

Redefine

SUSTAINABLE

Finance framework

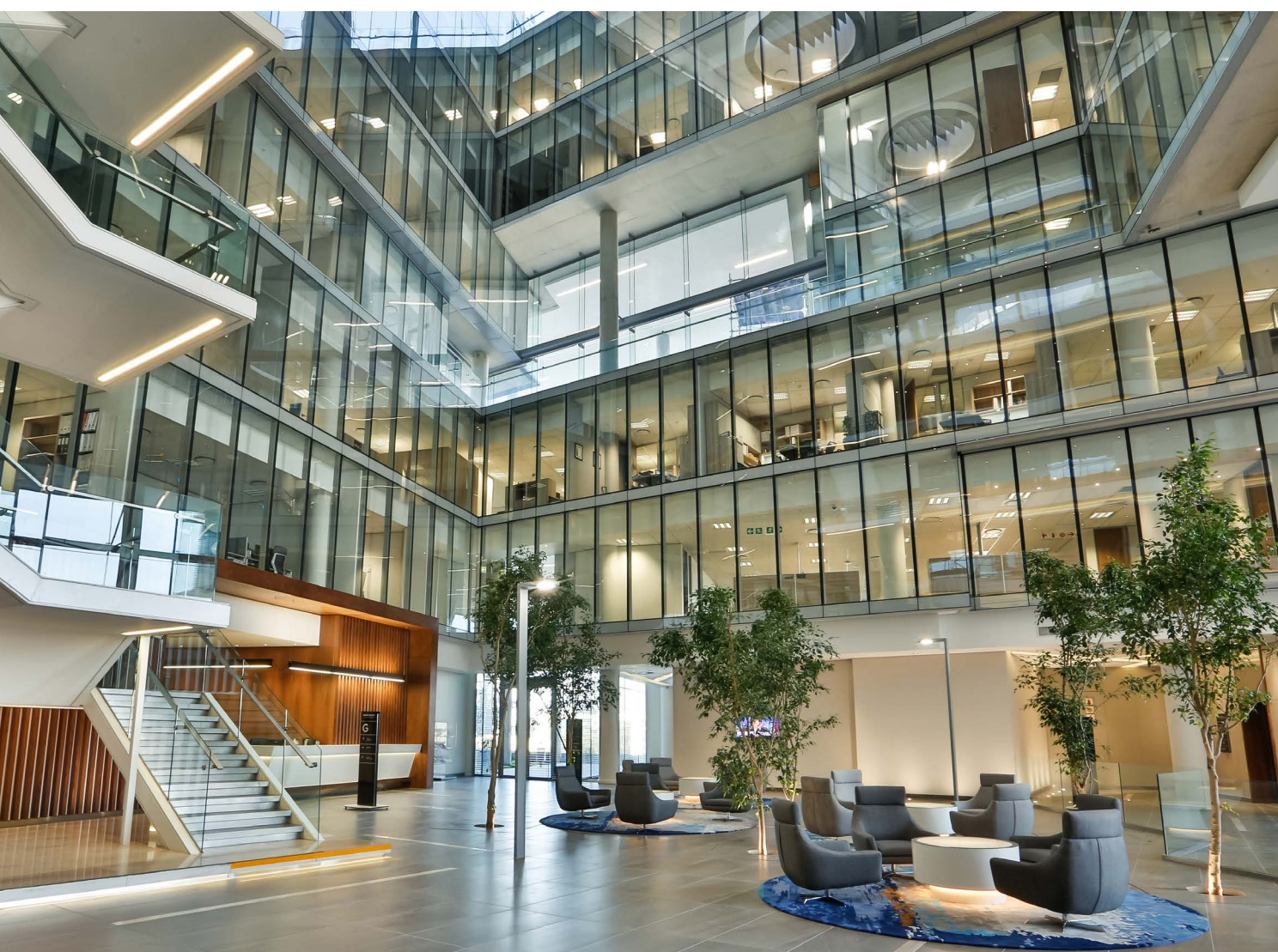


We're not landlords. We're people.



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1 Introduction

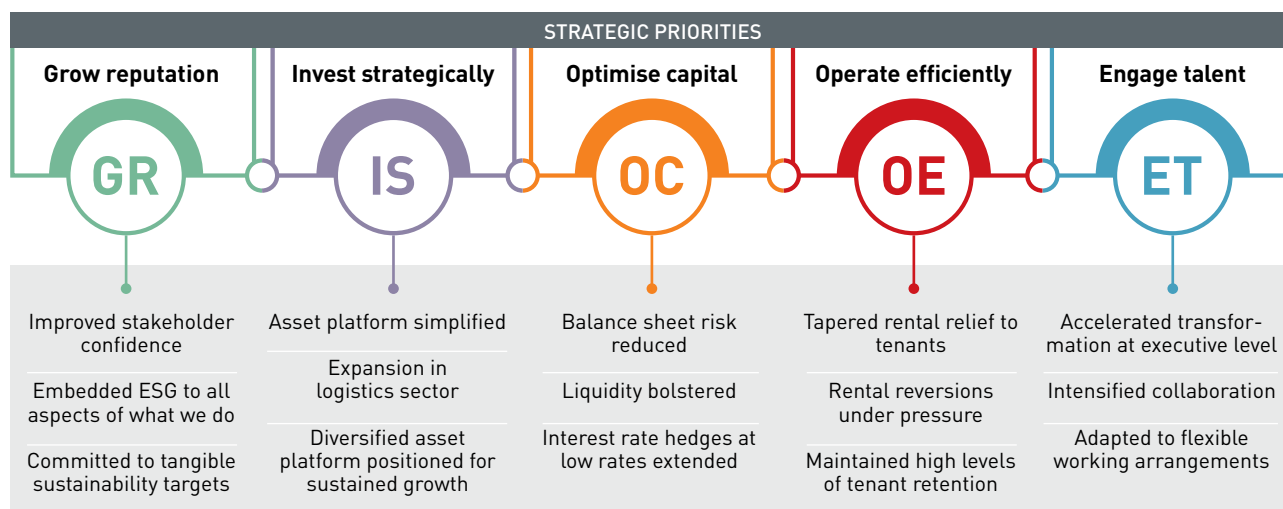
This document outlines the sustainable financing framework (framework or SFF) under which Redefine Properties Limited (Redefine) intends to issue programmatically use of proceed financial instruments such as green, social and/or sustainability bonds and green and/or social loans. The proceeds of such instruments will be utilised to fund assets/projects that would contribute to achieving specific objectives aligned to Redefine's environmental, social and governance **ESG** strategy and, in turn, the objectives of the United Nations (UN) Sustainable Development Goals (SDGs).

This framework is aligned to international best practices and guidance published by the International Capital Market Association (ICMA), the Loan Market Association (LMA), the Loan Syndications and Trading Association (LSTA) and the Asia Pacific Loan Market Association (APLMA), including:

- Green Bond Principles (GBP) 2021
- Social Bond Principles (SBP) 2021
- Sustainability Bond Guidelines (SBG)
- Green Loan Principles (GLP) 2021
- Social Loan Principles (SLP) 2021

2 Redefine's strategic approach to ESG

Investing in a long-term asset class, we make strategic choices with lasting outcomes. We have identified five strategic priorities that enable an integrated decision-making approach to creating sustained value for our stakeholders. These are the critical levers that affect our ability to create value in the short, medium, and long term. Redefine's five strategic priorities are summarised in the graphic below.



Considering that ESG is a strategic priority, Redefine adopts a holistic and integrated approach to sustainability, through our ESG strategy.

Redefine's ESG strategy enables the identification of pressing environmental and socio-economic issues, which, through our core business activities, we are able to address.

Our key ESG strategic objectives include

- Ensure ESG forms an integral part of our day-to-day business operations and decision-making processes throughout the life cycle of our properties
- Pursue opportunities to solve societal challenges through business innovation and collaboration
- Promote the creation of sustainable partnerships not only within our value chain but also across the real estate industry
- Focus on encouraging each of our key stakeholders to adopt ESG principles, which include investors, funders, suppliers, brokers, employees, tenants, shoppers and communities

Furthermore, in alignment with our **ESG** strategy, we have committed and prioritised (as of May 2022) the following UN SDGs, summarised below.

UN SDGs	Redefine prioritisation of UN SDGs
 Good health and well-being	Primary
 Quality education	Secondary
 Gender equality	Primary
 Clean water and sanitation	Secondary
 Affordable and clean energy	Primary
 Decent work and economic growth	Primary
 Industry, innovation and infrastructure	Primary
 Reduced inequalities	Secondary
 Sustainable cities and communities	Primary
 Responsible consumption and production	Primary
 Climate action	Primary
 Peace, justice and strong institutions	Primary
 Partnerships for the goals	Secondary

The UN SDGs are a universal call to end poverty and protect the planet, ensuring that by 2030 all people enjoy peace and prosperity. The 17 UN SDGs are integrated, meaning that taking action in one area (in pursuit of the associated goals) will positively influence outcomes in others. The South African government has committed to the achievement of the associated 2030 targets set out for the UN SDGs. As a South African Real Estate Investment Trust (REIT), Redefine recognised the role we have to play in realising the UN's vision as well as the South African government's commitment; thus we aim to become an ESG leader in the South African real estate sector by aligning our ESG strategy to the UN SDGs.

The Group's approach to ESG factors, related risks and opportunities is considered in respect of the geographical contextual span of our business. As such, our subsidiaries also take steps to incorporate ESG into their investment frameworks.

Our ESG strategy is applicable to all the properties over which Redefine has operational control and in FY2023 will be applicable to our EPP portfolio. This will, in turn, promote befitting ESG practices across our entire value chain.



3 Redefine's responsible investment approach

Redefine has a dynamic approach to capital management. In an environment of constrained capital, we evaluate the prospective returns of each capital deployment opportunity to determine our optimal capital allocation. In line with this, we assess the performance of our acquired assets against environmental, social and governance-related sustainability metrics.

Redefine recognises that ESG must be considered at each stage of the life cycle of our properties. The company adopts a groupwide approach to responsible investment, which aims to ensure that each asset management decision, from development or acquisition through to disposal or demolition, takes ESG risks and opportunities into account at each critical stage of an asset's life cycle.

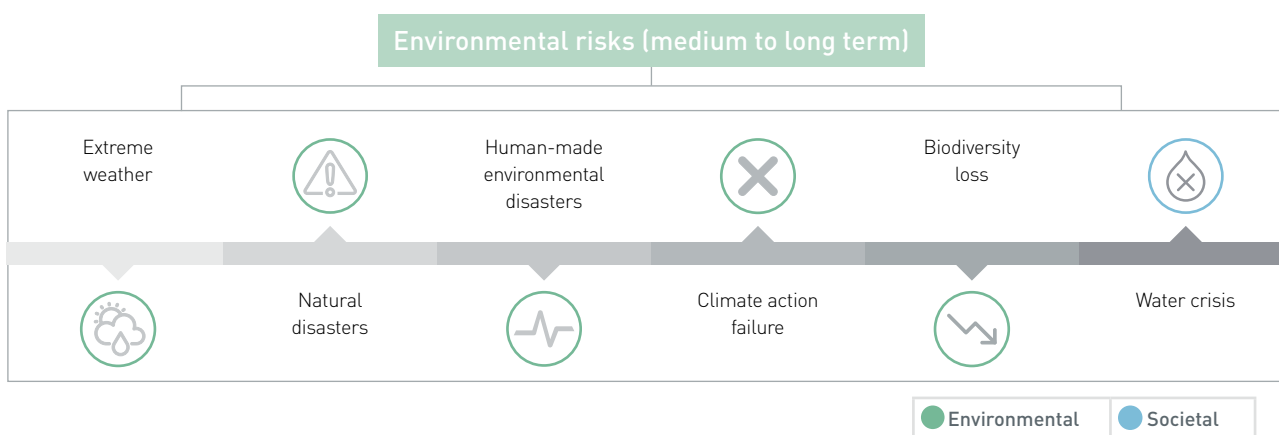
To deliver on this approach, our ESG strategy incorporates suitably ambitious targets and allocates areas of responsibility over each aspect of ESG within the business to ensure accountability.

Entrenching environmental considerations in the development and management of our buildings increases their appeal, efficiency, and long-term sustainability. The following risk mitigation measures are being established and embedded into our business in line with our environmental management programme, climate change policy, and risk management strategy

- 1 Developing and managing green buildings in line with the guidelines from the Green Building Council of South Africa as well as the BREEAM certification programme (for our properties located in Poland)
- 2 Driving the implementation of green leasing and green tenant guidelines, including water resource and waste management with various technologies (such as monitoring, leak detection and smart shut-off valves)

- 3 Increasing renewable energy generation and reducing grid-supplied energy consumption through energy management and efficiency initiatives, such as solar photovoltaic (PV) projects, power purchase agreements, and sensors
- 4 Ensuring suitable sanitation and hygiene at our buildings
- 5 Ensuring that responsible water and waste management take place, with the goal of reducing consumption as measured through our carbon footprint

From a climate risk management perspective, it has become a business imperative to safeguard our assets and investments against not only extreme weather and other catastrophic events but also the transitional risks and opportunities associated with the gradual move to a low-carbon economy. We aim to improve our portfolio’s climate change resilience and align our related risk management processes with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. To achieve this, Redefine designs buildings with long-term climate change risks in mind and explores opportunities to improve climate change resilience in our existing buildings. Our goal is to fully understand how and where our business and assets are vulnerable. We also encourage the development of real estate building codes and standards to meet the demand for climate change-resilient building design. We summarised these risks in the graphic below. These will be refined as we complete our TCFD analysis of our long-term climate risks and opportunities.



We define our enterprise risk management time horizon as

● SHORT TERM 0 to 1 year	● MEDIUM TERM 1 to 2 years	● LONG TERM 2 to 5 years
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Acknowledging that climate change-related risks may impact our business over a longer period, we also assess these risks against the following horizons

● SHORT TERM 0 to 3 years	● MEDIUM TERM 3 to 10 years	● LONG TERM 10 to 30 years
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In addition to the above, we also face a number of social risks to our portfolio that must be managed proactively; it is imperative for us to understand the sustainability risks within our value chain and introduce mitigating actions in response, which will also focus on the creation of long-term social impact. Our social impact is guided by our understanding of the interconnected and sometimes competing nature of the needs of our key stakeholders and balancing them in a way that maximises the positive impact of our business activities on all of them. This increases the relevance of the properties we manage and develop as well as our role in the social context in which we operate. Our key social initiatives, programmes, and goals include

- | | |
|---|--|
| <ul style="list-style-type: none"> 1 Delivering corporate social investment (CSI) initiatives and community engagement 2 Striving to raise sustainability awareness among stakeholders 3 Promoting human rights and decent working conditions, which includes supporting women-owned businesses and other vulnerable groups 4 Taking steps to ensure equal pay for work of equal value amongst our employees 5 Investing in our employees through our learnership programme and skills development | <ul style="list-style-type: none"> 6 Contributing to socio-economic development by upgrading facilities and infrastructure 7 Implementing a health, safety and well-being strategy for our key stakeholders 8 Maintaining our broad-based black economic empowerment (B-BBEE) contributor level for our South African operations 9 Benchmarking our employee engagement against peers 10 Implementing our supplier code of conduct that incorporates ESG factors 11 Creating a pipeline of future suppliers, tenants and employees through our social investments and enterprise and supplier development (ESD) programmes |
|---|--|

The development of a more sophisticated ESG matrix and its embedment into our investment life cycle follows a sound governance framework, whereby our Social, Ethics and Transformation Committee approves and oversees the implementation and progress of our ESG strategy. An ESG area of responsibility framework has been put in place for the Board and management, respectively, that clearly indicates the departments that are responsible for driving the respective focus areas of the ESG strategy. In managing our investments, the impact of a disposal on the company's overall ESG profile and performance and the potential socio-economic impact are incorporated into a disposal motivation. A more sophisticated ESG matrix, which will be applied to both acquisitions and disposals, is in the process of being finalised.

4 Redefine and subsidiaries as issuers

4.1 Redefine as issuer

Redefine is listed on the JSE and actively manages a diversified property asset platform with an approximate value of R90 billion, comprising local and international property assets. Redefine differentiates itself by placing people at the heart of what it does. As an ESG leader in the South African real estate sector, Redefine understands that it is essential to raise finance that is explicitly linked to projects that advance its ESG strategy and long-term resilience. Furthermore, these projects must be linked to value creation in the South African real estate context, where the regulatory and operating environment may be constrained and impact the implementation of certain projects that may improve our overall impact from an ESG perspective.

4.2 Subsidiaries of Redefine that may act as issuers under this framework

EPP is the largest owner of retail real estate located in Poland in terms of Gross Lettable Area (GLA). The company is committed to delivering the best possible rates of return to its shareholders by providing consumers with a unique shopping experience and tenants with attractive space and innovative solutions to help them develop their business. EPP has adopted an ESG strategy that aims to create sustainable value in the short, medium and long term.

As such, some of the eligibility criteria set out below are distinguished between European and South African projects, respectively; unless otherwise stated, the European eligibility criteria will apply over and above the South African criteria.

5 Sustainable financing framework

Redefine will periodically review and update this framework in line with market developments and to incorporate best practice evaluation, management and reporting.

This framework has been developed in line with the GBP, SBP SBG, GLP and the SLP and covers the four key pillars.

Four key pillars

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

The ICMA, LMA, LSTA and APLMA principles and guidelines are globally accepted by issuers, investors and lenders. Together, these principles and guidelines underpin the integrity and credibility of this framework for sustainability debt issuances.



5.1 Use of proceeds – investment categories and eligibility criteria



Green investment categories

Eligible green bond/loan category Renewable energy		
Environmental objective(s)	Eligibility criteria	Contributing to UN SDGs
Climate change mitigation	<p>Applicable to South African and European operations</p> <p>A Construction, generation (including generation for self-consumption) transmission or maintenance of renewable power and associated infrastructure, including wind, solar, tidal, biomass, biogas and geothermal</p> <ul style="list-style-type: none"> → Biogas: separate feedstock before use into recyclable and non-recyclable <ul style="list-style-type: none"> • Waste and non-waste feedstocks will be utilised • Waste includes (but is not limited to): food waste, algae sludge, waste paper and bagasse • Non-waste feedstock will only be used if certified by either the Sustainable Biomass Partnership, Roundtable on Sustainable Biomaterials, International Sustainability & Carbon Certification Plus or have a carbon intensity of lower than 100g CO₂/kWh (average over five years). This threshold will be reduced every five years in line with a net zero CO₂e in the 2050 trajectory. Examples include, but are not limited to, residues and by-products that can be reused by processing/production units → Geothermal projects: emit ≤100g CO₂/kWh <p>B Manufacturing or import of components dedicated solely to renewable energy technology, including, but not limited to, wind turbines, solar panels, inverters, and storage batteries</p> <ul style="list-style-type: none"> → Components may be used to install renewable energy capacity during the construction of buildings or to existing buildings (retrofits/redevelopments) → Components will not be resold to third parties <p>C Manufacturing and supply chain/distribution solely dedicated to renewable energy equipment and components</p> <p>Applicable to European operations ONLY</p> <p>A Construction, generation (including generation for self-consumption) transmission or maintenance of renewable power and associated infrastructure, including hydropower on the following scales</p> <ul style="list-style-type: none"> → Small-scale hydro ≤25 MW → Larger hydro: Lifecycle carbon intensity ≤100g CO₂/kWh or power density ≥5W/m². → Any hydropower project will need an environmental and social risk assessment to be conducted as a precondition 	<p>Redefine's strategy is to pursue carbon reduction measures to effectively achieve net zero energy status for all new assets by 2030 and across all existing assets by 2050.</p> <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>
	Climate change mitigation	<p>Applicable to South African and European operations</p> <p>A Manufacturing and/or installation of components or technologies that enable energy efficiencies. These include, but are not limited to</p> <ul style="list-style-type: none"> → Installations, retrofits and/or upgrades to a building's heating, ventilation and air conditioning (HVAC) system to ensure improved energy efficiency. Examples include, but are not limited to, an HVAC system that is either partially or completely air-cooled, or naturally ventilated with natural cooling, or cooled through displacement ventilation → Energy-efficient lighting, including natural lighting, which must achieve the provision of a minimum of 200 lux from natural light on average throughout the common areas of the building (thereby reducing the use of artificial lighting powered by electricity, which will, in turn, ensure energy efficiency is achieved) → Smart metering → Building management systems → Motion, thermal and occupancy, and carbon monoxide sensors for Internet of Things (IOT) enabling solutions → Central plant installations (for new developments and major redevelopments) → Smart grid technology
Eligible green bond/loan category Energy efficiency		

5.1 Use of proceeds – investment categories and eligibility criteria *(continued)*

Green investment categories

Eligible green bond/loan category Green buildings		
Environmental objective(s)	Eligibility criteria	Contributing to UN SDGs
Climate change mitigation Natural resource conservation Health and well-being (in the case of certified green buildings, a social objective would also be applicable)	<p>Applicable to South African operations*</p> <p>A Certified greenfield, construction, reconstruction, retrofit, renovation, or operation of buildings to make them sustainable through improvements in resource efficiency and the adoption of environmentally sound technologies</p> <p>→ Buildings must achieve equal to or more than 20% emissions/energy performance improvements (or primary energy demand) over baseline (baseline can be calibrated to a South African building code such as the SANS 10400 XA building energy efficiency code as updated from time to time) to be considered eligible</p> <p>→ Alternatively, a building must have achieved or will need to achieve one or more of the following certifications</p> <ul style="list-style-type: none"> • Leadership in Energy and Environment Design “Silver” certification • Green Star 4 category [per the Green Building Council of South Africa] or above • Sustainable Precincts certification • Net zero carbon/water/waste/ecology certification • EWP level 6 or above • EDGE certified by the IFC’s EDGE partners • BREEAM with a minimum certification of “Very good” or above • Energy Performance Certificate at B or above, per the SANS 1544: 2014 standard • Energy Star score of 85 and above • EcoDistricts certification • Living Buildings Challenge • WELL Building Standard <p>Applicable to European operations*</p> <p>A Certified greenfield, construction, reconstruction, retrofit, renovation, or operation of buildings to make them sustainable through improvements in resource efficiency and the adoption of environmentally sound technologies</p> <p>→ Buildings must achieve equal to or more than 20% emissions/energy performance improvements (or primary energy demand) over baseline (baseline can be a building code such as the ASHRAE 90.1 2010) to be considered eligible</p> <p>→ Alternatively, a building must have achieved or will need to achieve one or more of the following certifications:</p> <ul style="list-style-type: none"> • Leadership in Energy and Environment Design “Gold” certification • Green Star 4 category [per the relevant Green Building certification body for Poland] or above • Sustainable Precincts certification • Net zero carbon/water/waste/ecology certification • EWP Level 6 or above • EDGE certified by the IFC’s EDGE partners • BREEAM with a minimum certification of “Very Good” or above • Energy Star score of 85 and above • EcoDistricts certification • Living Buildings Challenge • WELL Building Standard <p>* The initial (first) green building certification (aligned to the lists referenced above) needs to have been obtained by Redefine within the 48 month look-back period (measured in relation to the issuance/raise date) to be considered eligible. The value of the green building as per an independent external valuation provided as at the initial certification date will be considered when proceeds are allocated historically</p>	<p>Redefine’s strategy is to expand the number of sustainable building certifications in our portfolio by incorporating resource efficient and environmentally sound technologies, e.g. smart buildings.</p> <p>Our commitment, in this regard aligns to our pursuit of UN SDG 9.</p> <div style="text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>





5.1 Use of proceeds – investment categories and eligibility criteria *(continued)*

Green investment categories

Eligible green bond/loan category Sustainable water management and wastewater management		
Environmental objective(s)	Eligibility criteria	Contributing to UN SDGs
Natural resource conservation	<p>Applicable to South African and European operations</p> <p>A Sustainable infrastructure for clean and/or potable water, water efficiency improvement, water recycling, wastewater treatment (excluding wastewater from fossil fuel operations), blackwater treatment, and desalination</p> <p>→ Projects involving desalination activities must have an environmental risk mitigation strategy that must address the management of brine and must be powered primarily by renewable energy</p>	<p>Redefine's buildings are often located in water-stressed regions. As such, we aim to reduce total water withdrawn from municipal sources through water efficiency measures, expanding our ability to reuse wastewater, and accessing alternative sources of water (e.g. rainwater harvesting).</p> <p>Redefine is committed to pursuing the goals set out in UN SDG 6 to improve water efficiency and address water scarcity.</p> <p>6 CLEAN WATER AND SANITATION</p> <p>6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all</p> <p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>
Eligible green bond/loan category Pollution prevention and control (waste management)		
Environmental objective(s)	Eligibility criteria	Contributing to UN SDGs
Pollution prevention and control	<p>Applicable to South African and European operations</p> <p>A Projects that focus on the collection and/or transportation of non-hazardous waste intended for reuse and/or recycling; thereby resulting in the reduction of waste sent to municipal landfill, measured in tonnes of waste reused or recycled as part of the internal waste management systems</p> <p>→ The intention is to target a 30% reduction of non-hazardous waste through the above recycling initiatives; thereby reducing waste sent to municipal landfill. The ability to achieve this target consistently is highly subjective, based on tenant (user) and shopper behaviour</p> <p>B Greenfield or reconstruction projects that convert waste to energy (waste will be converted into feedstock, which must be separated into recyclable and non-combustible and hazardous materials before incineration), capture methane gas, support recycling, and reduce the amount of waste produced or sent to landfill</p> <p>→ Methane capture will only be facilitated on non-operational/decommissioned landfills</p>	<p>Redefine's strategy is to manage the waste generated on our properties in a responsible manner through the inclusion of circular economy principles and positively influencing tenant behaviour in this regard.</p> <p>Redefine is committed to pursuing the goals set out in UN SDG 12 regarding responsible consumption and production of waste.</p> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>



Social investment categories

Eligible social bond/loan category Access to essential services			
Social objective(s)	Eligibility criteria (applicable to South African operations ONLY)	Contributing to UN SDGs	Target population ¹
Job creation Financial inclusion Sustainable economic development	<p>A Projects that promote the formalisation and growth of micro, small and medium enterprises (MSMEs)³ through activities and/or technical support, including but not limited to</p> <ul style="list-style-type: none"> → Guidance on basic financial and bookkeeping practices → Sustainability principles → Facilitating their participation in on-site events or showcases that provide them with exposure to new customers → Letting space to MSMEs or SMEs at a reduced rate 	<p>Redefine's strategy is to take steps to facilitate the growth of MSMEs, which enable MSMEs and their employees to access the economy and stimulate job creation. This enables our overall transformation journey.</p> <p>Therefore, Redefine is committed to pursuing the goals set out in UN SDG 8, 9 and 10 respectively.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p>10 REDUCED INEQUALITIES</p> </div> </div> <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets</p> <p>10.1 By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average</p>	<p>Underserved, owing to a lack of quality access to essential goods and services (under-banked or financially excluded MSMEs⁴)</p> <p>Previously disadvantaged individuals ("Black People"⁵)</p> <p>Unemployed people⁶</p>
Eligible social bond/loan category Access to essential services			
Social objective(s)	Eligibility criteria (applicable to South African operations ONLY)	Contributing to UN SDGs	Target population ¹
Equitable access to essential services Sustainable economic development	<p>A Projects that involve the construction or investment (the cost of which is borne by Redefine) into any modular mall-based ecosystem (including but not limited to mobile clinics and learning facilities for example)</p> <p>B Projects through which Redefine offers space to MSMEs or non-profit organisations at a reduced rate</p>	<p>Redefine's strategy is to take steps to facilitate the growth of MSMEs, which enable MSMEs and their employees to access the economy, stimulate job creation and enable South Africa's transformation journey.</p> <p>Therefore, Redefine is committed to pursuing the goals set out in UN SDG 10.</p> <div style="text-align: center;">  <p>10 REDUCED INEQUALITIES</p> </div> <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<p>Underserved, owing to a lack of quality access to essential goods and services (under-banked or financially excluded MSMEs)</p> <p>Disadvantaged youth⁷</p> <p>Excluded and/or marginalised populations and/or communities⁸</p>

¹ Please note terms that need a definition have been outlined in section 7 below:

With respect to the target populations detailed in this column for the respective social categories outlined are the primary target populations that Redefine anticipates will benefit. Should differing or additional target populations benefit, Redefine will clearly indicate such differences in the legal documentation of green, social and/or sustainability issuances/raised under this framework



Social investment categories

Eligible social bond/loan category Affordable basic infrastructure			
Social objective(s)	Eligibility criteria (applicable to South African operations ONLY)	Contributing to UN SDGs	Target population ¹
Equitable affordable basic infrastructure Sustainable economic development	<p>A Transport infrastructure projects that aim to improve the general transport logistics and access to public transport (the cost of which is borne by Redefine), e.g. roads, shelters for commuters awaiting public transport, and designated taxi ranks, at no cost to the relevant target populations</p>	<p>Redefine considers the socio-economic environment in which we operate. In South Africa, 60.1% of urban workers spend more than 20% of their monthly household income per capita on public transport. According to the Competition Commission of South Africa, minibus taxis are estimated to convey around 15 million commuters daily. However, the taxi industry and its ability to access transport routes within dense urban areas is fraught with difficulties, often resulting in conflict that makes it difficult and many times unsafe for working-class commuters who rely on their</p> <p>Redefine intends to help proactively address this issue through our transport infrastructure projects as part of our commitment to pursuing the goals set out in UN SDG 11.</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p>	Excluded and/or marginalised populations and/or communities

- Link: <https://www.compcom.co.za/wp-content/uploads/2021/04/PTMI-Non-Confidential-14-April-2021-FINAL.pdf>

5.2 Refinance

The proceeds from the green, social and/or sustainability bond/loan issuances/raises will be used to finance new assets/projects and refinance existing assets/projects. New assets/projects are those that have been acquired, developed, or for which disbursements have been made (as per the criteria outlined in section 5.1) up to one year before the issue/raise of the bond/loan and at any time from the date of the issuance. Existing assets/projects are those that have been acquired, developed, or for which disbursements have been made (as per the criteria outlined in section 5.1) up to 48 months before the issuance/raise.

5.3 Process of selection and evaluation of eligible projects

As common practice, Redefine regularly analyses the environmental and social impacts of our business and assesses how we can positively contribute to, and manage impacts on, the many communities in which we operate. All of Redefine's properties and associated activities (potentially eligible green, social or sustainability assets/projects) are considered against the groupwide responsible investment approach (detailed in section 3) above as well as the enterprise risk management framework.

The Redefine Executive Committee is responsible for the final approval of the selection and evaluation of assets/projects that are eligible for green, social or sustainability bonds/loans throughout the life of all Redefine's issuances/raises in terms of this framework, within the parameters of Redefine's internal financial Delegation of Authority (DOA) framework. For assets that fall within the Investment Committee's mandate in accordance with the DOA, the Investment Committee will approve the selection and evaluation of those assets for the purposes of this framework. The Redefine Executive Committee will also be responsible for governing the framework to ensure consistency of approach and oversight.

Redefine's ESG team is responsible for screening all potentially eligible green, social or sustainability assets/projects against this framework's investment categories and eligibility.

A project may have both green and social benefits, thus qualifying for more than one type of bond/loan. The Redefine ESG team will determine whether the project uses proceeds from a green, social sustainability instrument (bond or loan). In select cases, an asset/project may use proceeds from more than one bond/loan, but the proceeds' split will be determined and documented to avoid double counting. Eligible assets/projects may not belong to more than one bond/loan at any given time.

5.4 Management of proceeds

Redefine will allocate an amount equivalent to the net proceeds from the green, social or sustainability bond/loan issuance(s) and/or raise(s) exclusively to eligible assets/projects, which will be selected and tracked in accordance with the use of proceeds criteria (section 5.1) and the evaluation and selection process (section 5.2) presented above (eligible portfolio). The Redefine corporate finance and ESG teams will be responsible for the tracking and management of proceed allocation to the eligible portfolio.

Pending allocation, an amount equal to the net proceeds from green, social, and/or sustainability bonds/loans may be held in accordance with our internal investment policy, temporarily invested in cash, cash equivalents, and/or high-quality marketable securities. The unallocated proceeds shall not be invested in any coal, oil or gas related assets.

Redefine will strive to achieve a level of allocation for the eligible assets/projects that matches or exceeds the balance of net proceeds from the outstanding green, social and sustainability bonds/loans issued/raised in terms of this framework 24 months from the date of each issuance/raise. Eligible assets/projects will be added to or removed from Redefine's eligible assets/projects to the extent required.

5.5 Reporting and impact measurement

Redefine will prepare and publish an annual allocation and impact report with respect to the green, social and/or sustainability bonds/loans issued/raised under this framework at least until full allocation. This reporting will be published in the group's annual ESG reporting suite available on Redefine's website.

The reporting will provide

- The total amount of proceeds allocated to eligible assets/projects
- The number of eligible assets/projects
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing
- Annual impact indicators

A summary of the impacts of the eligible asset/project portfolio may include the metrics set out below and relevant narratives, where the data is available and subject to permitted disclosure in accordance with relevant confidentiality agreements and privacy, competition, or other relevant regulation.

Furthermore, the impact of use of proceeds will be reported using the impact indicators recommended by the ICMA Handbook of Harmonised Impact Reporting for green bonds and draft ICMA Handbook of Harmonised Impact Reporting for social bonds.

- Link 1: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Harmonized-Framework-for-Impact-Reporting-for-Social-BondsJune-2020-090620.pdf>
- Link 2: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

Indicative impact indicators

When identifying eligible asset/projects and their non-financial impacts, Redefine may rely on external consultants and their data sources. This will be dealt with on a case-by-case basis.



Renewable energy

- Total installed capacity MW
- Annual generated renewable power (MWh/year)
- Estimated annual CO₂ equivalent emission reduction (tonnes CO₂eq/year)
- Number of people with access to clean energy services
- Estimated number of jobs created



Energy efficiency

- Estimated annual CO₂ equivalent emissions reduction/avoidance (tonnes CO₂eq/year)
- Annual energy savings (MWh/year)



Green buildings

- Number of green buildings funded by eligible certification (e.g. EDGE)
- Total GLA (in m²) of green buildings funded
- Total GLA (in m²) of energy-efficient property funded
- Estimated annual CO₂ equivalent emissions reduction/avoidance (tonnes CO₂eq/year)
- Number of people benefited



Sustainable water

- Annual capacity of water captured (kl/year)
- Number of water meters installed
- Annual volume of water saved/recycled (m³/year)
- Annual reduction in water consumption (m³/year)
- Annual reduction in volume of water consumed from municipal sources (kl/year)
- Annual volume of wastewater treated for reuse (m³/year)
- Additional number of people with access to safe drinking water
- Annual reduction in volume of water consumed from municipal sources (kl/year)
- Percentage of GLA for which procedures or systems are in place to help reduce Redefine's footprint of water (e.g. grey water or rainwater capture systems)



Pollution prevention and control

- Total installed capacity MW from waste to energy
- Annual generated waste to energy power (MWh/year)
- Annual GHG emission reductions (tonnes CO₂eq/year)
- Annual waste used for energy (tonnes/year)
- Annual waste reused or recycled before and after the project
- Percentage emission improvements
- Annual waste managed through internal waste management systems (tonnes/year)



Access to essential services

- Number of MSMEs formalised through eligible projects
- GLA (in m²) let to MSMEs and SMEs
- Estimated number of jobs created, retained or enabled
- Estimated number of people with access to goods and services provided by MSMEs and SMEs



Affordable basic infrastructure

- Estimated number of people with access to public transport facilities
- Kilometres of roads rehabilitated/constructed
- Share of barrier-free access
- Number of residents and/or commuters benefiting from new or upgraded basic infrastructure that is otherwise not accessible, e.g. road development

6 Reporting

6.1 Second-party opinion

This framework has been reviewed by S&P Global Rating, an independent party with experience and a track record in issuing second-party opinions (SPO). S&P Global Rating confirms the framework's alignment with the ICMA Green and Social Bond Principles (2021), the Sustainability Bond Guidelines (2021) and the LMA, LSTA and APLMA Green Loan Principles (2021) and Social Loan Principles (2021).

The SPO from S&P Global Rating expresses a view regarding the alignment of

- The use of proceeds
- Project selection process
- Management of bonds
- Indicative impact indicators

The SPO will be made available to investors along with this framework on

- Link: <https://www.redefine.co.za>

6.2 Verification

Redefine will request on an annual basis, starting one year after issuance and until maturity (or full allocation), a limited assurance report of the allocation of the green, social and or sustainability bond and green and/or social loan proceeds to eligible assets/projects to be provided by its external auditor.



7 Definitions

Note number	Term	Definition
3	MSMEs	<p>The definition of MSMEs for the South African operations have been aligned to the IFC's Definitions of Targeted Sectors and/or the Broad Based Black Economic Empowerment Code (B-BBEE).</p> <p>IFC Definition</p> <ul style="list-style-type: none"> → Enterprises that have an estimated number of less than ten employees, assets and annual sales of less than USD100 000 each will be considered micro enterprises → Enterprises that have an estimated number of less than 50 employees, assets and annual sales of less than USD3 000 000 each will be considered small enterprises → Enterprises that have an estimated number of less than 300 employees, assets and annual sales of less than USD15 000 000 each will be considered medium enterprises <p>B-BBEE Codes of Good Practice Definition</p> <ul style="list-style-type: none"> → MSMEs are classified as enterprises with a turnover of ZAR50 million and below per annum → The B-BBEE codes go a step further and break MSMEs into two categories, namely <ul style="list-style-type: none"> • Qualifying Small Enterprises (QSEs): Enterprises with an annual revenue of between ZAR10 and ZAR50 million • Exempted Micro Enterprises (EMEs): Enterprises with an annual revenue of below ZAR10 million
4	Financially excluded	Typically, an individual or MSME who would not be able to access capital from major financial institutions or be considered by traditional financiers for secured credit facilities, as a result of having insufficient existing assets or guarantors
5	Black People	A generic term which means Africans, Coloureds and Indians as per the B-BBEE Code
6	Unemployed people	As per Statistics South Africa expanded definition unemployed persons are people who are between the ages of 15 to 64 years who (a) fall under official unemployment and (b) were available to work but are/or discouraged work-seekers or have other reasons for not searching for work
7	Disadvantaged youth	Disadvantaged youth are individuals aged 15 to 34 years who are not in employment, education and/or training (as per Stats SA's NEET definition) and/or who form part of "designated groups" as defined in B-BBEE Regulations and Codes applicable to the property sector from time to time
8	Excluded and/or marginalised populations and/or communities	Excluded communities cover individuals who are classified under the B-BBEE Codes and include the economic empowerment of all Black People, including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies

*Statistics South Africa Quarterly Labour Force Survey (May 2022), available at

- Link: <https://www.statssa.gov.za/publications/P0211/P02111stQuarter2022.pdf>