ISO

ISO 37000

for the year ended 31 August 2023

Opting for the **upside**

ReDEFINE PROPERTIES

We're not landlords. We're people.

Overview

An overview of ISO 37000

> **The pursuit of purpose is at the centre of all organisations and is, therefore, of primary importance for the governance of organisations. Good governance of organisations lays the foundation for the fulfilment of the purpose of the organisations in an ethical, effective and responsible manner in line with stakeholder expectations.**
>
> *– ISO 37000*

ISO 37000 provides "key principles and aspects of practice to guide governing bodies and management groups on how to fulfil their governance responsibilities". What sets **ISO 37000** apart is that it is written to serve as a common benchmark that will allow key stakeholders to more accurately measure and compare governance performance across all geographies and business forms.

The **ISO 37000** standard was developed by 77 countries and 24 international organisations, making it the most authoritative global document on good governance for all organisations.

90 Grayston Drive, Gauteng, South Africa

GOVERNANCE OF ORGANISATION

Integrated governance

General

Redefine understands that a well-implemented governance structure can help to ensure that the company runs in an ethical, transparent and responsible manner that aligns with our strategic objectives. This assists Redefine in safeguarding the interests of our stakeholders, promoting efficient management, and mitigating risks.

The board of directors (board) has developed and approved a governance framework that allows for:

▶ Redefine's decision-makers to have:
  - Appropriate authority
  - Competence
  - Resources
▶ Effective delegation
▶ Planned controls and actions for improvement

Governance and delegation

Redefine's board has ensured the formal development of the following:

▶ Board charter and terms of reference for any groups responsible for governance
▶ Formal delegation of authority which should ensure that:
  - Expected outcomes are negotiated
  - Required resources are available
  - Authority matches the level of responsibility
  - There is a comprehensive reporting structure

Governance and management

Redefine's board has made a clear distinction between governance and management duties, as codified in the following documents:

▶ Memorandum of Incoporation
▶ Board charter
▶ Terms of reference
▶ Delegation of authority

Governance and sustainability

Economic, environmental and social sustainability are fundamental pillars of Redefine's sustainable development. The board has developed and implements a formal approach to govern the company's approach towards sustainable development by adopting an environmental, social and governance (ESG) strategy as part and parcel of Redefine's overall strategy.

Governance and stakeholders

Redefine's board has developed and implements an effective stakeholder management system which ensures that all stakeholders are supported and engaged in the fulfilment of Redefine's objectives. The components of the stakeholder management system include:

▶ Stakeholder identification
▶ Stakeholder analysis
▶ Stakeholder planning
▶ Stakeholder engagement
▶ Stakeholder monitoring and control

The governing body

Composition and structure

▶ The standards of how the board is composed and structured is well defined by Redefine and includes the following benchmarks:
  - Competence (relevant knowledge and understanding, skills and experience)
  - Diversity and inclusion
  - Independence of thought and action
  - Capacity
  - Integrity
  - Commitment
▶ The above is further supported through the creation of committees to assist the board to fulfil its obligations. The responsibilities and authority of supporting committees are evidenced in their corresponding terms of reference.

Competence

To ensure a continuously improving governance environment, Redefine's board reviews the organisation's governance practices on a regular basis. Therefore, with regards to reviewing the organisation's governance practices, Redefine's board has developed and implements review criteria that include:

▶ The board's structure and composition
▶ Duties and responsibilities of the board
▶ Policies and procedures of the board
▶ Board reviews and performance
▶ Risk management
▶ Ethics and compliance
▶ Transparency and accountability
▶ Stakeholder engagement
▶ Retention and succession planning
▶ Training and development

BTS Zabrze, Zabrze, Poland

GOVERNANCE OUTCOMES

ISO 37000 is based on good governance, which lays the foundation for the fulfilment of the purpose of the organisation in an ethical, effective and responsible manner in line with stakeholder expectations. **The organisational outcomes of this good governance are:**

1	Effective performance

2	Responsible stewardship

3	Ethical behaviour

CATEGORY DESCRIPTION	PRINCIPLE STATEMENT	APPLICATION BY REDEFINE	
Primary principle	**Purpose**		
The pursuit of purpose is at the centre of all organisations and of primary importance for the governance of organisations.	The governing body should ensure that the organisation's reason for existence is clearly defined as an organisational purpose. This organisational purpose should define the organisation's intentions towards the natural environment, society, and the organisation's stakeholders. The governing body should also ensure that an associated set of organisational values is clearly defined.	**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 **BEST VALUES** are what connects us and guides how we choose to react	
		Redefine takes an integrated approach to value creation. We have identified six capitals, of which natural capital and social and relationship capital form an integral part. **The six capitals provide evidence of our defined purpose, values and commitments thereto**. Our ESG strategy is ingrained in every aspect of the business. **Furthermore, our purpose is embedded into all organisational activities**.	
Foundational principles	**Value generation**		
The four foundational governance principles are essential to ensuring that effective governance of an organisation takes place. Core to the ability to effectively govern an organisation are: ▶ Determining the organisation's approach to value generation ▶ Directing and engaging with strategy to generate that value ▶ Overseeing that the organisation performs and behaves according to the expectations set by the governing body ▶ Demonstrating accountability for the organisation's performance, behaviour, decisions and activities	The governing body should define the organisation's value-generation objectives such that they fulfil the organisational purpose in accordance with the organisational values and the natural environment and social and economic context in which it operates.	Our 10-year mission strategy has been defined in an integrated manner, taking into account the objectives of the business with five strategic pillars, which also defines our value proposition, customer segments, revenue streams, cost structure, key resources, key activities, key partnerships, channels and customer relationships.	**FOCUS FOR FY24** **Continued embedment of our Polish business to ensure it is incorporated in terms of value generation and the rest of the corporate governance processes.**
	Strategy		
	The governing body should direct and engage with the organisational strategy, in accordance with the value-generation model, to fulfil the organisational purpose.	The board had a two-day board strategy session where the strategy presented by management was interrogated and stress-tested. As a result of the continued enhancement of internal reporting, the board has focused more time in meetings on monitoring and reviewing the execution of the strategy. This demonstrates that the board provides strategic direction, sets strategic outcomes and establishes governance policies. This approach enables the board to engage the strategy and steer it as per Redefine's purpose.	

GOVERNANCE OUTCOMES continued

CATEGORY DESCRIPTION	PRINCIPLE STATEMENT	APPLICATION BY REDEFINE	
Foundational principles CONTINUED	**Oversight**		

	The governing body should oversee the organisation's performance to ensure that it meets the governing body's intentions for, and expectations of, the organisation, its ethical behaviour, and its compliance obligations.	Redefine is continually striving to streamline and enhance its governance structures and processes. This includes enabling the board to monitor the performance and strategy implementation by management.	**Oversight is strengthened through**
			▶ Timely and accurate reporting on all facets of the organisation
			▶ A structured internal control system
			  ▪ Financial controls
			  ▪ Compliance management
			  ▪ Risk management
			
			▶ Overseeing performance and taking corrective action when required
			▶ Independent assurance

	Accountability		
	The governing body should demonstrate its accountability to the organisation as a whole and hold to account those to whom it has delegated.	The board holds management accountable through regular meetings and reporting. There is a delegation of authority in place from the board to the chief executive officer and from the chief executive officer to management. Board committee chairpersons report to the board on matters delegated to the committees.	**Redefine's accountability is grounded by the following components** ▶ Responsibility ▶ Enforcement ▶ Answerability ▶ Ownership ▶ Transparency ▶ Ethics and integrity ▶ Reliability
Enabling principles	**Stakeholder engagement**		
The six enabling principles address the governance responsibilities pertinent to today's organisations to meet evolving stakeholder expectations and the changing natural environment and social and economic context.	The governing body should ensure that the organisation's stakeholders are appropriately engaged and their expectations considered.	The material stakeholders, their expectations, and communication are continually monitored and considered in decision-making. The integrated annual reporting suite contains detailed information in this regard. Redefine identifies, prioritises and appropriately engages all stakeholders to ensure that they are properly consulted and their expectations understood.	**FOCUS FOR FY24** Continued integration of our Polish stakeholders to align with King IV™ application. Refer to **page 84** of our FY23 **ESG** report under stakeholder relationships.
	Leadership		
	The governing body should lead the organisation ethically and effectively and ensure such leadership throughout the organisation.	This principle is similar to **King IV™** Principle 1 and the board applies this principle, which includes: ▶ Expectations of behaviour, decisions and activities being set by the board ▶ Demonstration of effective leadership linked to Redefine's values ▶ Focused efforts to the reconciliation of strategic or operational dilemmas	

GOVERNANCE OUTCOMES continued

CATEGORY DESCRIPTION	PRINCIPLE STATEMENT	APPLICATION BY REDEFINE	
Enabling principles CONTINUED	**Data and decisions**		
	The governing body should recognise data as a valuable resource for decision-making by the governing body, the organisation and others.	**Redefine has a duty to** ▶ Identify, manage, monitor and communicate the nature and extent of data use ▶ Recognise data as a strategic resource ▶ Ensure the responsible use of data ▶ Comply with legislation Therefore, the strategic objective is to ensure that the company digitises and uses technology and data more optimally. The digital transformation journey is in progress, and various interventions have either been adopted or will be adopted to improve this area. Refer to **page 108** of our FY23 **ESG** report.	
	Risk governance		
	The governing body should ensure that decisions are transparent and aligned with broader societal expectations.	Redefine fully recognises that generating value requires taking calculated risks at the right times and that managing the impact of uncertainty on Redefine's purpose and strategic outcomes is vital. Therefore, risk is an integral part of the organisational purpose and the associated strategic outcomes, and this is reviewed continually. Our enterprise-wide risk management (EWRM) framework, which includes emerging risks, has been adopted and is reviewed regularly. Continuous efforts are in place to manage emerging risk and seek alternative measures to manage the cost of insurance. Embedding of risk group-wide is a work in progress.	
	Social responsibility		
	The governing body should ensure that the organisation's stakeholders are appropriately engaged and their expectations considered.	When an organisation operates consistently and transparently in accordance with its organisational values and stakeholder and societal expectations, it demonstrates social responsibility. With the above in mind, Redefine is aligned with the United Nations Sustainable Development Goals and values social and relationship capital. This is an integral part of the ESG strategy. Furthermore, a socioeconomic development strategy (SED) and plan have been adopted and is regularly reviewed. The stakeholder engagement strategy ensures that material stakeholders are considered in decision-making.	**FOCUS FOR FY24** Continued focus on and monitoring of social impacts as per targets set in our impact framework adopted in FY23.
	Viability and performance over time		
	The governing body should ensure that the organisation remains viable and performs over time, without compromising the ability of current and future generations to meet their needs.	The board continually scans the environment and reviews the asset base to ensure that performance remains in line with strategy and communicated market intentions because Redefine aims to continue to fulfil its purpose over time, which depends on the resilience of the natural, environmental, social and economic systems in which we operate.	

www.redefine.co.za

REDEFINE
PROPERTIES

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