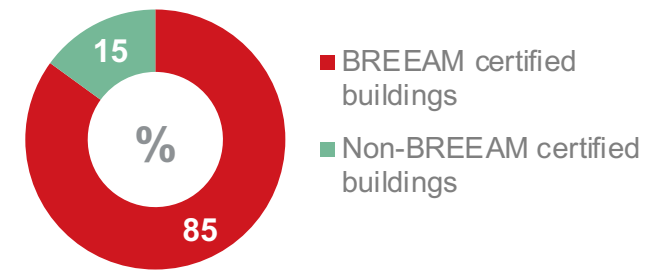
## Top green rated assets: EPP

 BREEAM®	M1 Bytom	Retail
	M1 Czeladź	Retail
	M1 Częstochowa	Retail
	M1 Kraków	Retail
	M1 Łódź	Retail

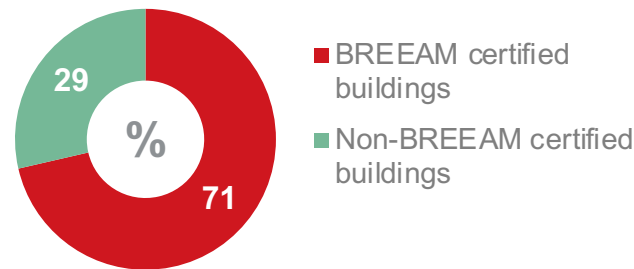
Total SA portfolio that is considered green by GLA



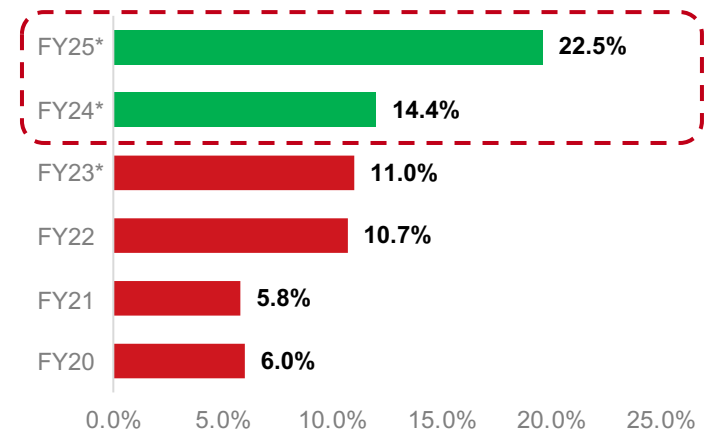
Total EPP portfolio that is BREEAM certified by GLA



Total ELI portfolio considered green by GLA



Energy sourced from renewables in SA (%)






\* Forecasted




# Understanding the business case for ESG

Our ESG strategy prioritises capital-light projects and responsible behaviour

## Yielding projects

-  Increased profitability due to on-site environmental initiatives that result in cost savings
-  We have evidence of international tenants and brokers seeking Green Star rated office spaces
-  Green leases offer an opportunity to rentalise environmental capex spend in tenanted spaces

## Non-yielding projects

-  We pursue non-yielding projects where they result in significant environmental savings and operational cost savings for our tenants
-  Social projects, while generally non-yielding, help mitigate several socioeconomic risks within the communities in which we operate. We are seeing increased interest from our tenants to collaborate on these initiatives. Ultimately, these are linked to our purpose of transforming lives
-  Governance-related spend is crucial, as it allows us to remain relevant in sustainable finance markets and measure and monitor our ESG KPIs

# ENVIRONMENTAL

90 RIVONIA

WEBBER WENTZEL  
in alliance with > Linklaters

90 Rivonia Road, Gauteng

# Carbon footprint overview

Our combined efforts continue to reduce our impact on the environment



## CARBON FOOTPRINT SA

2021 to 2022

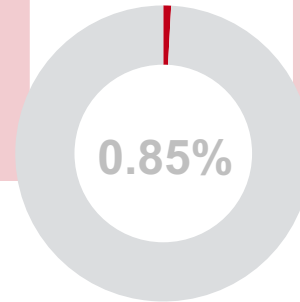
FOLLOWING THE GREENHOUSE GAS PROTOCOL  
for SA assets

NON-KYOTO GASES: 1 352 tCO<sub>2</sub>e

**521 942 tCO<sub>2</sub>e**

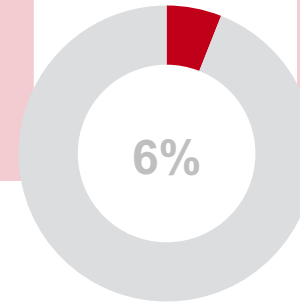
Source: Redefine 2022 carbon footprint assessment

SCOPE 1



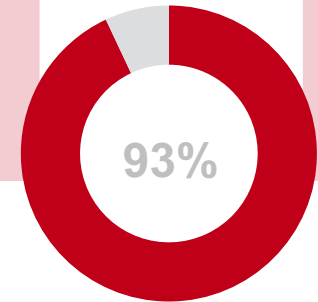
4 458 tCO<sub>2</sub>e

SCOPE 2

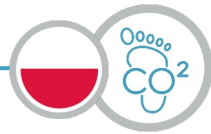


33 261 tCO<sub>2</sub>e

SCOPE 3



484 224 tCO<sub>2</sub>e



## CARBON FOOTPRINT EPP

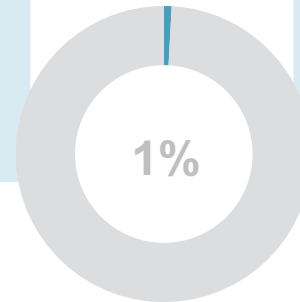
2021 to 2022

FOLLOWING THE GREENHOUSE GAS PROTOCOL  
for EPP assets

**250 747 tCO<sub>2</sub>e**

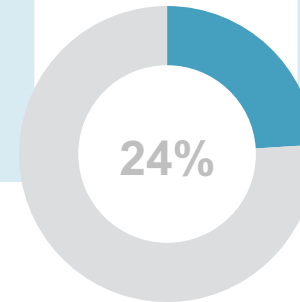
Source: EPP 2022 carbon footprint assessment

SCOPE 1



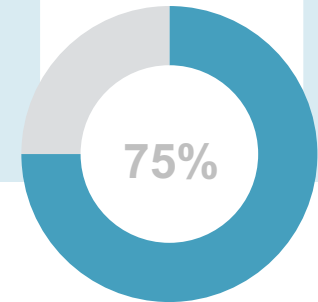
2 222 tCO<sub>2</sub>e

SCOPE 2



60 840 tCO<sub>2</sub>e

SCOPE 3







187 684 tCO<sub>2</sub>e

# Physical climate risk exposure

We have mapped out our climate risk exposure at an asset level

Our medium to high risk exposure to material physical risks in the SA portfolio is summarised below, based on the FY22 Munich Re climate risk assessment. Where the risks are higher than that, we have indicated as such. Short-term risks are projected to 2030 and medium-term risks to 2050

	Fire weather stress	Drought stress	Storm	Flooding
 SA retail	83% (short term) 84% (medium term)	n/a	n/a	3% (high), 6% (extreme)
 SA office	75% (short term) 75% (medium term)	1%	n/a	10% (extreme)
 SA industrial	74% (short term) 84% (medium term)	15%	n/a	7% (high), 12% (extreme)
 EPP	n/a	n/a	89% (moderate)	16% (moderate)

### SHORT-TERM GOALS

69% of assets in SA are exposed to high/extreme baseline water stress in the short term and 5% to high riverine flood risk

Storm water drainage and other design features to be prioritised to manage flooding risk, landscaping for natural drainage, and avoidance of heat islands

16% of EPP assets are exposed to moderate flooding risk and 100% have low-moderate drought risk

### MEDIUM-TERM GOALS

Monitoring changes to global warming and accelerating climate risks – current science suggests that the world will reach the 1.5°C scenario by 2027

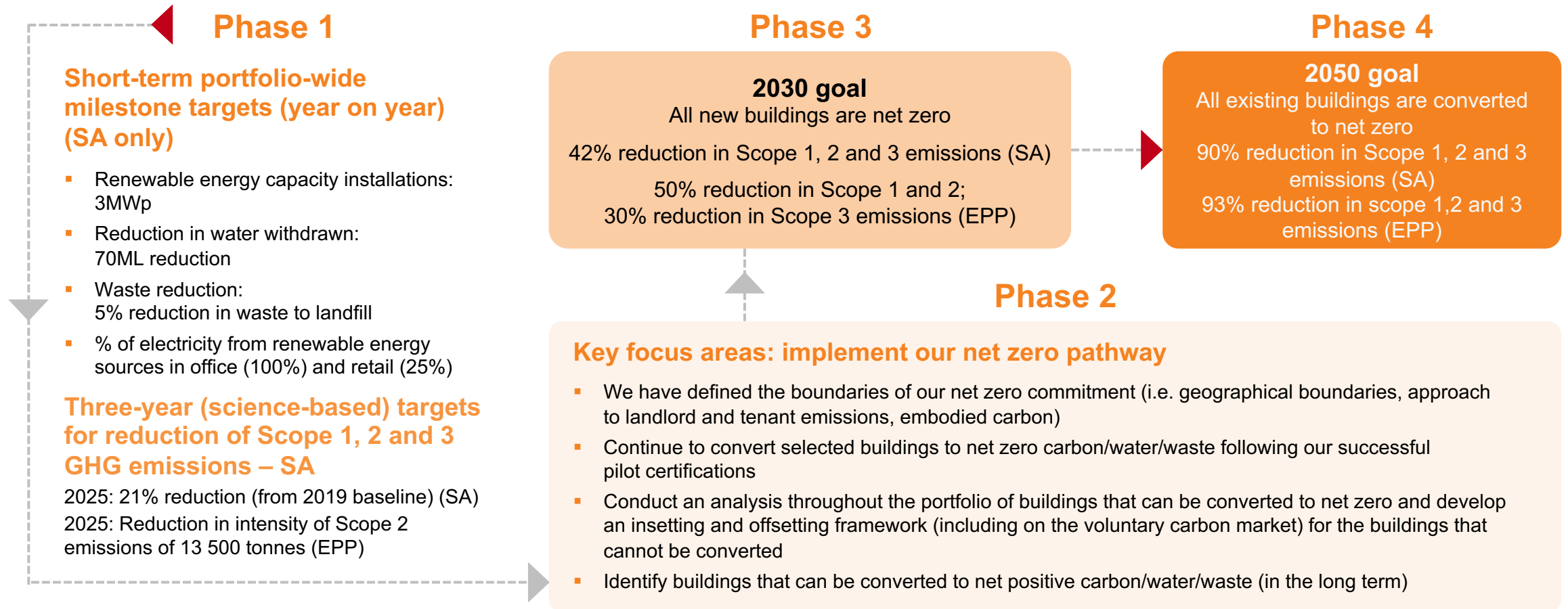
Design features of new and existing buildings will be constantly reviewed to adapt to the changing regional temperatures

# Our net zero strategy

Climate resilience can only be achieved by setting long-term targets and driving consistent performance

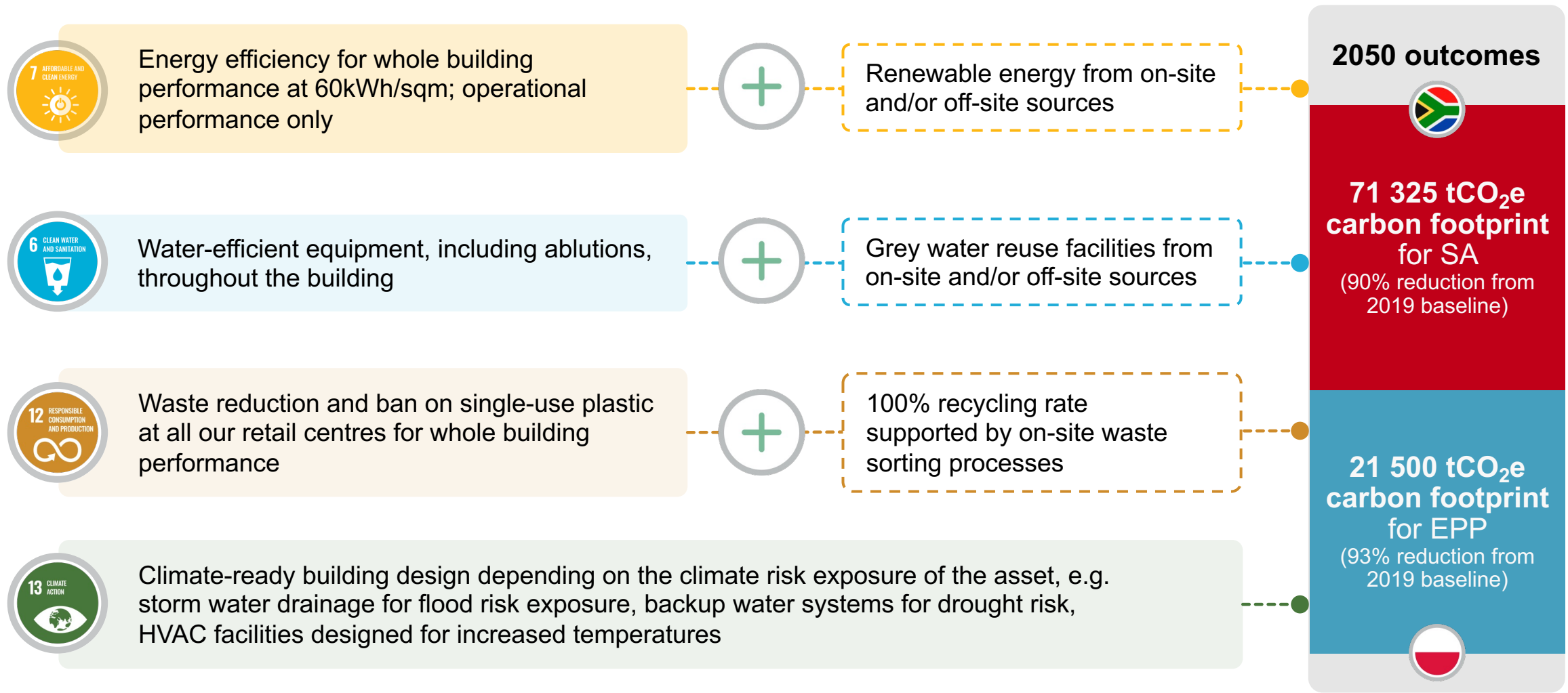


“Net zero entails companies reducing their generated emissions as much as possible and negating the remainder by funding carbon removal projects in clean energy, reforestation, and more.” – GRESB, 2020



# Long-term environmental strategy

The path to net zero for standing investments for SA and EPP



Commitments apply to buildings under our operational control



# Energy management strategy

We are focused on efficiency-based interventions and behavioural interventions in the short term



## SHORT-TERM GOALS

Drive to reduce electricity consumption through HVAC management and LED lighting retrofits – 11.8MWh energy saving through LED lighting retrofits

Battery storage for four buildings in SA at feasibility stage

EPP energy use audits conducted for buildings with energy performance levels E, F and G, with the intention to improve the building class to D by 2028

40.18MWp of renewable energy in SA, with structural reinforcements planned for three buildings. This is limited to rooftop solar PV installations, larger pipeline of wheeling arrangements become possible at municipal level

39.6MWp potential rooftop solar PV installations in EPP

## MEDIUM-TERM GOALS

New buildings achieve net zero carbon from 2030 onwards for operational carbon, with Green Star certifications tracking improvement to net zero level. EPP will need to meet the EU Taxonomy requirements that will bring it closer to net zero

Carbon footprint for SA in 2035: 245 479 tCO<sub>2</sub>e

Carbon footprint for EPP in 2035: 167 100 tCO<sub>2</sub>e

86MWp of renewable energy in SA, 60% share of renewable energy in EPP retail, and 100% share of renewables in EPP office – estimated South African expansion includes energy from off-site sources, depending on the availability of wheeling opportunities

### Litres of diesel consumed (active portfolio)



### Diesel price per litre (inland)



Energy efficiency interventions via set-point temperature adjustments in 12 pilot office and retail buildings are resulting in an average cumulative projected monthly reduction of R5.8 million

Our solar PV installations during FY23 cost us R50.8 million. In-progress solar PV installations and expansions have an average projected first year return of 17.16%. Our LED lighting rollout cost us R21.45 million during FY23 and achieved an annual energy saving of 3.7 million kWh

# Water strategy

Our water-use reduction strategy has already resulted in significant savings in water consumption



## SHORT-TERM GOALS

140ML targeted reduction in water footprint in buildings in SA

10 new rainwater harvesting facilities planned for Gauteng

Treatment of water to potable quality in Gauteng – future area of focus

EPP water management strategy to be finalised by end of FY24

## MEDIUM-TERM GOALS

38% reduction in water footprint in SA from FY19 to FY35

EPP water-use reduction targets to be determined in FY24

- 1 431 Propelair units installed from July 2022 to 31 August 2023. The toilets that have been replaced will be donated to suitable schools and charities within the communities surrounding our buildings
- Following the success of the Wonderboom Junction groundwater project, further groundwater harvesting facilities will be investigated on a case-by-case basis
- Five rainwater harvesting facilities will be implemented during the first half of FY24
- Propelair toilet installations in 21 office and retail properties have resulted in a cumulative projected annual saving of R2.4 million across those assets for water-related expenses. While office installations are non-yielding, we have seen a 13.3% first year yield for retail installations

The anticipated savings from Propelair toilets are influenced by on-site behaviour, including undetected leaks that can lead to a temporary spike in water consumption

**THANK YOU!**

**FOR SAVING THE WORLD  
ONE FLUSH AT A TIME**

**YOU'LL NEVER GET A NASTY SURPRISE**  
Our revolutionary lid is clear for a reason!

**IT'S OKAY TO TOUCH THE HANDLE**  
The antimicrobial treatment kills up to 99.9% of germs

**OUR FLUSH LEAVES NOTHING TO CHANCE**  
By removing 99.9% of bacteria from the toilet bowl

**BREATHE EASY, YOU'RE PROTECTED**  
This toilet traps 95% of airborne germs

**AND YOU'RE DOING YOUR BIT**  
Every flush saves at least 5 litre bottles of water versus a conventional toilet

**FLUSHING WITH WATER AND AIR, BECAUSE YOU CARE**

## Case study: Golden Walk Shopping Centre

Water-saving initiatives reduce the cost of occupation and our reliance on the municipal water supply



- Installation of 64 Propelair toilets during July 2022 as part of a phased, portfolio-wide rollout plan
- Training for tenants and maintenance staff at Golden Walk was incorporated into the installation
- Propelair toilets use 1.5 litres per flush compared to normal toilets which use up to 9.0 litres per flush
- The toilets are harder to break and more durable than normal toilets
- Toilets that have been replaced are donated to suitable schools and charities within the communities surrounding our buildings

- Our annual water consumption at Golden Walk decreased by **59%**, on average, resulting in an average saving of approximately **R0.9 million** since installation
- It is estimated that the installation has increased the value of the asset by **R3.4 million** and will contribute to the growth in asset value

# Waste management

We have made significant progress in expanding the coverage of our waste management efforts



## SHORT-TERM GOALS

39% of SA buildings covered by internal waste management, with an overall projected 33% increase in recycling rate

62% recycling rate in EPP

## MEDIUM-TERM GOALS

100% of buildings covered by internal waste management in SA, with a minimum 50% recycling rate

100% recycling rate in EPP to meet EU Taxonomy requirements

Our waste management initiatives are being rolled out in phases, which are summarised below:

### Phase 1

Effective 1 April 2023 – 90 properties with three service providers via a waste rationalisation project

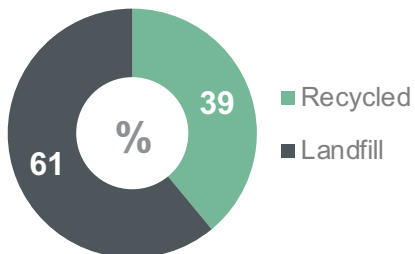
### Phase 2

Additional 90 sites added to internal waste management rollout – effective December 2023

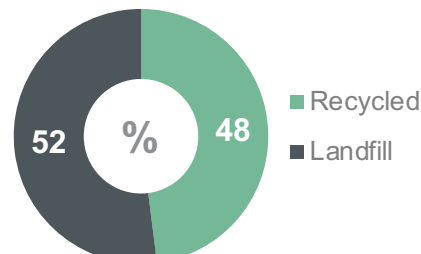
### Phase 3

All Redefine managed properties – effective HY24

Recycling rate pre-waste rationalisation



Recycling rate post-waste rationalisation



Monthly contract value: phase 1 assets

	R'000	Cost per m <sup>2</sup>
Prior to waste rationalisation	1584.2	R0.89
After waste rationalisation	1489.0	R0.76

# Our green buildings

Our green building programme provides valuable guidance to implementing net zero building practices



## SHORT-TERM GOALS

- 12 net zero operational carbon certifications (SA)
- 11 WELL health and safety ratings (seven in SA and four in EPP)
- 219 Green Star SA certifications (SA)
- 100% of portfolio will have BREEAM certifications (EPP)
- 133 EPC certifications in SA; 100% of EPP portfolio has EPCs

The majority of our certified assets have Existing Building Performance certifications, which are based on operational performance and are harder to obtain and maintain than design-level ratings

**Our Green Star rated buildings, particularly at 4 Star level and above, are more energy and water efficient than the GBCSA benchmarks per building type**

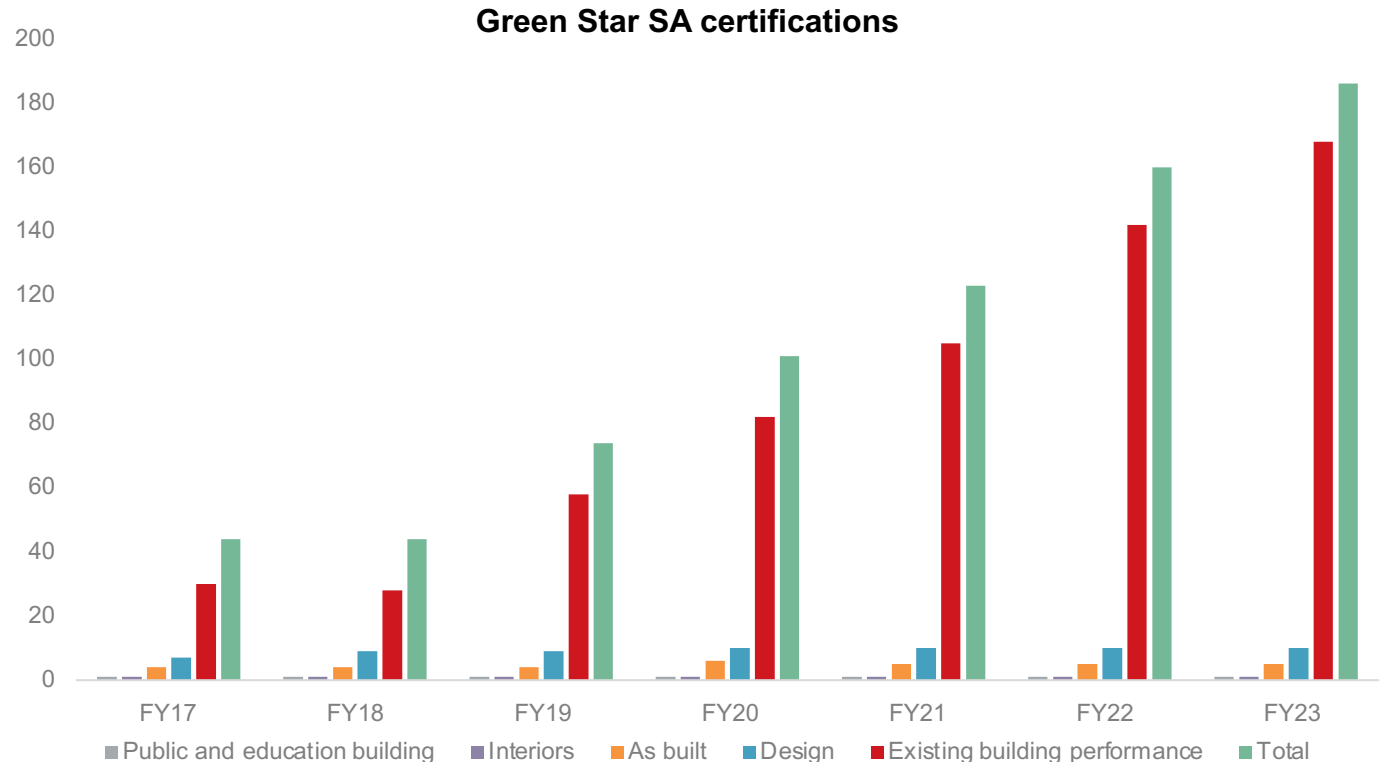
Our smart building strategy will be integral to further operationalise green building practices by helping us optimise each building's performance through the building management system



## MEDIUM-TERM GOALS

New buildings achieve net zero carbon from FY30 onwards for operational carbon, with Green Star certifications tracking improvement to net zero level. EPP will need to meet the EU Taxonomy requirements that will bring it closer to net zero\*

\* Applicable to buildings under our operational control



# SOCIAL

Hawk Academy, Gauteng

## Our social strategy

Focusing on the power of partnerships to drive the adoption of our ESG strategy

Our strategy maps our impact throughout our business activities.  
The stakeholder engagement strategy informs how we **prioritise, maximise and measure** our impact across the value chain

Our **stakeholder engagement strategy** focuses on establishing and measuring effective bilateral stakeholder relationships, which will help us nurture and optimise ecosystems in the long term

Our **socioeconomic development strategy** ensures that the design and operation of our assets respond to community needs and that our business activities transform lives

Our **ESG strategy** requires our upstream and downstream stakeholders to embed good governance, as well as positive environmental and societal impacts, into their operations in order for us to achieve our long-term goals

# Strategic approach to stakeholder engagement

## Discovery, insights and execution





# Our impact framework

The impact framework sets out a vision of transformational impact that is aligned to our mission

For us, transformation goes beyond employment-level representation and focuses on how the business will transform and positively impact its internal and external processes, workforce, various stakeholder relations and the property sector as a whole

The framework is also supported by a management-level action plan that identifies specific action items required to achieve the desired impacts on our key stakeholders

The framework is based on four key pillars that aim to coordinate and improve our impact throughout our various business activities



## Digital impact

Our vision is to use technology as an enabler to produce sustained value for our stakeholders, primarily focusing on transforming the tenant experience



## Socioeconomic impact

The strategy focuses on maximising opportunities and mitigating risks throughout the building life cycle, leveraging off our relationships with stakeholders and aligning with our primary and secondary UN SDGs



## BBBEE strategy and impacts

Our BBBEE strategy focuses on the pillars of the BBBEE scorecard and the actions required to maximise the impact on our stakeholders



## Human capital impact

Our people strategy aims to build a collective of people who create and manage spaces for positive impact

# Communities

## From a CSI-based approach to making an impact on our communities

### SHORT-TERM GOALS

Socioeconomic development (SED) strategy and action plan approved (currently in execution phase)

Alignment with ESG strategy and UN SDGs (including impact outcomes for all initiatives)

Appointment of dedicated SED manager

Development of bimonthly impact report

Flagship projects such as the Maponya Mall Community Hub, Kenilworth Centre rooftop farm, Hawk Academy and Red Thread platform deliver impact

### MEDIUM-TERM GOALS

By FY30 ensure that initiatives are in place for communities in over 50% of all buildings and achieve cumulative targets of 1 000 000 people impacted directly and 1 000 additional jobs created

- Our approach to CSI has evolved into an impact-driven **SED strategy** that forms part of the company-wide impact framework
- The new approach will ensure sustainable and real/quantifiable impacts (with short- and long-term targets) that positively impact our stakeholders, the property sector as a whole, and the communities in which we operate
- EPP will finalise its SED strategy during FY24



#### For every rand invested

into the South African portfolio (capex and opex), R0.94 was contributed to South African GDP, with a total annual contribution of R3.5 billion

*(Source: JLL Redefine economic impact report, 2022)*



#### For every euro invested

into the EPP portfolio (capex and opex), the GDP increased by EUR0.2 with a total annual contribution of EUR451 million to the Polish GDP

*(Source: JLL Socio-economic impact study on EPP, 2022)*

# Tenants

Our ability to execute our ESG strategy hinges on collaboration with our tenants

## SHORT-TERM GOALS

National retailers in SA and tenants in other sectors (who occupy a combined GLA of 574 613m<sup>2</sup>) engaged with on ESG strategy and opportunities to collaborate on environmental and social initiatives

Office and industrial tenants will be further engaged with in FY24

Tenant eco-efficiency programme will be introduced in the portfolio, along with green lease rollout, to enable us to run low-carbon capex projects in tenanted spaces, thus reducing Scope 3 indirect emissions and building energy and water consumption and rentalise the costs. This will include review of tenant fit-out guide to include ESG guidelines, e.g. HVAC management

## MEDIUM-TERM GOALS

10% of tenants signed green leases for new lets

10% of tenants signed green leases for renewals

50% of tenants that need LED lighting retrofits participating in LED lighting incentives

50% of tenants adhering to tenant fit-out guide with ESG initiatives

Scope 3 emissions reduced by 67.2% in SA by FY35 and 30% of certain emissions categories in EPP by FY30\*

Our tenant engagement strategy is required to reduce Scope 3 emissions. We are engaging at an entity level as well as with building-level tenant representatives to maximise the impact of mutually agreed on ESG initiatives. We have engaged with most of our EPP tenants on ESG integration

## Top 10 properties and tenants of total SA portfolio

Tenant	GLA (m <sup>2</sup> )	GMR (R'000)		
Macsteel	542 768			27 860
Government	160 409			24 185
Foschini	87 110			15 515
Pepkor	109 879			14 425
Shoprite	117 979			13 823
Massmart	109 062			10 595
Pick n Pay	78 740			9 976
Mr Price	43 786			9 860
Woolworths	67 449			6 424
Hirt & Carter (South Africa)	47 718			5 678
<b>Total top 10 tenants</b>	<b>1 364 900</b>	<b>36%</b>	<b>138 341</b>	<b>29%</b>
Balance of portfolio	2 473 676	64%	336 680	71%
<b>Total portfolio</b>	<b>3 838 576</b>	<b>100%</b>	<b>475 021</b>	<b>100%</b>

\* Applicable to buildings under our operational control

# Employees

Our most effective way to scale up critical ESG initiatives is through employee buy-in

## SHORT-TERM GOALS

100% of employees to be trained on green building certifications in SA in FY23

ESG integration into short- and long-term executive incentive structures for SA

Annual training on gender-based violence offered to all employees, including support through the AskNelson service

## MEDIUM-TERM GOALS

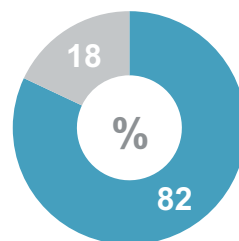
100% of client-facing employees engaging with tenants on ESG initiatives

ESG integration into short- and long-term executive incentive structures evolve from outcomes to impacts, especially on social performance

Firmly embed a gender lens into community relations and climate action through a just transition framework (as part of our long-term climate approach)

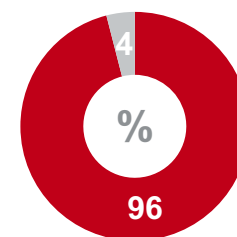
- Our focus on upskilling our employees on ESG initiatives allows us to sustain the practical interventions we need to introduce to optimise building performance. It also allows us to offer a compelling service to tenants who want to expand their ESG initiatives
- We conduct an ethics survey annually amongst employees – for FY22 we achieved an 88<sup>th</sup> percentile ethical maturity score (2021: 88<sup>th</sup> percentile) and an overall ethics behaviour risk score in the 93<sup>rd</sup> percentile (2021: 91<sup>st</sup> percentile), which indicates a low-risk ethics profile

Employees in EPP trained on ESG initiatives in FY23 (%)



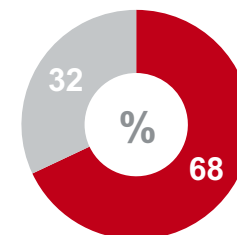
■ Completed ■ Not completed

Employees in SA trained on ESG initiatives in FY23 (%)



■ Complete ■ Incomplete

Employees in SA participating in Red Thread in FY23 (%)



■ Enrolled ■ Not enrolled

# Suppliers

Our ESG risks and opportunities also extend to our supply chain

## SHORT-TERM GOALS

15 qualified suppliers completing the supplier ESG self-assessment in SA

EPP to introduce a supplier ESG self-assessment by FY24

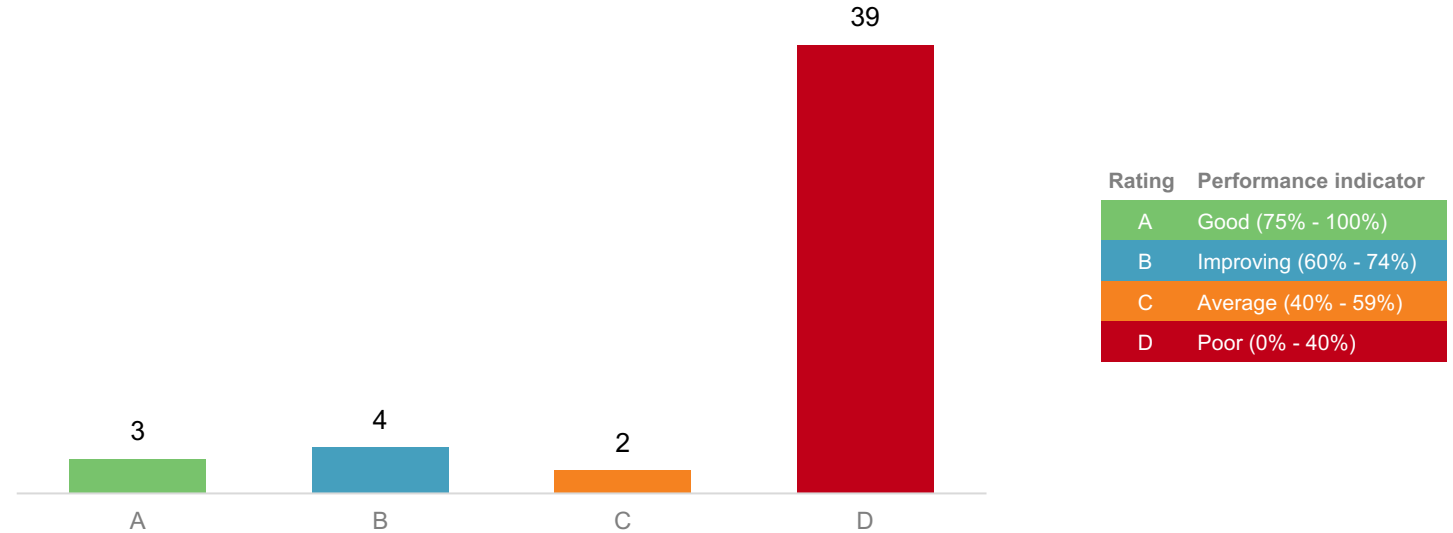
## MEDIUM-TERM GOALS

100% SA suppliers with D scores improving to C scores in successive supplier self-assessments

EPP suppliers are required to adhere to minimum social guarantees on security and hygiene

Our supplier ESG self-assessments are still in their pilot phase. Even though the spread of the scores shows that some of our suppliers still need to work on their ESG impact, it allows us to have an informed engagement with them in this regard

### Supplier sustainability self-assessment scores



Based on our current ESG approach, we see suppliers being willing to partner with us to improve the impact of our ESG initiatives, e.g. solar PV installation donations to local orphanages

By consolidating service providers, we are able to achieve economies of scale which result in significant savings for us, e.g. organic waste collection by our selected waste service providers

## Long-term social priorities

Focus on the scalability and long-term transformative impact made on the lives of target beneficiaries

### Suppliers

100% of SA suppliers with C scores improving to B scores on the next supplier self-assessment due to improvement in ESG performance

EPP suppliers continue to adhere to minimum social guarantees

### Tenants

100% of tenants signed green leases for new lets

Scope 3 emissions reduced by 90.0% in SA and 73.2% in EPP by FY50

### Employees

Improvement on scoring in terms of Women Empowerment Principles on embedding gender equality across the value chain in SA

100% of employees are fully trained on ESG integration into their business units (including on valuations, risk management and revenue growth), resulting in increased performance across key financial and non-financial metrics

ESG integration into short- and long-term executive incentive structures is translated into financial impacts on key financial metrics, e.g. increase in net operating income, increase in valuations, etc.

Applicable to buildings under our operational control

# Case study: Matlosana Mall

The environmental and social performance of this asset exemplifies our ESG approach in retail



**32% waste recycling rate** (incorporating on-site waste sorting), including an asset-wide integrated waste management plan



Redefine donated **240m<sup>2</sup>** of non-GLA space to various NPOs for exhibitions and fund raisers



LED lighting retrofits in common areas, resulting in a **1 628 651kWh annual saving**



**56 Propelair toilets** installed during FY23



**5.18MWp solar PV plant** installed



## LEARNING CENTRE

### Programmes offered

- Career assessment
- Play-based learning
- Computer-coached reading
- Fitness activity

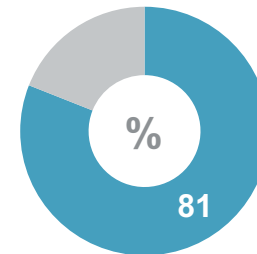
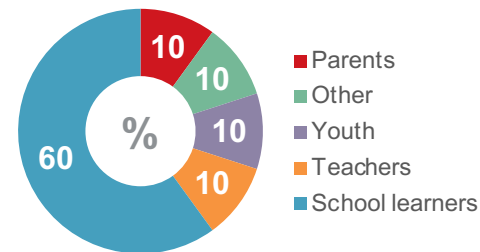
Total individuals impacted **80+**



70%

of learners are female

### Overall attendance



Redefine ESG investor presentation 2023

# GOVERNANCE

115 West Street, Gauteng





# Our governance approach

Creating and preserving value through strong governance processes

## Embed enterprise-wide corporate governance

	Management's responsibility	How governance is supported
<b>GR</b> <b>Grow reputation</b>	High-performing thought leadership Trusted corporate governance advisors Mindful of the journey	Compliance with statutory, regulatory and governance best practice
<b>IS</b> <b>Invest strategically</b>	Maintain the right balance of strategic, transactional (tactical) and statutory focus	Robust, yet fit-for-purpose, decision-making matrix aligned to future goals of the business Governance of the Redefine Empowerment Trust
<b>OC</b> <b>Optimise capital</b>	An effective company secretarial function with clear KPAs assigned to each team member to ensure that all statutory and operational responsibilities are proactively discharged	Collaboration of the various governance functions (company secretary, risk and compliance, legal, finance, ESG, ICT) for SA and international business
<b>OE</b> <b>Operate efficiently</b>	Better use of data and technology to develop and improve efficiencies	An effective group governance framework Data-driven decision-making processes
<b>ET</b> <b>Engage talent</b>	Clear understanding of the operating model Continuous professional development Fit for purpose (customer centric) Work with external governance advisors (where applicable)	Keep abreast of legal reform and the evolution of governance in line with best practice

## ESG governance



## Our approach to sustainable finance

Our ability to finance the low-carbon transition of our assets is critical to achieving our ESG strategy

### Sustainable finance is identified as an opportunity in our climate risk framework

- Our sustainable finance facilities provide us with an avenue to leverage off our ESG performance to access sustainable finance markets
- Our Green Star SA rated assets give us an opportunity to raise finance at scale
- Green funding requirements for EPP are going further than what is required in the EU Taxonomy, with accelerated expectations around decarbonisation and socioeconomic development

### Key milestones include

- Issued R4.2 billion use-of-proceeds green bonds since September 2022
- The IFC was an anchor investor in our first publicly listed green bond in September 2022 and invested R750 million in the bond, allocating R500 million in the 10-year tenor
- Issued a R1 billion sustainability-linked bond in 2021

- Our sustainable finance framework is available on our website on the debt programme page, where we also publish our annual reports required under the various sustainable finance facilities that we have in place
- Our sustainable finance programme is long term and has already unlocked several new sources of funding that align with our overall debt funding strategy
- Our use-of-proceeds green bonds (public, RMB and Nedbank) will be subject to limited assurance reporting



Inaugural green bond issuance, Sandton, 2022

# ESG targets and metrics

Our targets must be clear and measurable; stretching but achievable

## FY23 KPA adjustment

During FY23, it became evident that the diesel consumption levels in response to unprecedented levels of loadshedding would make the achievement of the FY23 carbon emissions reductions nearly impossible. The pace of diesel consumption negatively impacts our ability to achieve long-term targets, which require a 4.2% year-on-year reduction in carbon emissions until FY50

The remuneration committee therefore approved an adjustment to the STI and LTI carbon reduction key performance indicators for FY23, which are set out below:

Adjusted FY23 STI KPI						
Key performance area (KPA)	Weighting	KPI	Below threshold	Threshold	On target	Stretch
Company non-financial performance	20%		0%	50%	100%	200%
Reduction in emissions (tCO <sub>2e</sub> ) (SA portfolio on a like-for-like basis)	3%	5% per annum reduction of Scope 2 GHG emissions (unit of measurement tCO <sub>2e</sub> )	Less than 5%	5.00%	7.00%	9.00%

Adjusted FY23 LTI KPI						
Key performance area (KPA)	Weighting	KPI	Below threshold	Threshold	On target	Stretch
Company non-financial performance	25%		0%	50%	100%	200%
ESG goal	2.5%	Percentage reduction of Scope 1 GHG emissions (unit of measurement tCO <sub>2e</sub> ) on a like-for-like basis (for South African operations only) (from FY19 baseline year)	Below 15%	15%	21%	28%
	22.5%	Percentage reduction of Scope 2 GHG emissions (unit of measurement tCO <sub>2e</sub> ) on a like-for-like basis (for South African operations only) (from FY19 baseline year)	Below 15%	15%	21%	28%

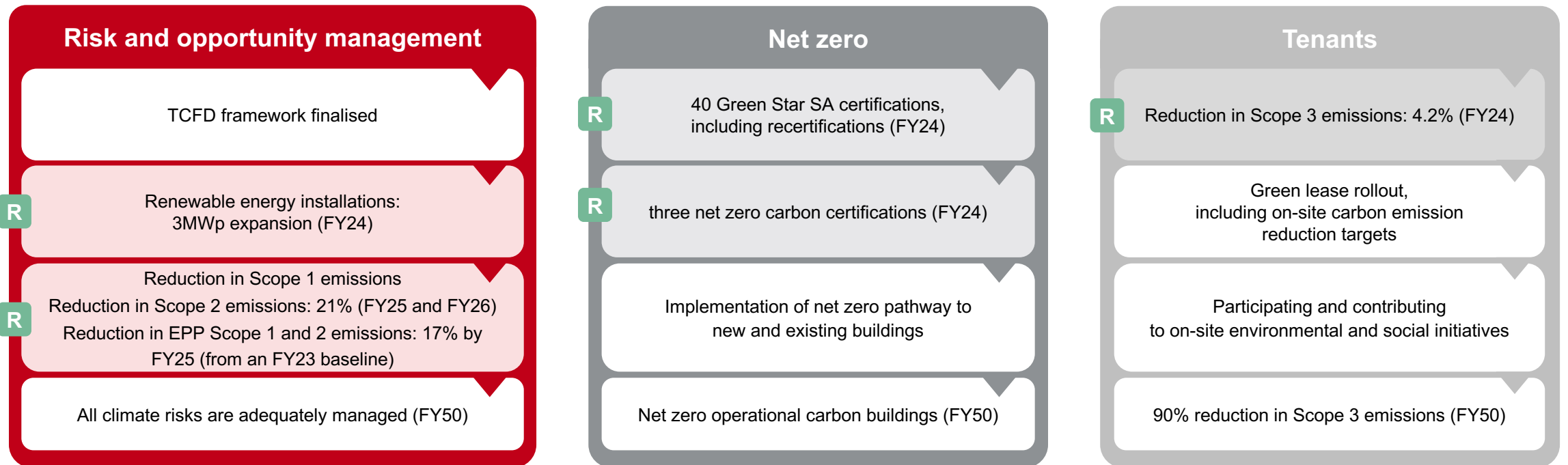
# ESG targets and metrics

Our targets must be clear and measurable; stretching but achievable

## FY24 KPAs

The key KPAs for our South African operations are set out below, including those that are linked to remuneration in the short- and long-term incentives

Our EPP executives have KPAs that are relevant to the ESG requirements within their jurisdiction. The focus is on climate risk and opportunity management, including the transition risks posed by increasingly onerous environmental regulations



**R** Linked to remuneration

# ESG reporting at Redefine

Redefine will focus on the reporting frameworks that best demonstrate the value created for stakeholders

We use the international frameworks, standards and benchmarks that are most relevant to real estate as guidance on current and forward-looking developments on ESG and gauge how they will affect us as a REIT.



Reporting standard	Redefine approach
ISSB IFRS S1 Standard	Gradual incorporation into our ESG report, but application of financial versus double materiality needs to be assessed
ISSB IFRS S2 Standard	Inaugural climate risk report was published for FY22. Updated report with further alignment to IFRS S2 will be published in FY23
JSE Sustainability Disclosure Guidance	Gradual incorporation to the extent that the metrics make sense in our context. Application of double materiality needs to be assessed

Redefine and EPP will continue to publish separate ESG reports as they are under different jurisdictional reporting requirements.



Reporting standard	EPP approach
ISSB IFRS S1 Standard	Gradual incorporation into the EPP ESG report, but application of financial versus double materiality needs to be assessed
ISSB IFRS S2 Standard	Inaugural climate risk report was published for FY22, including EU Taxonomy requirements per building
EU Taxonomy	Annual reporting requirement from FY25 onwards
CSRD	

# ESG external rating levels

Our participation in external benchmarks helps us keep abreast of current ESG requirements



## We continue to participate in the following indices

- S&P Global Corporate Sustainability Assessment (SA only)  
current rating: 59/100 (2022: 56/100)
- GRESB Index  
current rating: 82/100 (standing investments) (2022: 71/100)  
EPP: 55/100  
79/100 (developments) (2022: 84/100)  
A (public disclosure score) (2022: B)
- CDP Climate Change 2022 rating: B, EPP 2022 rating: B
- CDP Water 2022 rating: B
- Second place in 2023 EY Excellence in Integrated Reporting Awards



## We are taking steps to incorporate the following reporting frameworks into our disclosure

- IFRS S1 and S2 Standards, including real estate industry-based disclosure requirements
- JSE Sustainability Disclosure Guidance



Ratings agency	Type of rating	Redefine ESG score	Redefine comparative ranking
Sustainalytics ESG Risk Ratings	Solicited	<b>28.1/100 (2022: 25.5/100 exposure score)</b>	8 <sup>th</sup> percentile (2022: 6 <sup>th</sup> percentile) (1 <sup>st</sup> = lowest risk) in REIT subindustry
ISS ESG Corporate Rating	Unsolicited	<b>C (2022: C-) (from D- to A+) (Prime)</b>	Third (decile ranking relative to industry group)
MSCI ESG Rating	Unsolicited	<b>A (2022: AA) (from CCC to AAA)</b>	Top 24.7% (MSCI ACWI Index Real Estate Management & Services constituents)
Vigeo Eiris ESG Rating	Unsolicited	<b>60% reporting rate</b>	46% reporting rate in real estate emerging markets sector

We are no longer included in the FTSE4Good Emerging Index, or the JSE FTSE Responsible Investment Index as we have been removed from the FTSE4Good World Index as at September 2023 due to a variety of reasons including changes in the market capitalisation, ownership and liquidity

# CLOSING

Park Handlowy Zakopianka, Kraków

## In conclusion

We have clear strategies and implementation pathways for our ESG strategy

**The implementation of our ESG strategy is now well underway**

### **Key successes include**

- The achievement of three Net Zero Carbon: Level 2 (Measured) certifications
- Improvement of Green Star SA coverage to 186 active certifications
- Signing of a wheeling agreement to offtake 14MWp of energy
- Green Star SA training for most of our employees
- Finalisation of green lease frameworks for each sector
- R4.2 billion of listed green finance facilities entered into

### **Future areas of focus include**

- Formalising collaborations with key stakeholders, especially tenants, on environmental and social initiatives
- Further embedding climate risks and opportunities into day-to-day decision-making
- Expanding the inclusion of off-site renewables via wheeling arrangements
- Consistently measuring the NOI impact of our environmental initiatives
- Improving the coverage of our socioeconomic development projects in the portfolio
- Continuously refining the quality of our internal data management systems



# SUPPLEMENTARY INFORMATION

Oxygen, Szczecin



ECHO	BUSYNEK ZREALIZOWANY PRZEZ ECHO INVESTMENT S.A. W ROKU 2020
100	PKO BANK
101	Demont
102	MACROBOND
103	TARA POLAND SP. Z O.O.
104	OTI HANDLORY
105	ARTISAN
106	PIEBOLD NADORY
107	ALBY
108	PKO BANK POLSKO
109	Mediowest Apka
110	CENTRUM MEDICOVER
111	KOMPLEKSOWA OPIEKA MEDYCZNA
112	St. Sp. z o.o.
113	ORANGE

## Demand- and supply-side solutions

### Overview of various energy solutions currently being implemented by Redefine

- Standby diesel generators
  - 72MVA
  - Low capex vs high operational cost (R39 000/hour)
  - High carbon emissions – higher than grid emissions factor
- Existing solar PV fleet
  - 40.18MWp
  - Plants designed for own consumption not for backup
  - Battery solution installed at Kwena Square to assist with peak grid capacity constraints
  - Assist to reduce loading on generators where integration is done (use slightly less diesel)
- Investigating business case for batteries as backup, not purely arbitrage, opportunity
  - Very high capex – R6 million/MWh
- Emphasising the priority of energy-efficient behaviours



Kwena Square, Gauteng

# Employee diversity and human rights

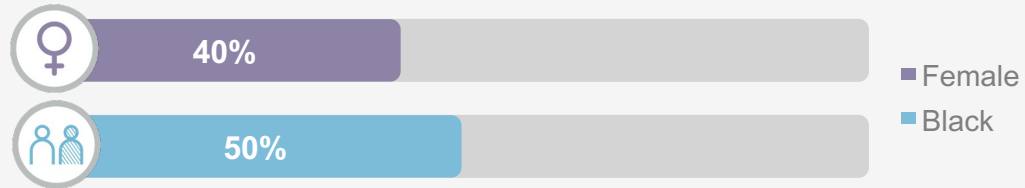
Diversity of thought is critical to our ability to innovate and execute our strategy

## Vital statistics

461 SA employees



## 3-year period



40% female representation target on the board over a three-year period, and 50% black representation on the board over the same period

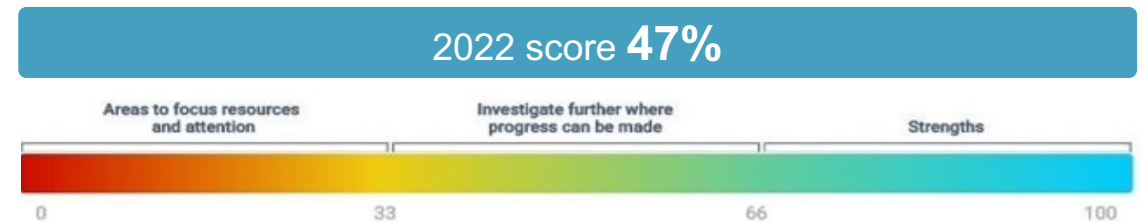
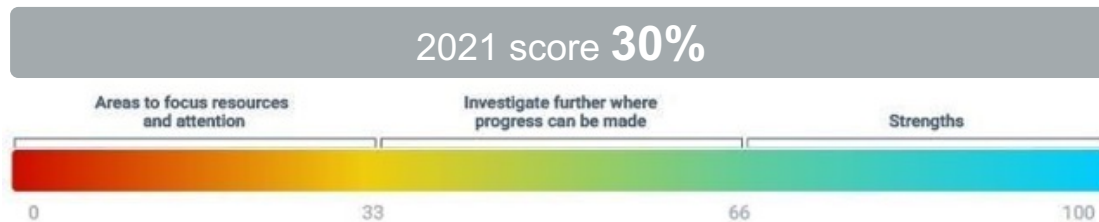
Progress has been made towards achieving our transformation ambitions at executive levels. More will be done at senior management level to improve diversity.

Redefine has measured its standing in terms of the Women’s Empowerment Principles for the second year in a row. We have seen significant improvement as a result. Some of the key takeaways include:

- Assessing ways to improve the ability of employees to access reproductive healthcare
- Improving employee initiatives towards a work-life balance approach
- Applying a gender lens to community relations

Human rights are at the centre of the UN SDGs, and we have fleshed out a human rights due diligence approach for operations. This will be monitored through our internal responsible investment checklist, which will gives us early warnings of any human rights-related risks.

## WEPS tool results



# Further information

Please use the links below to learn more about our ESG strategy



## Our latest integrated reporting suite

<https://www.redefine.co.za/investors/integrated-reports/latest-integrated-reports>



## Overview of our ESG strategy and targets

<https://www.redefine.co.za/about-us/esg/strategy>



## Our approach to BBEE and transformation

<https://www.redefine.co.za/about-us/bbbee-and-transformation>



## Socioeconomic impact strategy

<https://www.redefine.co.za/about-us/socioeconomic-impact-strategy>



## Board and company governance policies

<https://www.redefine.co.za/about-us/governance>

# DISCLAIMER

This presentation may include forward-looking statements which statements are not based on historical information, but rather premised on certain assumptions, risks, estimates and/or uncertainties (“risks and uncertainties”), which are taken into consideration as at date of this presentation.

Should these risks and uncertainties prove inaccurate, or should unknown risks and uncertainties affecting Redefine’s business materialise, the actual results may differ materially from Redefine’s expectations. As a result of risks and uncertainties falling outside of our control, Redefine is not able to guarantee that any forward-looking statements will materialise. Attendees are accordingly cautioned in this regard and in respect of reliance placed on forward-looking statements as predictors of future events. Redefine assumes no obligation and disclaims any intention to update or revise any forward-looking statements (even in the event of new information or change in risks and uncertainties), save to the extent required by the JSE.

**For any questions please email:**  
[investorenquiries@redefine.co.za](mailto:investorenquiries@redefine.co.za)



Please follow our **LinkedIn** page for more details



We're not landlords. We're people.