2020 Environmental, social and governance report

Sustaining tomorrow,
today

REDEFINE PROPERTIES

We're not landlords. We're people.

Theme

BRAVE: Exploring possibilities, rising to every challenge
ETHICAL: Doing what's right, and caring
SUSTAINABLE: Understanding our impact and creating lasting value
TRUSTWORTHY: Building our relationships, being accountable and true

Navigating the context we find ourselves in can be overwhelming, with the unknowns far outnumbering the knowns. COVID-19 has not only affected the health of millions of people across the globe, but its immense secondary effects on our economies and communities continue to evolve. In this context, business as usual is no longer an option.

In 2020, social distancing became a fact of life, but our hands-on approach never wavered. We had to stay apart, but we never lost touch or stopped lending a helping hand.

As a purpose-led business, we strive to live our values daily. This consistent focus enables us to navigate our way through the headwinds to ensure we continue to create long-term value for our stakeholders. **We know that the decisions we make today will undoubtedly shape tomorrow. While we have faced unprecedented challenges in the past year, our integrated report (IR) allows us to share with you – our valued stakeholder – insight into how we remained hands-on in our efforts towards** SUSTAINING TOMORROW, TODAY.

Our IR is designed to highlight how we drive value creation by focusing on getting the basics right, making the difficult choices, and positioning our business for the future.

Our 2020 reporting suite is themed around our values, the compass we have used to navigate these tumultuous times, and highlights our hands-on approach to living our values daily. Please see **page 1** for the details of our supporting reports.

Guide to our report

KEY
COVID-19 information COVID-19

Navigate our report

Throughout our reporting suite, the following icons are used to show the connectivity between sections:

CAPITALS

- **FC** Financial capital
- **MC** Manufactured capital
- **HC** Human capital
- **SRC** Social and relationship capital
- **IC** Intellectual capital
- **NC** Natural capital

For more information on our capitals, refer to our IR.

STRATEGIC PRIORITIES

- **GR** Grow reputation
- **IS** Invest strategically
- **OC** Optimise capital
- **OE** Operate efficiently
- **ET** Engage talent

For more information on our strategic matters, refer to our IR.

MATERIALITY THEMES

- Uncertain geopolitical and socio-economic growth factors
- The evolving role of business in creating a prosperous and sustainable society
- Business model resilience to the rapidly changing context
- Heightened demands on governance and regulatory context
- Managing for liquidity and sustainability during COVID-19

For more information on our materiality themes, refer to our IR.

REDEFINE'S PRIMARY UN SDGs

page 8–10

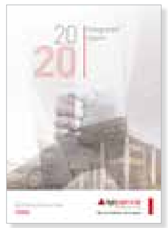
- 3 Good health and well-being
- 5 Gender equality
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities
- 13 Climate action
- 16 Peace, justice and strong institutions

For more information on our SDGs, refer to our IR.

Our reporting suite

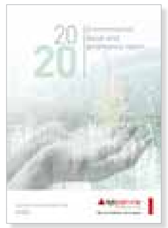
We are committed to reporting openly and honestly to our broad range of stakeholders. To view the full suite, please visit our website, www.redefine.co.za.

IR Integrated report



Our IR is our primary report to our stakeholders. It is structured to show the relationship between the interdependent elements that comprise our value creation story.

ESG Environmental, social and governance report

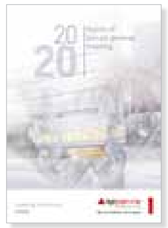


Our ESG is a detailed account of the group's sustainability performance for the year, and also includes our **remuneration report**, as well as our social, ethics and transformation committee report.

AFS Group annual financial statements

Our AFS provide a comprehensive report of the group's financial performance for the year.

AGM Notice of annual general meeting



The AGM provides supporting information for shareholders to participate in the AGM.

Our reporting suite is in compliance with:

- The International Integrated Reporting <IR> Framework
- The Companies Act, No 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV) (copyright and trademarks are owned by the Institute of Directors in South Africa NPC, and all its rights are reserved)
- International Financial Reporting Standards (IFRS)

Feedback

Your feedback is important to us and we welcome your input to enhance the quality of our reporting. Please visit www.redefine.co.za or email investorenquiries@redefine.co.za

1 Overview

> **Never before has the interconnected nature of society and business been more apparent. For us, sustainability isn't negotiable – it's a critical part of how we create value for our stakeholders."**
>
> *Redefine Properties*

At Redefine, we're committed to deepening our understanding of those ESG factors that support and protect value creation. We know that an integrated approach to strategic thinking is necessary to ensure we remain relevant – both now and into the future.

Grayston Ridge, *Sandton*

About **Redefine**

Redefine Properties Limited (Redefine) is a South African-based Real Estate Investment Trust (REIT). Our primary goal is to grow and improve cash flow to deliver quality earnings, which will underpin growth and sustained value creation for all stakeholders.

We are listed on the JSE

We actively manage a diversified property asset platform with a **value of R81.0 billion** comprising local and international property assets

We differentiate ourselves by placing **people at the heart of what we do**

155 West Street, *Sandton*

Introduction to ESG

We live in an age of intersecting crises – with a global health pandemic, pervasive inequality, environmental degradation, climate change, conflict, political instability, an economic recession and a rise in populism. South Africa's (SA's) challenges have been further compounded by inadequate public infrastructure investment by the government. All of these socio-economic and environmental challenges have disrupted the business-as-usual economic model of past decades. They have forced companies to rethink their business models to benefit all key stakeholders and not just shareholders.

While these challenges present significant business risks for every sector of the economy, we choose to find opportunity among the challenges. We have shaped our business approach to integrate corporate citizenship principles by measuring the environmental and social impact of our products and services – this ensures that we actively contribute towards a more sustainable operating environment for all our stakeholders by embedding ESG factors into every aspect of our business.

We are intent on creating and preserving sustained value for all our stakeholders. Our intentions and commitments in this regard are supported by a comprehensive implementation plan that outlines priorities, risks, opportunities, targets and action plans. We aim to achieve this by investing in sustainable assets, greening of physical assets, understanding the social impact of our products and services, strengthening our governance frameworks and transparently engaging with our key stakeholders – because the pursuit of profit at the expense of environmental preservation and human rights is unsustainable.

The COVID-19 pandemic has emphasised the importance of embedding ESG considerations into our business strategy and prompted us to accelerate the execution thereof. We hope that when we eventually overcome the COVID-19 pandemic, we can hold onto our sense of shared humanity to rebuild our social and economic systems to make them better, more resilient, and more encompassing – systems that promote health, equity and environmental protection.

How does ESG business integration **benefit us**?

Benefits

- Investors are sharpening their focus and basing their investment decisions on ESG performance
- Rating agencies are increasingly integrating ESG factors into their credit rating analysis
- Proactively adapting to climate change provides funding and investment opportunities
- Strong ESG performance attracts sustainable tenants
- A robust governance framework helps avoid corporate failures
- Employees want to work for responsible companies – the retention and motivation of a company's workforce depends on employees' connection to its purpose and meaning
- Managing ESG-related risks mitigates reputational harm
- ESG is not necessarily costly – it often hinges on influencing sustainable behaviours in our value chain
- Assessing the impact of ESG on our ability to attract equity and debt funding improves strategic forecasting

Opportunities

- Aligning our public disclosure to international best practice improves stakeholder grasp of our ESG performance
- Raising ESG awareness upstream (suppliers) and downstream (tenants, communities) in our value chain intensifies our impact
- Strengthening our internal governance protocols improves the proficiency of our operations; detecting and mitigating ESG-related risks helps future-proof our business and avoid controversies
- Measuring and tracking our impact to assess our ESG performance promotes continuous development objectively
- Assessing the impact of ESG on our ability to attract equity and debt funding improves strategic forecasting

Challenges

- Time, resources and systems are needed to conduct certain ESG initiatives, e.g. impact assessments, due diligence
- Multiple reporting mechanisms – United Nations Global Reporting Initiative, Task Force on Climate-related Financial Disclosures (TFCD), Sustainability Accounting Standards Board (SASB) – can complicate sustainability reporting
- Inconsistency in the approach to ESG among investors (local and international), rating agencies, and proxy advisors
- COVID-19 has delayed financial and sustainability reporting
- The World Economic Forum COVID-19 risks outlook identified a prolonged recession of the global economy as the most likely fallout for the world – this has far-reaching environmental, societal and technological implications

ESG **highlights**

We understand that we need to create sustained value for all our stakeholders. We believe this means looking beyond short-term returns and integrating long-term ESG factors into our everyday business. Making decisions today, that will benefit our stakeholders tomorrow.

Environmental

- Carbon emissions savings of **33 607 tCO_2e** from our solar installations (25.9 MWp) for the year equate to taking approximately **7 260 passenger cars off the road**
- **Expanded internally managed waste** to **39%** of our properties gross lettable area (GLA) (2019: 30%)
- **Comprehensive climate risk management strategy and target setting** under development
- **101 Green Star SA certifications** (2019: 74)
- **SASB and TCFD elements have been incorporated** into our reporting journey
- **Awarded runner-up for best quality Green Star SA submission** at the 2020 Green Building Council South Africa (GBCSA) Awards
- Continue to install various technologies such as online monitoring and leak detection, smart shutoff valves and sensors in bathrooms to **reduce water consumption**

Social

- **Work-from-home protocols** implemented for all staff – this included a strategy facilitating our return to work as we moved through the various lockdown levels
- **Offered operational and financial support** to promote the sustainability of our tenants and service providers during COVID-19
- **No employee retrenchments** were implemented since the socio-economic lockdown began on 27 March 2020
- **Heightened health and safety COVID-19-compliant protocols** applied to our key stakeholders
- **Finalisation of our corporate social investment (CSI) strategy** to ensure a consistent CSI approach throughout our portfolio
- **Employee engagement (92%)** and ethics scores (AAA) outperformed benchmarks
- Development of a supplier code of conduct to embed **ESG principles throughout our supply chain**
- Increased online learning capabilities and communications to support the **ongoing training and development of employees** working remotely and/or placed on extended leave due to COVID-19
- Maintained our **level 3 B-BBEE rating**

Governance

- **Improved board independence** 100% of non-executive directors are independent, and 60% of board members are female
- Enterprise risk management, information technology (IT) and data governance **protection systems implemented**
- Bolstered the board's property-related skills through the **appointment of Diane Radley**, an additional independent non-executive director
- Procurement **policies updated and relaunched**
- **3rd in Ernest Young Excellence** in Integrated Reporting Awards 2020
- **Tailored our business continuity plans** for COVID-19 and accelerated same
- **Became a formal signatory** to the United Nations Global Compact (UNGC) and the ten principles incorporated therein
- Conducted an external board evaluation to further **strengthen board governance**
- **Introduced a refreshed anti-bribery and corruption policy** which feeds into our ethical framework
- **Commissioned an external review** of our remuneration policy and practices to ensure that they remain fit for purpose in terms of attracting, motivating and retaining employees who are key to the company's recovery, continuity and success

Our purpose is to create and manage spaces in a way that changes lives. Our approach to ESG feeds into this purpose, and we are proud of the progress we have made in 2020. We remain committed to continual improvement in how we manage our ESG considerations, as well as how we report on our progress. Refer to our ESG scorecard self-assessment on **pages 144-154** for a summary of our progress.

ESG **focus areas**

We have identified specific environmental sustainability priorities that require our focus, including:

- Understanding how our business impacts the climate and environment (monitoring our carbon footprint)
- Assessing and disclosing climate- and water-related risks and opportunities through participation in the CDP, formerly called the Carbon Disclosure Project, climate change and CDP water security
- Awareness and response to external environmental challenges
- Continuous investment in long-term renewable energy solutions and water-efficiency projects
- Pursuing Green Star SA certifications to validate the overall environmental performance of of our certified properties
- Improving waste management efforts to reduce waste-to-landfill from buildings
- Ongoing rollout of smart electricity and water meters
- Increasing the environmental awareness of our stakeholders

We place purpose at the centre of our strategy, by connecting stakeholder needs to social impacts. We continue to focus on the following:

- Embedding wellbeing and purpose into every aspect of work; sustaining employee engagement and performance throughout the COVID-19 pandemic
- Continually striving to improve our compliance with B-BBEE requirements
- Supporting the principles of diversity and equal opportunity among all our employees
- Supporting youth employment, skills development and transformation through learnerships and other programmes
- Promoting mentorship within Redefine and encouraging senior management to participate in the ***Managers to Mentors*** initiative
- Engaging with our communities to understand and manage their expectations and needs, and to co-create solutions, ensuring meaningful impact for the communities around our buildings
- Developing sophisticated policies and procedures to manage relationships with our brokers and suppliers effectively

We have identified specific governance priorities that require our focus, including:

- Overseeing the formal appointment and induction of Ntobeko Nyawo as the newly appointed financial director (FD), and the seamless transition of Leon Kok into the role of chief operating officer (COO) following the retirement of David Rice
- Reviewing and refreshing internal governance structures to further embed enterprise-wide risk and compliance governance practices
- Prioritisation of the 2030 UN Sustainable Development Goals (UN SDGs)
- Ensuring increased focus and attention on the internal financial control audits underpinning the chief executive officer (CEO) and FD attestation required in terms of the amended JSE Listings Requirements
- Continuing to actively manage our balance sheet, loan-to-value ratio (LTV) and debt covenants to protect against downside risk
- Focusing on embedding IT governance standards and aligning IT services with current and future business needs

Refer to our website, www.redefine.co.za, for our King IV application register.

Achieving our **higher purpose**

We aim to become an ESG leader in the South African real estate sector.

> Our purpose is to create and manage spaces in a way that changes lives.

To achieve our purpose, we have incorporated a broader agenda into our strategic thinking. Our strategy seeks to tackle the issues addressed by the 17 UN SDGs – deemed of critical importance to sustainable growth. The research suggests that the failure to address these goals could result in increased social and economic instability globally. At the same time, efforts to achieve them will be a key driver of economic growth. Despite years of sustainability progress and awareness, more needs to be done to achieve these goals. This is critical to understanding the urgency of the UN SDGs.

The UNGC is a call to companies globally to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption. With more than 10 000 companies and 3 000 non-business signatories based in over 160 countries, and more than 60 local networks, it is the largest corporate sustainability initiative in the world.

We are proud of our contribution so far, and endeavour to improve our sustainability performance each year[1]. We have become a formal signatory to the UNGC.

Identification of SDGs

We have conducted a materiality analysis across all 17 SDGs in order to identify the areas of business or society where we can make the most significant impact. For each SDG, these impacts have been grouped per stakeholder. We also took into consideration SA's ranking in terms of the 2020 UN SDGs report[2].

We have internally identified primary and secondary SDGs based on their relevance to our business, to guide how we will prioritise our resources and commitments. We have identified the most significant priorities across each of the goals, throughout our value chain.

We can impact each of the 17 SDGs in one way or another. Therefore, we have identified secondary SDGs that we could potentially have an impact on and that can enable the achievement of the primary SDGs that we identified based on their relevance in SA and in the local real estate industry.

Our primary SDGs

- Good health and well-being
- Gender equality
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Sustainable cities and communities
- Climate action
- Peace, justice and strong institutions

Mifa Industrial Park, *Midrand*

Primary SDG	Redefine's estimated progress by due date
3	▫ Action is taken to identify potential impacts of future pandemics on employees (wider than COVID-19) ▫ Supplier code of conduct is enforced through self-assessments of suppliers, confirming that they have measures in place to promote the well-being of their employees ▫ Community education initiatives around health and well-being are expanded to include all aspects of health, safety and well-being, particularly for vulnerable communities
5	▫ Gender equality will be promoted in succession planning; new ways of accommodating caregiver employees will be introduced; gender-based pay disparities between employees doing work of equal value will be eliminated ▫ Community impacts on women and vulnerable communities are integrated into our end-to-end responsible investment approach
7	▫ Increased renewable energy installations throughout the portfolio will allow us to unlock green/sustainable funding opportunities ▫ Incentive or cost sharing agreements between Redefine and tenants are rolled out ▫ Renewable energy is offered at the majority of our properties
8	▫ Job creation through the supply chain will be measured; we will commit to paying a living wage and reducing the Gini coefficient over time ▫ Measurable long-term job creation through enterprise and supplier development (ESD) programmes, which then empowers ESD beneficiaries to become tenants
9	▫ We have a fully articulated and have implemented a responsible investment approach ▫ Water and energy savings technologies are implemented throughout our portfolio ▫ We work with municipalities (through lobby groups) to reduce the regulatory impediments to green energy initiatives at scale ▫ Partnerships with industry bodies / government / financial institutions to increase accessibility of credit for qualifying and sustainable small, medium and micro enterprises (SMMEs)
11	▫ By partnering with social impact organisations, we can understand the changing needs of its communities and how this can drive social investment ▫ We have a fully articulated approach to social investment that takes into account, *inter alia*, investment in infrastructure
13	▫ Climate scenario planning is conducted and incorporated into our risk and asset management strategy. Asset and property managers have guidance on how to practically incorporate scenario planning into their decision-making ▫ An environmental management system is implemented, where physical climate risks are effectively managed and measured ▫ Tenant awareness campaigns around climate risk management is routinely carried out for new and existing tenants ▫ A climate risk approach will be integrated into management, maintenance and development of assets
16	▫ Human rights / community impact assessments will become part and parcel of our due diligence framework ▫ Anti-bribery and corruption protocols are included in tenant selection ▫ Tenants are provided with access to training on ethics, and anti-bribery and corruption ▫ Community and human rights impacts will inform how we manage our operations. Internal governance will be streamlined and related risks will be managed ▫ Anti-bribery and corruption protocols are implemented in supplier selection and through ongoing due diligences

[1] *https://www.unglobalcompact.org/news/4593-09-22-2020.*
[2] *https://dashboards.sdgindex.org/profiles/zaf.*

Achieving our **higher purpose**

CONTINUED

The list below contains the secondary SDGs that we can implement, which will influence the achievement of the primary SDGs – for example, SDG 6 (clean water and sanitation) will impact the achievement of SDG 11 (sustainable cities) and SDG 13 (climate action).

Our secondary SDGs

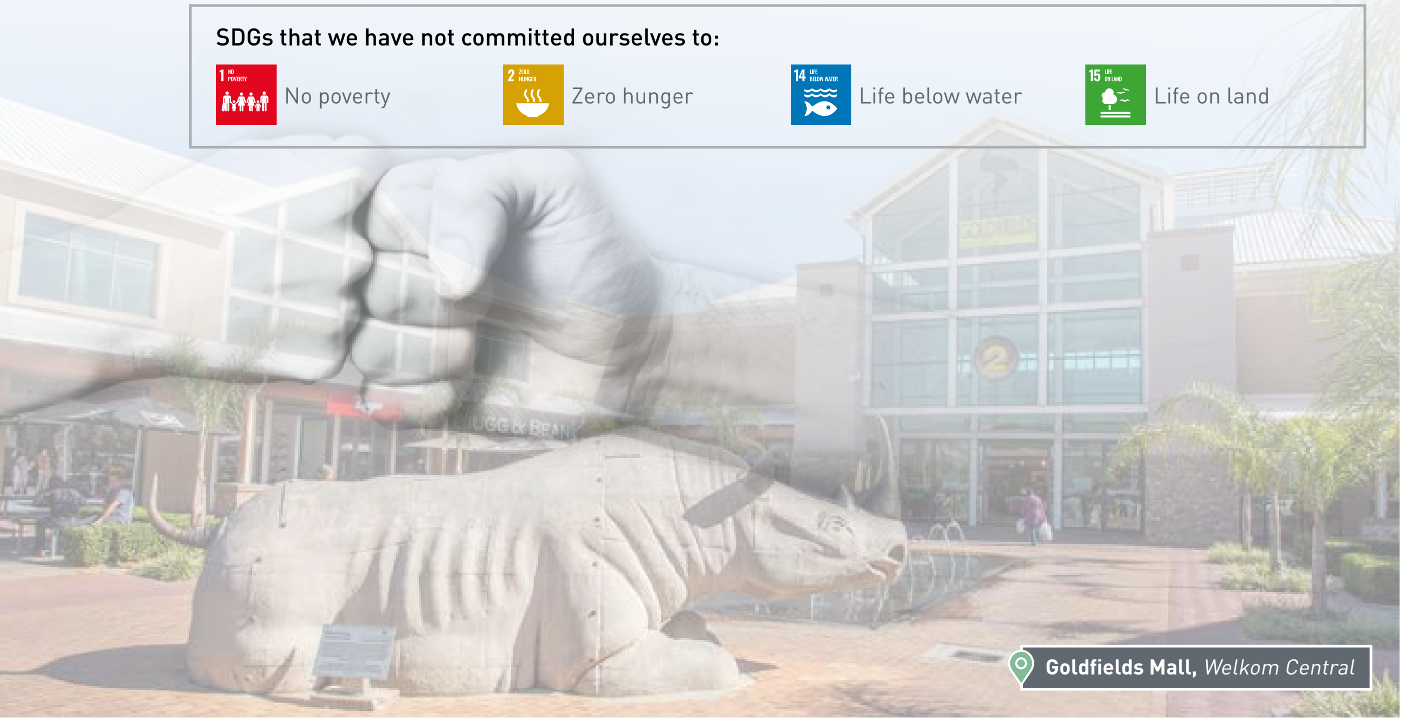
Quality education | Clean water and sanitation | Reduced inequalities | Responsible consumption and production | Partnerships for the goals

Secondary SDG	Estimated progress by due date
4	Partnerships with South African property owners Association (SAPOA), SA REIT Association (SA REIT), etc., could help improve the training and empowerment of women, lesbian, gay, bisexual, transgender, questioning (or: queer), intersex (LGBTQI+) individuals, talented black individuals and other underrepresented demographic groups throughout the real estate sector.
6	Ambitious water reuse initiatives, e.g. net-zero water measures, positively impact water usage and management in the context of ailing sanitation and water infrastructure in major South African cities.
10	Internal Gini coefficient is gradually reduced through wealth creation initiatives for junior employees.
12	Focus on programmes to encourage responsible consumption, which will include carbon reduction programmes within the value chain.
17	We drive ESG awareness and impact through local industry bodies (e.g. SAPOA, SA REIT), and partner with local municipalities to drive ESG through its investments. Partnering with financial institutions to help increase access to microfinancing for SMMEs and measuring our impact in this regard.

Based on the results of our materiality analysis, we have also identified those SDGs that we only indirectly impact and thus have not formally committed ourselves to.

SDGs that we have not committed ourselves to:

No poverty | Zero hunger | Life below water | Life on land



Goldfields Mall, *Welkom Central*

Benchmarking our progress against our peers

We benchmark our performance against our peers – both nationally and internationally – to inform our strategy and adopt international sustainability best practices across our organisation.

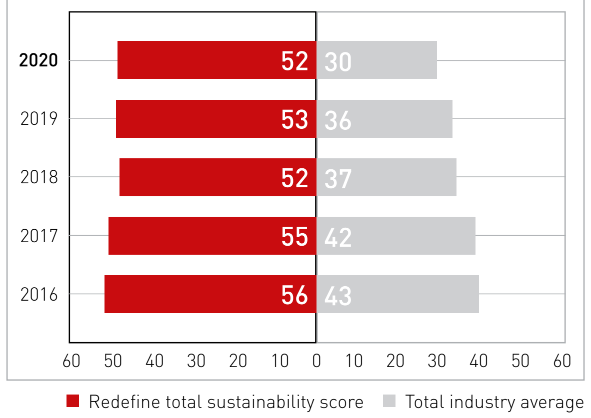
Dow Jones Sustainability Index (DJSI) / SAM Corporate Sustainability Assessment (SAM CSA)

The DJSI tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria through the use of the SAM CSA.

We continually strive to improve the climate resilience of our portfolio to mitigate climate change risk, safeguard our investments, and improve energy efficiency. We consider long-term climate-related risks when designing our buildings, because going green is no longer an option, but now a necessity for long-term value creation.

In addition to environmental issues, social responsibility, human rights protection and social integration are gaining importance in our industry. In the current volatile economic environment, community engagement and investment in areas surrounding our properties are receiving increased attention to maintain asset values, and for us to remain the preferred provider of space for tenants.

Our overall score compared to the industry average

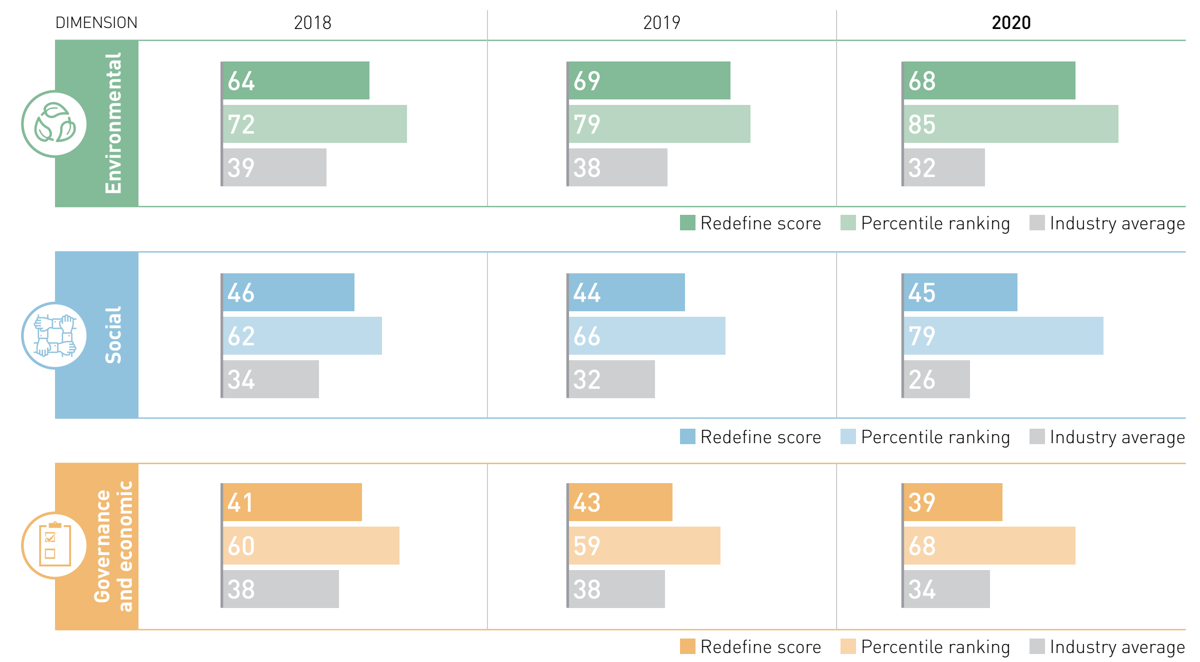


In 2020, we achieved a total sustainability score of 52, which is marginally lower than our total sustainability score of 53 in 2019. However, the industry average decreased from 36 in 2019 to 30 in 2020. We continue to use our scorecard as a means to identify targeted areas for improvement.

In 2020, we were not selected for inclusion in the DJSI, as we did not meet the applicable minimum criteria which increased from 53 in 2019 to 65 in 2020.

The SAM CSA results set out below compare Redefine's score to that of the global industry (i.e. real estate) average, and indicates the percentile ranking achieved for each dimension. The DJSI inclusion score is based on the emerging market benchmark.

Redefine's SAM CSA results by dimension



Benchmarking our progress against our peers

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GRESB
(formerly known as the Global Real Estate Sustainability Benchmark)

GRESB assessments are guided by investors and the industry to provide reliable and standardised global benchmarks on material ESG issues to capital markets. The GRESB real estate assessment is aligned to international reporting standards and frameworks such as the GRI, PRI, SASB, DJSI, TCFD, UN SDGs and the Paris Agreement. Participation in the 2020 GRESB assessment grew by 22% and now covers 1 229 portfolios globally. During 2020 GRESB assessment, participation required mandatory asset-level data reporting. Asset-level data related to environmental performance was provided for more than 96 000 assets across 64 countries.

GRESB also introduced a new reporting structure for the 2020 assessment, now placing a higher weighting on the performance component of the assessment compared to the management component. GRESB furthermore separated results for asset owners who have both standing investments and developments. As a result of these changes, comparison to previous results is not recommended.

Our GRESB assessment results continue to assist us in benchmarking our performance against our peers and in identifying areas for development and improvement across all aspects of ESG.

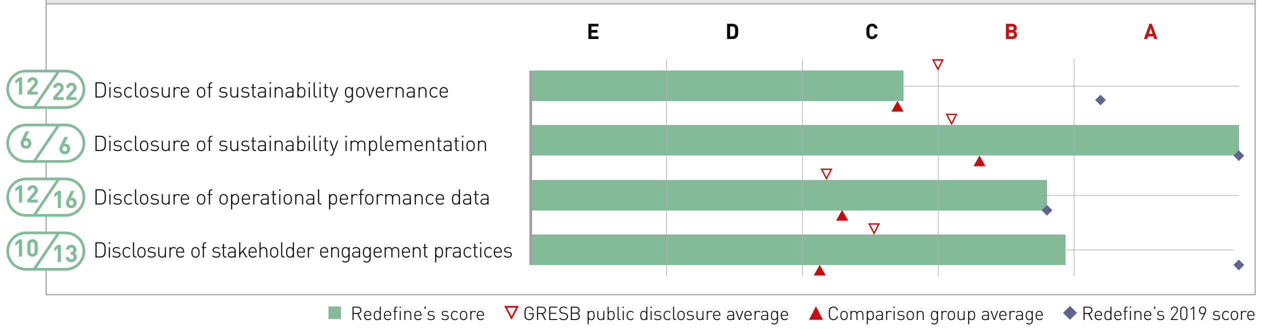
Our 2020 GRESB assessment results

	Score	GRESB average	Peer average
Standing investments			
Management score	21	26	26
Performance score	38	44	41
GRESB score	**59**	**70**	**67**
ESG breakdown			
Environmental	36	38	35
Social	10	15	15
Governance	13	17	17
Development			
Management score	51	49	47
Performance score	21	26	26
GRESB score	**71**	**74**	**72**
ESG breakdown			
Environmental	36	34	33
Social	10	20	20
Governance	13	20	19

In addition to providing a performance score, GRESB also measures the level of disclosure by listed property companies and REITs against 22 indicators aligned with the GRESB assessment. These disclosure levels are expressed through a rating scale from A (most transparent) to E (least transparent).

In 2020, Redefine's public disclosure level was rated as B (2019: A), while the global average was rated C and the comparison group average, C. Redefine placed first in the South Africa (SA), Diversified comparison group. Redefine's disclosure performance per disclosure topic is also above GRESB public disclosure averages and its comparison group average, and is included below.

Redefine's GRESB disclosure ratings



FTSE4Good Emerging Index

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

In 2020, Redefine was included for the fifth consecutive year in the FTSE4Good Emerging Index review.

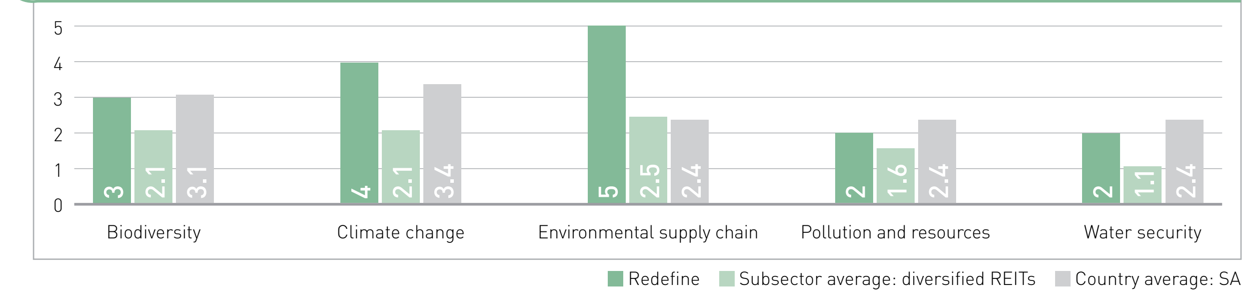
The criteria are based only on publicly available data and in assessing ESG practices, as the FTSE does not accept data or information provided privately by companies. This improves the credibility of data and enhances transparency across the market.

Redefine's FTSE4Good Emerging Index score

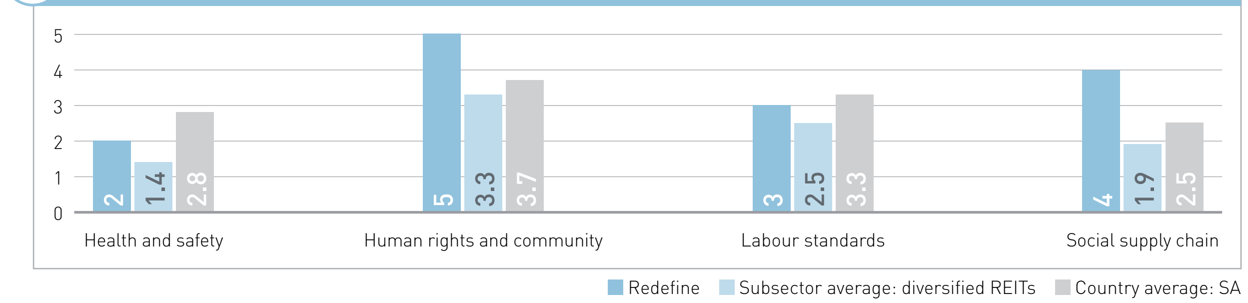
	2020	2019	2018
ESG overall score	3.5	3.3	3.2
Environment score	3.2	2.3	2.8
Social score	3.2	3.2	2.9
Governance score	4.3	4.0	4.0

Our overall 2020 performance confirms continuous progress year on year and has improved compared to our 2019 results.

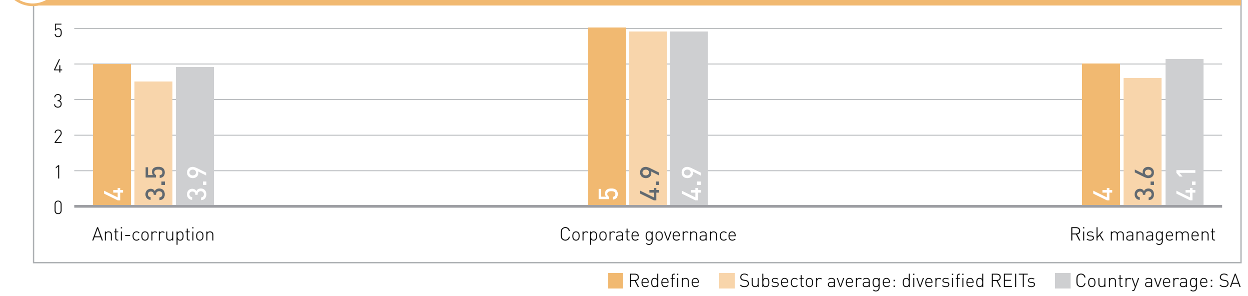
2020 environmental theme scores



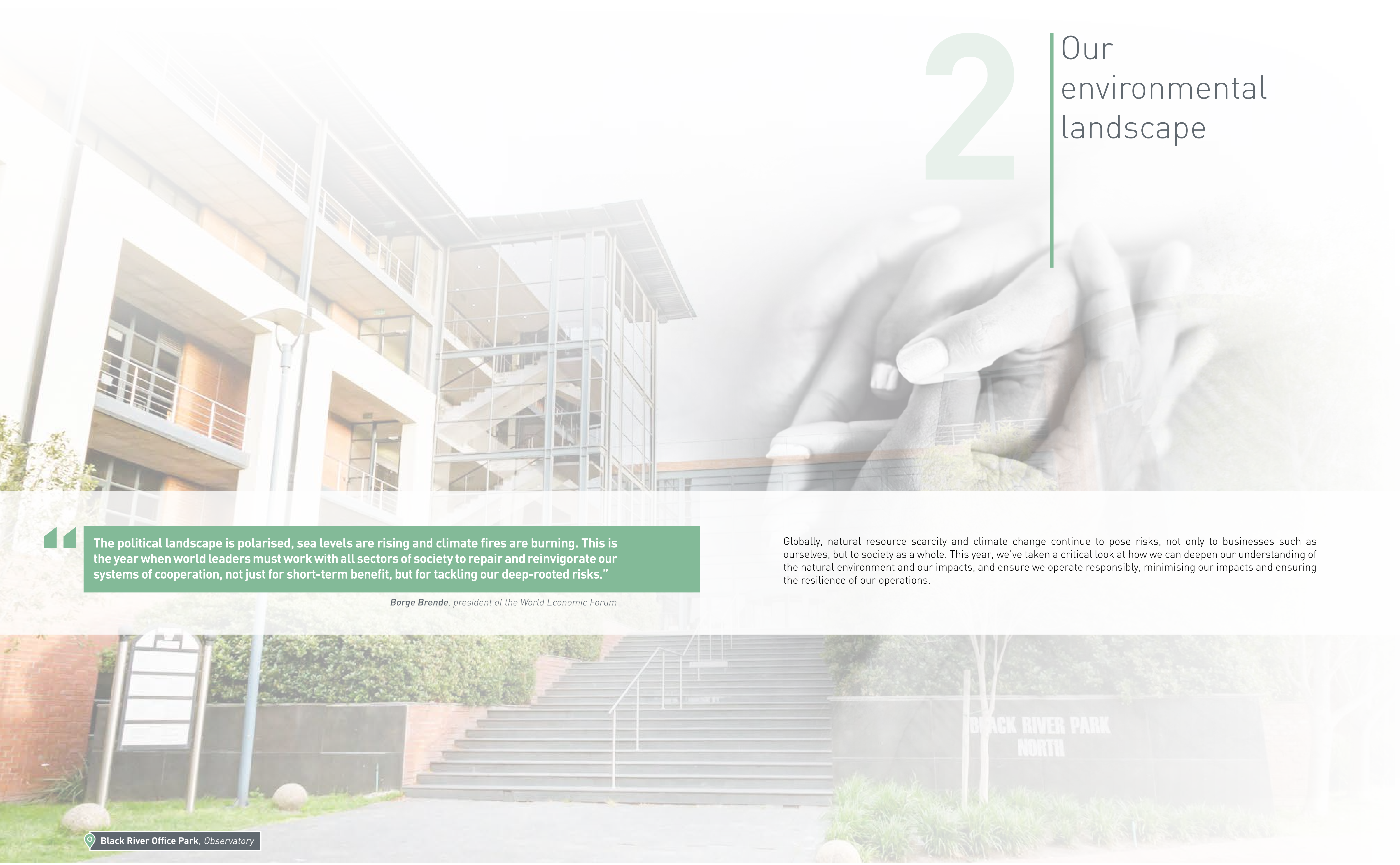
2020 social theme scores



2020 governance theme scores



2 Our environmental landscape



Black River Office Park, *Observatory*

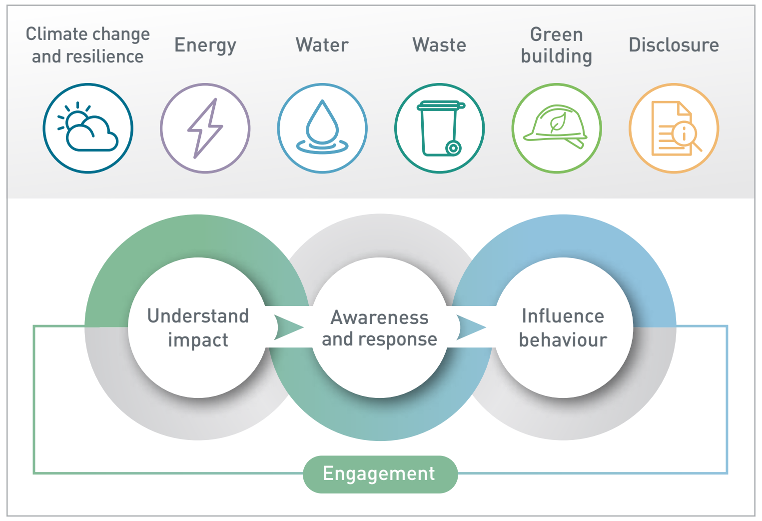
> **The political landscape is polarised, sea levels are rising and climate fires are burning. This is the year when world leaders must work with all sectors of society to repair and reinvigorate our systems of cooperation, not just for short-term benefit, but for tackling our deep-rooted risks."**
>
> ***Borge Brende**, president of the World Economic Forum*

Globally, natural resource scarcity and climate change continue to pose risks, not only to businesses such as ourselves, but to society as a whole. This year, we've taken a critical look at how we can deepen our understanding of the natural environment and our impacts, and ensure we operate responsibly, minimising our impacts and ensuring the resilience of our operations.

Understanding the impact environmental change has on our business

We recognise that effective environmental stewardship requires collective effort and responsibility from ourselves and our stakeholders. To do this, we ensure that our stakeholder engagement about environmental matters upholds the principles of transparency, accountability and sustainability in our approach to caring for the natural resources under our guardianship.

Our key environmental focus areas include climate change and resilience, energy, water, waste, green building, and disclosure. In each of these focus areas, we aim to understand our impact, create awareness and influence the right behaviours among our suppliers, employees and tenant base.



Our overall positioning on climate change

Redefine acknowledges that our business activities within the built environment contribute to climate change. We therefore strive to align ourselves with the global climate change goals set out in the Paris Agreement and aim to improve our understanding of climate change by defining how it impacts our business, and how our business contributes to climate change.

We believe that climate change should no longer be considered a low probability business risk. As a result, we have increased our focus on identifying and measuring the financial impact of, and quantifying climate change-related risks and are mindful of the potential harm they can have on our ability to create value.

In our journey to better understand the risks and opportunities presented by climate change, we have taken steps to align our environmental disclosure to best practice frameworks and standards.

Alignment with international best practice standards and frameworks

In addition to our annual carbon footprint assessment following the Greenhouse Gas (GHG) Protocol, we have also aligned our environmental disclosure to meet the SASB disclosure standards, which assists companies in disclosing decision-useful information.

The TCFD has developed recommendations for voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders. Guided by recommendations set out by the TCFD, we have disclosed our climate-related financial risks in this report and have indicated which framework or standard has been used in our disclosure.

SASB activity metrics

Activity metric		Industrial	Office	Retail	Residential	Specialised/other
Number of assets (IF-RE-000.A)		106	104	71	11	4
Leasable floor area (IF-RE-000.B)	sqm	1 855 007	1 298 503	1 500 763	126 473	40 786
	ft²	19 967 298	13 977 090	16 154 209	1 361 355	439 025
Percentage of indirectly managed assets by floor area (IF-RE-000.C)		72%	24%	5%	0%	66%
Average occupancy rate (IF-RE-000.D)		96%	82%	93%	Not available	72%

Reporting boundaries

Having established organisational scope and boundaries as part of our annual carbon footprint assessment, we are following an operational control approach – allowing us to account for emissions from operations under our direct control.

We began aligning our disclosure with the SASB Real Estate Standard in 2020, so that we report in terms of the determined accounting metrics for the relevant industry disclosure topics. For the purposes of alignment with SASB, our activity metrics are based on parameters set out in the SASB Real Estate Standard, with the following clarifications:

- **Number of assets**
  - Our number of assets are not limited to our operational control boundaries as set for our carbon footprint assessment
  - All properties (aligned with our AFS) are included in our SASB activity metrics. Our SASB metrics therefore also exclude properties disposed during FY2020. This methodology best aligns with the GRESB Real Estate Assessment Reference Guide to be used as a normative reference in accordance with the SASB Real Estate Standard
- **Leasable floor area**
  - We have used Gross lettable area (GLA) and not leasable floor area as defined in the SASB Real Estate Standard. Using GLA is better aligned to standard practice for REITs in SA
- **Indirectly managed assets**
  - All single-tenanted properties are included as indirectly managed assets. As we progress on our journey we will refine and improve alignment with SASB reporting metrics which notes that indirectly managed is solely based on the landlord/tenant relationship
- **Average occupancy**
  - Average occupancy is calculated as the weighted average occupancy for a 12-month period

It must be noted that electricity, water and waste data, as reported in this section, aligns with our carbon footprint reporting data following the operational control approach boundary. Numbers, as reported using the SASB Real Estate Standard, may therefore vary.

Enhancing our climate resilience

Building climate resilience is a vital mitigation tool against climate change risks. It has become a business imperative to safeguard our assets and investments against extreme weather and other catastrophic events, as well as to guard against transitional risks associated with the gradual move towards a low-carbon economy. As a result, we design buildings with long-term climate-related risks in mind and continue to explore opportunities to improve climate resilience throughout our portfolio. We also encourage the development of real estate building codes and standards to meet the demand for climate-resilient building design.

As part of our ongoing journey to improve our portfolio's climate resilience, we begun to align our climate-related risk management processes to the recommendations set out by the TCFD. Our goal is to understand how and where our business and assets are vulnerable.

We believe that investing in a sound climate resilience strategy will ensure that our capital investments are safeguarded and remain able to create value. As part of this strategy, we pursue green building practices – now a necessity for long-term value creation. Our ESG strategy includes our holistic green building approach (**see page 37-40**), which addresses our primary and secondary impact areas, and is aligned with international green building best practices. Our climate-related risk management processes aim to consider the full life cycle of our properties when assessing our environmental impacts. We thus ensure that from initial acquisition or development to final disposal, our management approach takes into account our environmental goals.

Enhancing our climate resilience
CONTINUED

Climate-related governance and environmental risk management

We have started to align our climate-related governance and environmental risk management framework to the TCFD to ensure that the board has oversight of potential climate-related risks and opportunities, including:

- Making quarterly submissions to the social, ethics and transformation (SET) committee regarding the management of climate-related risks within the business
- The SET committee reports critical climate-related risks and opportunities to the board
- The board sets the group strategy, including ESG goals and targets with climate resilience identified as an environmental risk within the enterprise risk management (ERM) framework – this includes budget considerations for Green Star SA certifications and pilot projects as part of the FY2021 sustainability budget
- Our goal and target setting process is underway and will define the necessary governance frameworks to monitor and evaluate performance against set targets

Our approach to sustainability is a work in progress. Although good progress has been made, we aim to further develop our strategic implementation framework in 2021 to support our ESG goals.

The market is changing rapidly, with more sustainability-related funding opportunities gaining traction in the local market. Going forward, our board and management will assess the potential impact on our funding and investment strategy.

We consider the potential impact of climate change (both transition and physical risks) on the marketability of our properties. While our board and executive leadership continue to identify sustainability issues of significance to our financial performance, we have identified two potential enterprise risks in need of our attention. These include the inability to be environmentally resilient and to maintain our governance and ethical standing – the development of our strategic framework on sustainability matters will include alignment with best practice sustainability risk management.

To better understand investors' sustainability-related concerns, we regularly engage with them to share our progress during our annual ESG roadshow, as well as surveys and questionnaires to better understand their ESG priorities.

Management's role in assessing and managing climate-related risks and opportunities

Our CEO is ultimately responsible for our ESG performance. He is supported by executive and senior management, specifically the newly appointed head of ESG. Together, they report specific climate-related issues to the SET committee, such as climate-specific benchmark considerations and green building progress monitoring, as well as how climate-related risks should form part of the group-wide ERM framework.

How we manage climate-related risks and opportunities

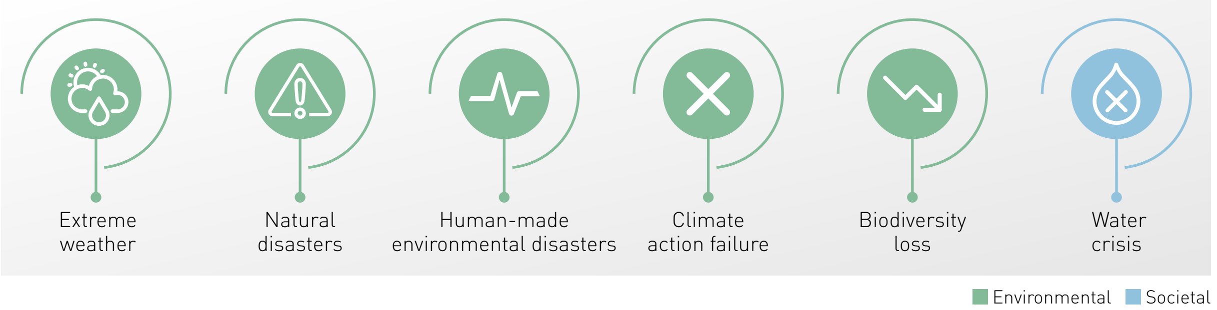
We follow an integrated process of identifying, assessing and managing climate-related risks in our ERM framework, which we then align to the risks and opportunities set out by the TCFD.

We assess our sustainability risks against our six value capitals to identify the areas in which the assessed risk will have the most impact. Each assessed risk is aligned to one or more of Redefine's key strategic objectives. Risks are further categorised as either strategic, operational, or both. The likelihood and impact of each assessed risk is measured against an internal business-relevant classification framework, developed to categorise and detail the impact and likelihood of each risk associated to a specific value capital. Each risk has a dedicated, assigned risk owner and, together with the perceived internal control effectiveness, they drive the ranking and focus on risks with unsatisfactory or weak controls.

Mitigating environmental risk

In 2020, we conducted an ESG risk assessment, identifying overarching medium- and long-term risks that have the potential to inhibit our ability to create value for all stakeholders:

Environmental risks (medium- to long-term)



As a business, we usually define short-, medium- and long-term risk horizons as follows:

0 – 1 year	1 – 2 years	2 – 5 years

However, acknowledging that climate-related risks may impact our business over a more extended period, we have assessed these risks against the following time horizons:

0 – 3 years	3 – 10 years	10 – 30 years

Short-term | Medium-term | Long-term

As part of our internal environmental risk identification process, we have identified the direct and indirect impacts of environmental risks, and have started aligning these risks with the TCFD framework. In our first year, we assessed the potential risk by using impact categories as set out by CDP. Going forward, we will strengthen our alignment with TCFD by methodically determining financial impact values and associated costs to mitigate against identified risks and opportunities.

Risk type

Transitional risks

Transitional risks describe those risks that a business faces during the move to a lower-carbon economy. Changes that may occur include policy and regulatory developments, as well as shifts in market preferences, norms and technology. Depending on the type, speed and focus of these changes, transitional risks pose varying degrees of potential financial and reputational risk for our business.

Physical risks

Physical risks include severe event-driven risks due to climate change, as well as the potential impact of longer-term shifts in climate patterns.

Physical risks may have direct financial implications due to damage to assets, or indirect impacts such as supply chain disruption. Changes in water availability, sourcing, and quality may also have financial consequences, while risks relating to food security and extreme temperature could potentially impact an organisation's premises, operations, supply chain, transport needs and employee safety.

Enhancing our climate resilience

CONTINUED

KEY

Risk type

Transitional risks | Physical risks

Time horizon

1 Short term | 2 Medium term | 3 Long term

Potential financial impact*

A	Increased indirect (operating) costs
B	Increased direct costs
C	Increased capital expenditures (capex)
D	Decreased revenues due to reduced demand for products and services
E	Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Risk	Potential financial impact*	Time horizon
Policy and legal		
Carbon tax legislation	A	1
Small-scale embedded generation regulations	A D	1
Water restrictions and punitive tariffs	A	1
Efficiency standards and building codes	C E	1
Technology		
Green buildings	C B	1
Alternative energy and water sources (batteries and greywater, among others)	C	1
Equipment replacement policies	C B	1
Standby power supply	C	2
Market		
Demand for greener and healthier spaces	D B	2
Increased cost of building materials	C	2
Reputation		
Sector stigmatisation	D E	2
Increased stakeholder concern	D	2
Acute		
Increase in extreme weather events (especially flooding and severe storms)	C E	2 3
Chronic		
Sector stigmatisation	D	1
Increased stakeholder concern	D	3

Aligned to CDP categories.

As we enhance our alignment with TCFD, we will describe each identified risk and opportunity in more detail.

Sustainability risk management strategy

We plan to incorporate environmental risk assessment into our development and investment decision-making process in the future. We have already begun the journey of implementing guidelines for asset-level environmental and social risk assessments. Once these guidelines are finalised, we aim to incorporate them as a standard part of our due diligence process for all new developments and acquisitions going forward. The themes and elements of these assessments will consider the following aspects:

- Building safety
- Climate change adaption
- Compliance with regulatory requirements
- Site selection, land use and contaminated land
- Life cycle assessment
- Embodied carbon
- Sustainable procurement
- Material sourcing
- Flooding
- Natural hazards
- Location and transportation
- Socio-economic factors
- Resilience to catastrophe and disasters
- Biodiversity and habitat
- Energy efficiency
- Energy supply and renewable energy
- GHG emissions
- Green building and net zero certifications
- Water supply and efficiency
- Waste management
- Indoor environment quality
- Health and wellbeing

Scenario analysis

As a REIT, Redefine's impact relates to the built environment. We strive to use scenario analyses to understand forward-looking pathways and how these could potentially affect the resilience of our buildings. We consider SA's nationally determined contributions submitted under the Paris Agreement to guide our South African portfolio's resilience strategy. We continually review this strategy to ensure sufficient alignment to the Paris Agreement. In the next two years, we will enhance the use of Representative Concentration Pathways as adopted by the UN Intergovernmental Panel on Climate Change to model our climate-related risks and opportunities in different scenarios.

The outcome of scenario analyses informs the risk and opportunity identification, such as water risk. This specific risk affects the resilience of our buildings with greater frequency and severity as a result of extreme weather events.

In certain regions of SA, the time horizons for assessments are current or short-term. For example, the Gauteng region experiences regular flooding. Infrastructure, specifically stormwater management systems, are not designed to withstand the frequency and intensity of these floods.

Our goal is to focus on our portfolio's resilience and sustainability. We use the outcomes from our scenario analysis impact assessment to drive our development strategy. During this process, we measure future impacts in terms of their potential frequency and intensity. We anticipate that the frequency and intensity of extreme weather events, specifically flooding, will definitely have a greater impact on the Gauteng region.

To mitigate the threat of flooding, it is imperative that all new developments are flood-resilient in a climate that commonly experiences frequent and extreme weather events. Our mitigating efforts incorporated in all new developments include:

- Ensuring that our rainwater management systems (per building) can accommodate more water than advised by the recommended local building codes
- Focusing on all external envelope, roof and balcony details to ensure building water tightness during extreme climatic conditions
- Reducing hard garden landscaping by introducing permeable surface treatments instead
- Ensuring that buildings have surface water runoff catchment systems to ease the impact on the municipal stormwater system

Furthermore, we have identified green buildings as an opportunity to address the resilience and operational efficiency of our office buildings. Water is included in our assessments to investigate the possibility of using "circular" principles to ensure that water resources are not wasted. All new office buildings aim to be built to a minimum level four Green Star SA. At 31 August 2020, we hold 101 Green Star SA certifications.

Enhancing our climate resilience

CONTINUED

How we measure our environmental impact: metrics and targets

We meticulously measure our impact on the natural environment and take definitive action in areas that require further improvement. We are thus able to become advocates for responsible environmental stewardship in areas where we excel.

We use widely adopted measures to communicate our environmental performance to our stakeholders and to provide comparability and context. In this way, we ensure that we remain relevant in the context of global environmental protection efforts. We benchmark and disclose our performance through public platforms such as CDP climate change, CDP water security, GRESB and SAM CSA. The primary measure of our environmental impact is our annual carbon footprint assessment.

We use various metrics to measure our progress on material issues. We then align these metrics to international standards such as SASB. Year-on-year performance benchmarking informs whether or not we have satisfactorily mitigated identified risks.

We previously set a rolling year-on-year emissions intensity reduction target to reduce our Scope 1 and 2 emissions per square metre by 5%. However, multiple property acquisitions and disposals impact our total footprint annually. We therefore use an intensity target of metric tonnes CO_2e per sqm (GLA) to consistently measure our performance year on year.

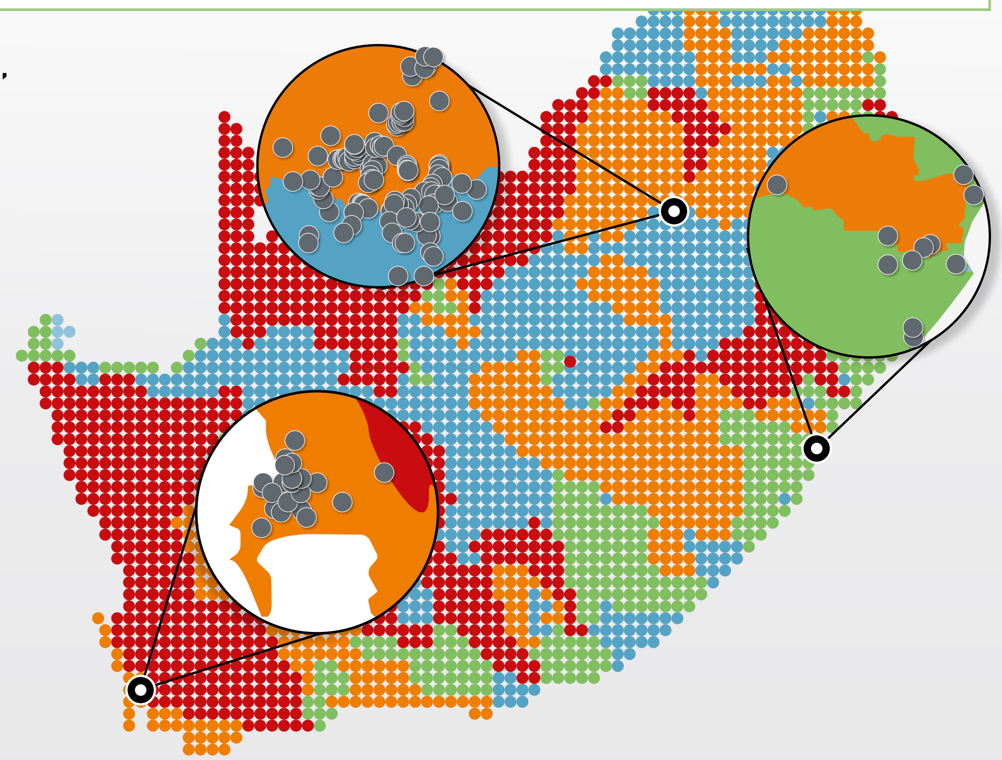
As we evolve our ESG strategy and frameworks, we have realised the importance of aligning our emissions targets with international best practice. Consequently, we are committed to exploring the most efficient way to align our targets to the Paris Agreement. We are also considering subscribing to the Science-Based Targets initiative. Until this is finalised, we will continue to work towards our goal to reduce our emissions intensity by 5% annually, as set out above. The majority of our emissions are related to the use of electricity. Our carbon emission reduction efforts will therefore be the primary focus area for our team. Our reduction goal can only be achieved through energy efficiency initiatives and the continuous introduction of renewable energy solutions.

Climate change adaption metrics per SASB

Activity metric	Industrial	Office	Retail	Residential	Specialised/other
Area of properties located in 100-year flood zones (IF-RE-450a.1)*	12%	1%	4%	0%	0%
Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks (IF-RE-450a.2)	Throughout this report, we address our exposure to climate change risks, as well as the risk degree of systematic portfolio exposure and strategies for mitigating risks, with specific information provided on **pages 19** and **22**.				

*Based on WRI Aqueduct Water Risk Atlas (riverine and coastal flood risk).

Our properties' water risk^



Water risk
- Low
- Low - medium
- Medium - high
- High
- Extremely high
- Our properties

^Based on WRI Aqueduct Water Risk Atlas (overall water risk).

Carbon footprint reporting (GHG emissions)

Unpacking our carbon footprint

Our 2020 carbon footprint results were largely influenced by COVID-19 and the associated national lockdown. As trading and business operations were restricted, the demand for electricity and water drastically reduced, in some cases more than others. Electricity remains the largest contributor to Redefine's carbon footprint, accounting for 98% of all our emissions (Scope 3 included). Our 2020 carbon footprint can therefore not be used to effectively benchmark our performance against 2019 or past years. Conversely, the positive impact of some of our initiatives were also negatively affected. As an example, several of our solar plants generated less electricity for on-site consumption and therefore our emissions savings from solar photovoltaic (PV) has reduced from 2019 to 2020. Furthermore, we expect our 2021 carbon footprint to increase under normal operating conditions. It might therefore be more in line to benchmark our 2021 performance against our 2019 performance.

Although our 2020 Scope 1 emissions are unchanged from 2019, drastic changes from different emissions sources within our Scope 1 must be noted. Fugitive emissions from replacing refrigerants for our heating ventilation and air conditioning (HVAC) systems decreased by 44%, which is partly as a result of lockdown, but also linked to cyclical replacement cycles. Our stationary combustion, on the other hand, increased by 46% as a direct result of the increased use of diesel generators to provide standby power during load-shedding and power outages. Our diesel consumption remains on the increase as the reliability of grid-supplied electricity in SA diminishes. We remain committed to exploring the use of alternative fuel sources and technologies to reduce our reliance on diesel as a standby power source.

Diesel (litres)	2020	2019	2018	2020 vs 2019 % change
	979 987	671 130	218 278	46%

	Scope 1 direct emissions (tCO_2e)	Scope 2 indirect emissions (tCO_2e)	Scope 3 indirect emissions (tCO_2e)	Total tonnes of carbon dioxide equivalent (tCO_2e)	Non-Kyoto gases
2020	3 684 (0.63%)	29 543 (5.08%)	548 056 (94.28%)	581 283	1 923
2019	3 668 (0.51%)	31 494 (4.42%)	678 096 (95.07%)	713 258	1 024
2018	3 596 (0.55%)	46 459 (7.04%)	609 756 (92.41%)	659 811	4 113

2020 vs 2019 % change

Scope 1	Scope 2	Scope 3	Non-Kyoto gases
0.4%	-6.2%	-19.2%	87.8%

Total tCO_2e emissions (Scope 1, 2 and 3)= **-18.5%**

Our combined Scope 1 and 2 emission intensity (tCO_2e /m²) reduced by 2% from 0.0077tCO_2e/m² in 2019 to 0.0075tCO_2e/m² in 2020. Redefine has therefore not met its year-on-year emissions reduction target of 5% on Scope 1 and 2 emissions intensity measured in tCO_2e/m². This is due to various factors such as increased vacancies, the adverse effect of lockdown on our renewable energy projects, and other operational activities impacting on our emissions reporting. We are, however, committed to review our emissions target setting methodology to better align with international best practice, and to provide greater transparency on our impacts on a per-asset level.

Carbon footprint reporting (GHG emissions)

CONTINUED

Our annual carbon footprint follows the GHG Protocol, which includes emissions from operations under our direct operational control. Our GHG inventory was developed in terms of the GHG Protocol Corporate Accounting and Reporting Standard, and we apply the ISO 14064-3 international standard for GHG verification. The following must be noted about our GHG inventory methodology:

For Scope 2 and 3 emissions associated with electricity purchases, we measured our emissions as follows:

Scope 3 tenant electricity emissions include the total kWh billed to tenants (including portions of electricity for shared services)

Scope 2 electricity purchased emissions include the total building kWh minus total kWh billed to tenants (including portions of electricity for shared services)

Our 2019 carbon footprint assessment was independently verified at a limited level in terms of the following GHG assertions:

- Conformance with the general requirements of the GHG Protocol Corporate Accounting and Reporting Standard
- Completeness and accuracy of the calculated emissions for FY2020

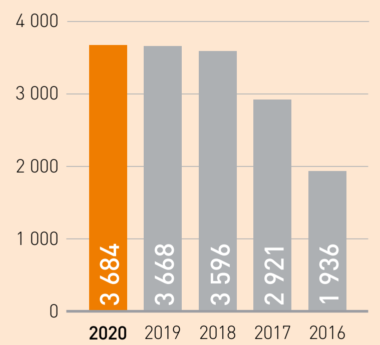
We aim to obtain the same level of assurance for our 2020 carbon footprint, as presented in this report.

Our 2020 carbon footprint assessment was conducted following the operational control approach accounting for emissions from operations under our direct control.

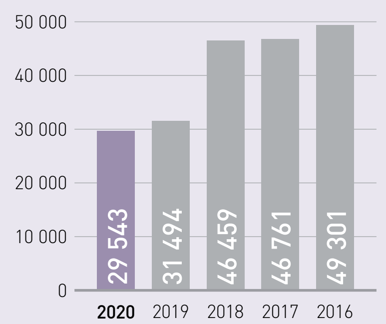
Tonnes of tCO_2e

Total emissions	**Scope 1** direct emissions (tCO_2e) (mobile combustion, stationary combustion and refrigerant gases)		**Scope 2** indirect emissions (tCO_2e) (electricity consumption)		**Scope 3** indirect emissions (tCO_2e) (electricity sold to tenants, emissions from business travel, and employee commuting)		**Total** tCO_2e **emissions** (Scope 1, 2 and 3)	**Non-Kyoto gases**
2020	3 684	0.63%	29 543	5.08%	548 056	94.28%	581 283	1 923
2019	3 668	0.51%	31 494	4.42%	678 096	95.07%	713 258	1 024

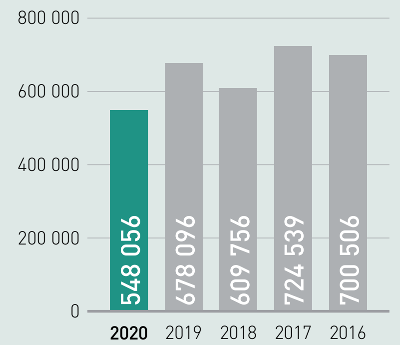
▼ 19% REDUCTION



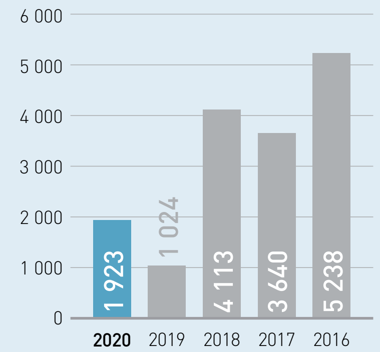
	2020	2019	2018	2017	2016
Mobile combustion	3	5	3	10	7
Stationary combustion (diesel generators)	2 634	1 803	587	227	33
Fugitive emissions (refrigerants)	1 047	1 860	3 007	2 685	1 896



	2020	2019	2018	2017	2016
Location-based: Electricity (Redefine)	29 543	31 494	46 459	46 761	49 301
Renewable energy	–	–	–	–	–



	2020	2019	2018	2017	2016
Electricity sold	542 050	671 040	603 871	717 790	696 194
Employee commute	606	944	920	874	639
Business travel	192	309	328	247	293
Water	2 345	2 829	2 826	3 389	3 380
Waste (to landfill)	2 808	2 916	1 761	2 169	–
Waste (recycled)	55	58	49	70	–



Carbon footprint reporting (GHG emissions)

CONTINUED

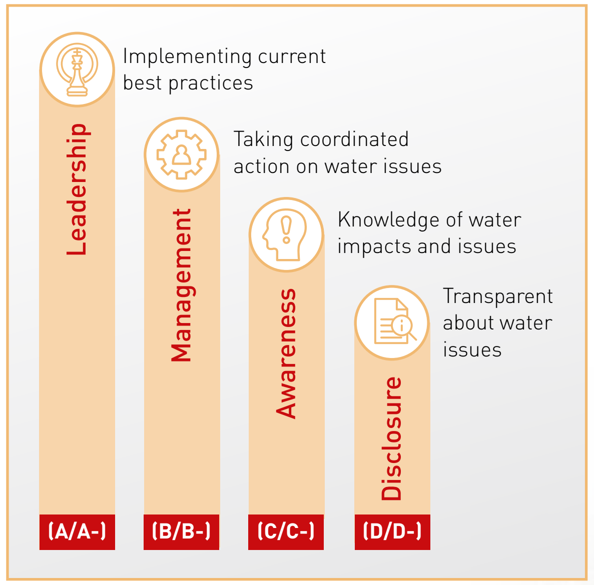
CDP – climate change

Climate change resilience is an essential priority for Redefine with an urgency compounded by COVID-19, which has highlighted how connected humans are to nature. It has shown us the devasting impact climate change can have on society while reiterating the importance of tackling our environmental impact. If we fail to correct our behaviours globally, further and similar viruses or disasters will become a reality.

> This COVID crisis has offered us an opportunity to regain a sense of shared humanity – as we all focus on what matters most: the health and safety of our loved ones and, by extension, the health and safety of our community, country and fellow global citizens.
>
> Both the climate crisis and the unfolding pandemic threaten this one thing we all care about. When we eventually overcome the COVID-19 pandemic, it is our hope that we will all retain this sense of shared humanity to rebuild our social and economic systems to make them better, more resilient, and compassionate.

Last year, CDP published the 2019 participation results in 2020 after publication of this report. We are therefore including both our 2019 and 2020 results in this years' report.

In 2020 more than 9 600 companies disclosed through CDP – a 14% increase from 2019 and a 70% increase since the Paris Agreement was signed in 2015. According to CDP reporting, these companies now represent over 50% of global market capitalisation. Redefine received a disclosure score of A- in 2020 (2019: B), which is above the global average disclosure score of C in 2020. Disclosure scores are categorised as set out below:



Benchmarking against our peers

	2020	2019	2018
Redefine	A-	B	B
Attacq	Not responded	Not responded	Not responded
Emira	A-	B	B
Growthpoint	A-	B	B
Hyprop	B-	B	B

We have taken steps to align our climate-related risk management approach to the recommendations of the TCFD, which involves understanding and integrating these recommendations into our business, and remaining relevant in our positioning and communication to investors. We are in the process of incorporating regular climate-related scenario analyses and value chain engagement into our daily activities.

CDP – climate | 2020: A- (2019: B)

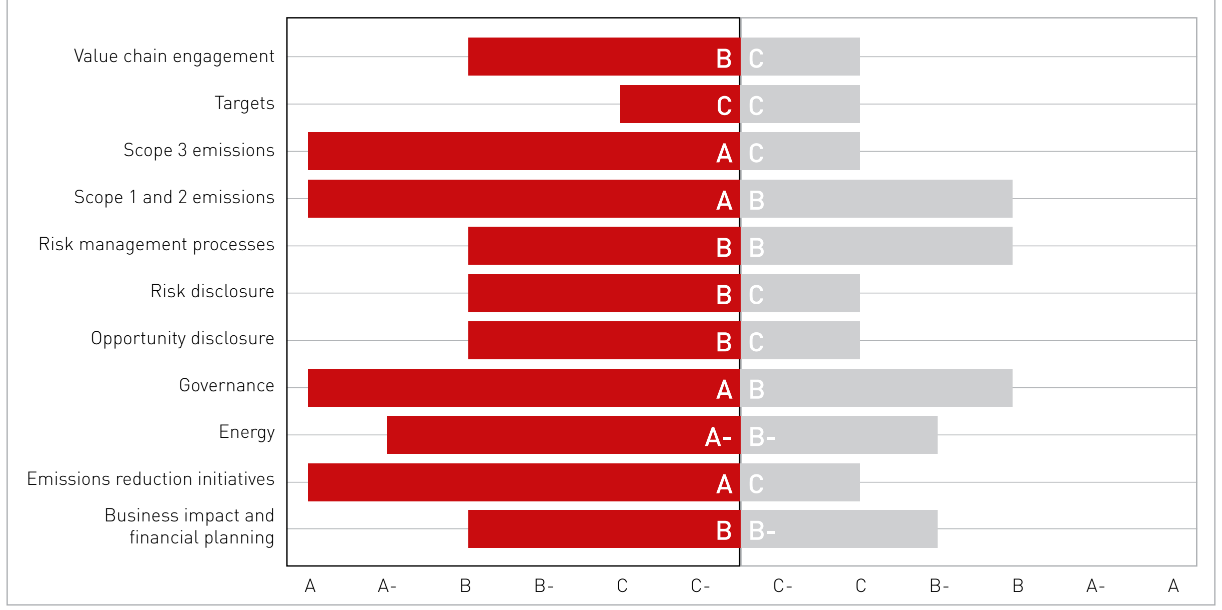
Future focus areas

- Target-setting through Science-Based Targets
- Alignment with the TCFD recommendations
- Climate-related scenario analysis
- Value chain engagement

Centurion Lifestyle Centre, *Centurion*

Our disclosure score per category against our activity group average is illustrated below. The most significant opportunity for improvement relates to our score associated with target setting. Adopting an internationally recognised target-setting framework will significantly improve our performance in this regard.

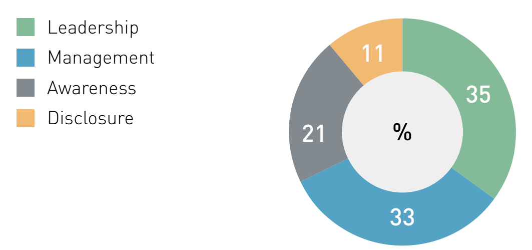
Category scores benchmarking



Our score Activity group average

Redefine is among 35% of companies that reached leadership level in our activity group. The graph below indicates the distribution of disclosure scores in this activity group.

Distribution of disclosure scores



CDP supplier engagement rating

For the first time in 2019, the CDP provided the full version of the climate change questionnaire on supplier engagement rating (SER) to all respondents. Historically, supplier engagement ratings were only provided to companies responding to customer requests. As a result of this first automatic inclusion, Redefine received its first SER for our 2019 response.

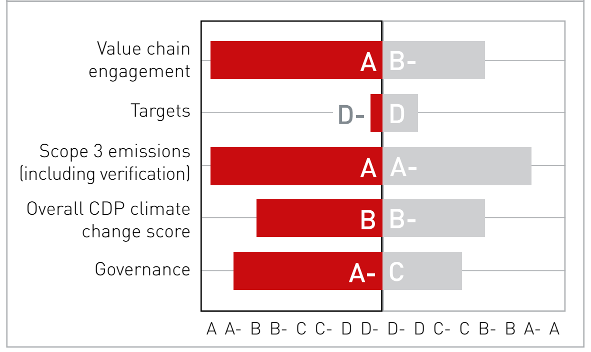
Redefine received an A rating and, as the only South African company included in the 2019 supplier engagement leader board, we were rated among 159 companies globally out of more than 8 400 companies disclosing their environmental data through the CDP climate change questionnaire. The global average and the Africa average SER performance are rated as C. At the time of publishing CDP has not yet released its 2020 SER rating results.

The SER focus areas include:

- Climate-related issues
- Evaluating the company's emissions across value chains (Scope 3 emissions)
- Strength of governance
- Rigour of environmental targets
- Supplier engagement strategies

Without alignment of internal business standards and procedures, a company's supplier engagement will remain unsustainable. SER scoring therefore considers a company's overall CDP climate change score. The graph below indicates our scores for each of the included categories.

Included category scores



Our score Activity group average

Although Redefine received an excellent rating, the CDP has indicated that SER criteria will become tougher in order to accelerate action on supply chain emissions. To maintain a good rating, an integrated value chain engagement strategy must be implemented across our portfolio and formal commitments to standardised emission reduction target frameworks are required.

Energy

Our energy strategy

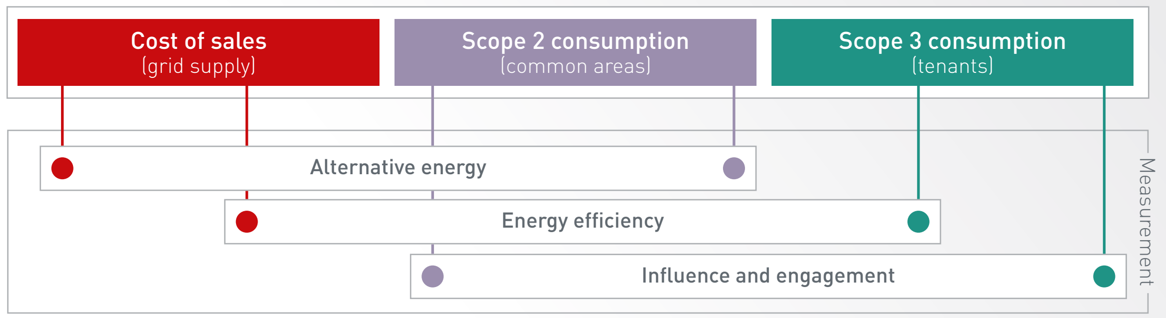
Our energy strategy focuses on three areas

1. Reducing consumption and the cost of energy from the national grid
2. Reducing consumption of energy in our common areas (under our direct control)
3. Assisting our tenants in reducing energy consumption and cost

We continually seek opportunities to reduce energy consumption across all three strategic focus areas. We use solar PV installations to reduce our bulk supply and common area use. Common area consumption is usually only partially recovered and, as such, efficiency initiatives benefit Redefine and our tenants. Where possible, we assist tenants in their energy efficiency endeavours. We are also looking to deploy energy storage solutions, where feasible, to achieve further reductions.

Our engagement efforts increasingly address tenant consumption.

Energy framework



Absolute electricity consumption (kWh*)		Scope 2 like-for-like energy consumption (kWh*)	
2020	560 385 729	2020	26 302 431
2019	656 768 309	2019	28 348 042
▼ 15% DECREASE		▼ 7% DECREASE	

Optimising energy use

At its core, 2020 has been a year of reflection. We have assessed our portfolio and reviewed our renewable energy footprint, seeking ways to exploit operational efficiencies, reduce operating costs and avoid capital intensive projects.

SA's increasing electricity costs, as well as its erratic supply, has significant implications for our business and our tenants. The national utility, Eskom, implemented an average increase to direct consumers of 8.76% during the year while the National Energy Regulator of South Africa guideline increase was set at 6.22% for municipalities. Redefine's income from electricity recoveries is thus affected as higher increases may be applied to higher consumption tariffs. While numerous opportunities have been identified to improve efficiencies, we also continuously consider the business case in efficiency initiatives to ensure their long-term sustainability.

During 2020, our energy optimisation projects yielded an annual saving of 431 MWh (2019: 3 409 MWh). Energy efficiency projects included in the table below, per GRESB categories, are disclosed once-off and renewable energy is cumulative.

MWh savings per GRESB category	2020	2019	2018	2017	2016
High-efficiency equipment	431	3 409	7 182	2 648	1 005
On-site renewable energy	32 948	33 245	19 879	7 359	3 364
Total	**33 379**	**36 654**	**27 061**	**10 007**	**4 369**

**Excludes extrapolated data, acquisitions, disposals and developments.*

We achieved a combined energy reduction of 33 379 MWh in 2020 through optimisation and renewable energy projects – a 9% decrease from 2019. (This is largely as a result of the impact of the COVID-19 lockdown on our projects.)

Energy use per SASB

Accounting metric		Industrial	Office	Retail	Residential	Specialised/other
Energy consumption data coverage as a percentage of floor area (IF-RE-130a.1)		98%	100%	100%	100%	61%
Total energy consumed by portfolio area with data coverage (IF-RE-130a.2)	GJ MWh	463 461 128 739	661 742 183 817	1 219 604 338 779	35 324 9 812	11 142 3 095
Percentage grid electricity (IF-RE-130a.2)		100%	97%	89%	100%	100%
Percentage renewable (IF-RE-130a.2)		0%	2%	8%	0%	0%
Like-for-like percentage change in energy consumption for the portfolio area with data coverage by property subsector (IF-RE-130a.3)		-22%	-2%	-11%	N/A: 2020 first year with data for all residential	20%
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR by property subsector (IF-RE-130a.4)		Redefine actively pursues Green Star SA certifications for its properties, which is more locally relevant in SA. Green Star SA certification include energy and water performance scoring per property.				
Description of how building energy management considerations are integrated into property investment analysis and operational strategy (IF-RE-130a.5)		We regularly benchmark our energy consumption on a per-building level and have established monthly portfolio sustainability meetings with our asset management teams to review performance and address operational efficiencies. Further optimisation opportunities, such as replacing common area lighting with light-emitting diodes (LEDs), are identified and pursued where possible. We also continue to rollout smart electricity metering systems to better inform our operational strategies. The integration of energy management consideration, as part of our property investment analysis, is under development.				

The growing imperative of renewable energy

We believe that solar power is the most cost-effective, efficient and environment-friendly way to generate our own electricity. It is also an avenue we are motivated to pursue because of the increasing energy supply issues as a result of SA's load shedding woes. We continue to hold our position as the REIT with the largest solar PV footprint in SA.

Solar power does not produce emissions and does not contribute to noise pollution with the added benefit of shielding our buildings from direct sunlight and further lowering energy consumption. Solar technology has also improved significantly in recent years, reducing the overall cost of implementation. Redefine has invested solely in solar PV solutions to date due to the superior financial returns of the technology compared with other smaller-scale renewable energy solutions.

In the past two years, we have conducted numerous feasibility studies, which identified a potential project pipeline of more than 20 MWp. The projects will begin when financially feasible to implement – 2020 has seen extensive exchange rate and economic volatility, which has prohibited further expansion projects in the short term. Additional challenges that have further impacted further solar PV expansions include roof and structural loading capacity and regulatory restrictions, limiting the increase in size of our existing retail solar installations.

Energy
CONTINUED

Installed solar PV to date

An additional 2.6 MWp of solar PV capacity was installed in 2020. Taking into account the disposal of Alberton Mall (350 kWp), this takes our total installed capacity to 25.9 MWp.

Our solar PV fleet generated 6% of Redefine's total electricity requirements, producing 33 GWh in 2020, which is equivalent to supplying electricity to more than 4 600 households.

We are investigating the business case for energy storage projects and battery technology with several high-level viability studies concluded on buildings in our portfolio during the reporting year. The studies have yielded positive results, indicating that cost savings could be achieved through energy storage by charging batteries during off-peak tariff periods and releasing stored energy during peak tariff periods. The implementation of these initiatives was halted as a result of foreign exchange volatility. However, we are still positive that the business case for these initiatives will soon be feasible, especially coupled with the reduction in cost of technology.

Our solar PV installations

To date, we have invested approximately R250 million in solar PV installations and have increased our solar PV generation capacity to 25 913 kWp (23 662 kWp in 2019). During 2020, we reduced our carbon emissions by 33 607 tCO_2e, which is equivalent to eliminating the typical emissions of 7 260 passenger cars. Our solar PV fleet produced 6% of our total electricity consumption (including electricity used by tenants).

Regulatory context for renewables

Increasing demand for grid-supplied electricity from on-site renewable energy sources is unfortunately not open to the South African market and, as such, we cannot elect to purchase renewable energy supplied through the existing network.

The regulatory landscape also remains challenging and places multiple restrictions on the size of the PV plant and the acceleration of PV implementation. However, no new or significant changes were implemented in the regulatory environment in 2020. We continue to proactively engage with relevant industry bodies and government to communicate our position on small-scale renewable projects.

Impact on our carbon footprint

The use of solar PV at buildings in our portfolio significantly reduces our overall carbon emissions – in 2020, we achieved a saving of 33 607 tCO_2e. The table below shows the impact of renewable sources of energy on our Scope 2 emissions, and also shows how our total carbon emission savings from solar PV would have reduced our Scope 2 emissions if we could include savings absorbed in our Scope 3 emissions.

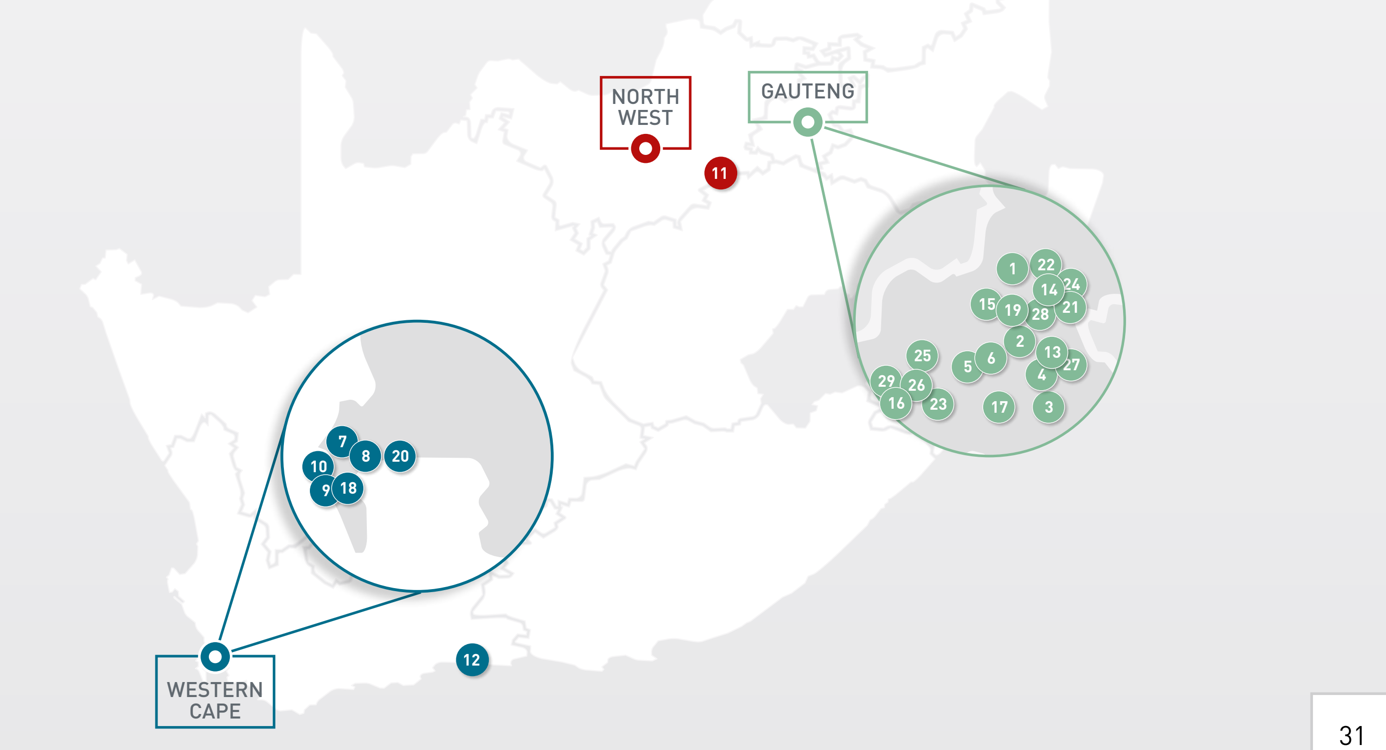
Scope 2 emissions	2020	2019	2018	2017	2016
tCO_2e	29 543	31 494	46 546	46 761	49 301
tCO_2e without solar	40 682	45 744	59 994	53 473	53 976
Including solar PV reduction absorbed in Scope 3	7 075	11 169	41 109	46 261	49 301

Solar PV projects

The table below shows the renewable energy produced by each of our plants and the resulting carbon emission savings.

Building	Sector	Region	Map key	Size (kWp)	Total kWh generated	Total tCO_2e savings 2020	2019
Wonderboom Junction	Retail	Gauteng	1	1 152	1 674 062	1 708	1 846
The Boulders Shopping Centre	Retail	Gauteng	2	1 003	1 611 988	1 644	1 698
Alberton Mall	Retail	Gauteng	3	SOLD	160 628	164	565
East Rand Mall	Retail	Gauteng	4	462	680 245	694	769
90 Grayston Drive	Office	Gauteng	5	50	83 461	85	93
90 Rivonia Road	Office	Gauteng	6	108	173 976	177	193
Black River Office Park	Office	Western Cape	7	961	1 341 931	1 369	1 362
Observatory Business Park	Office	Western Cape	8	599	945 620	965	1 002
Wembley Square 1	Office	Western Cape	9	491	680 398	694	746
Wembley Square 3	Office	Western Cape	10	58	86 723	88	95
Matlosana Mall	Retail	North West	11	2 573	3 851 376	3 928	4 404
Langeberg Mall	Retail	Western Cape	12	1 390	1 889 637	1 927	1 985
Stoneridge Centre	Retail	Gauteng	13	2 496	3 699 610	3 774	4 150
Moreleta Plaza	Retail	Gauteng	14	363	367 373	375	559
Centurion Lifestyle Centre	Retail	Gauteng	15	2 925	4 000 790	4 081	4 530
Village at Horizon	Retail	Gauteng	16	1 100	1 329 642	1 356	1 637
Park Meadows	Retail	Gauteng	17	1 900	2 170 453	2 214	2 764
Kenilworth Centre	Retail	Western Cape	18	785	1 007 570	1 028	812
Gateway Corner	Retail	Gauteng	19	750	957 166	976	1 208
Shoprite Park	Retail	Western Cape	20	1 639	1 123 170	1 146	1 390
Hazeldean Shopping Centre	Retail	Gauteng	21	943	1 316 708	1 343	1 278
Goldfields Mall	Retail	Gauteng	22	923	1 430 639	1 459	809
Rosebank Corner	Office	Gauteng	23	92	153 467	157	57
Hillcrest Boulevard	Retail	Gauteng	24	488	622 706	635	0
Golden Walk	Retail	Gauteng	25	1 320	674 971	688	0
AMR Office Park	Office	Gauteng	26	247	61 625	63	0
Clearwater Office Park	Office	Gauteng	27	547	60 260	61	0
Loftus Park	Office	Gauteng	28	140	190 653	194	0
Cradlestone Mall	Retail	Gauteng	29	409	601 220	613	623
Total				25 913	32 948 058	33 607	34 575

■ Office ■ Retail



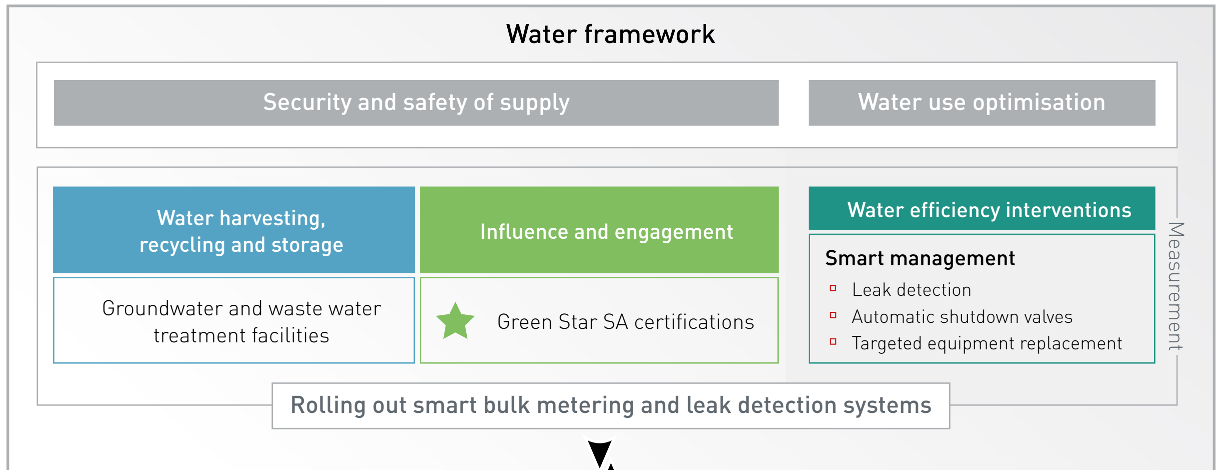
Water

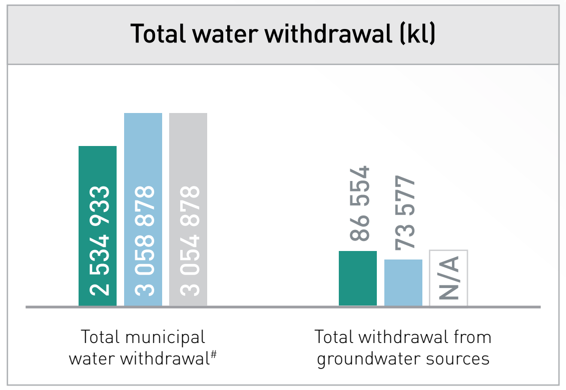
Our water strategy

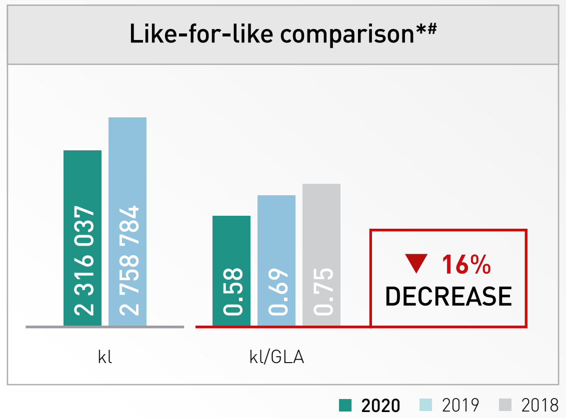
Our water strategy focuses on two key deliverables: security and safety of supply, and optimisation of our consumption. To ensure the security of supply, we pursue water harvesting, treatment and storage facilities in line with regulations that require water use licensing to maintain a safe supply of treated water to our buildings.

Our water consumption is determined mainly by the behaviour of our tenants and visitors to our shopping centres. We engage with these stakeholders through various mechanisms, including Green Star SA certifications to encourage responsible water use. We manage water use efficiency in terms of our smart management approach based on key measurements, which enable early leak detection and regular maintenance of equipment.

In 2020, our total water use reduced by 16% (2019: 9%) – again, largely an impact of lockdown.







During 2020, we extracted 86 554 kl (2019: 73 577 kl) from boreholes. Since 2019, we have included the measurement of groundwater extraction sources such as boreholes as part of our withdrawal footprint.

Water footprint

SA is a water-scarce country. In addition to changing climate conditions, water resources are continuously under threat from pollution, compounded by poor water quality, ineffective water management, and multiple infrastructure failures and outages in SA. Responsible management of the water resources under our care is a crucial concern for Redefine from a moral and commercial perspective.

To ensure that we manage water resources effectively, we implemented improved measures to account for all our water sources. During the past two years we have separately accounted for water withdrawal from municipal and groundwater sources. We are also taking steps to improve our accounting for other withdrawal and recycled sources. Water discharges are not typically separately metered and accounted for the property industry.

*Excludes extrapolated data, acquisitions, developments and disposals.

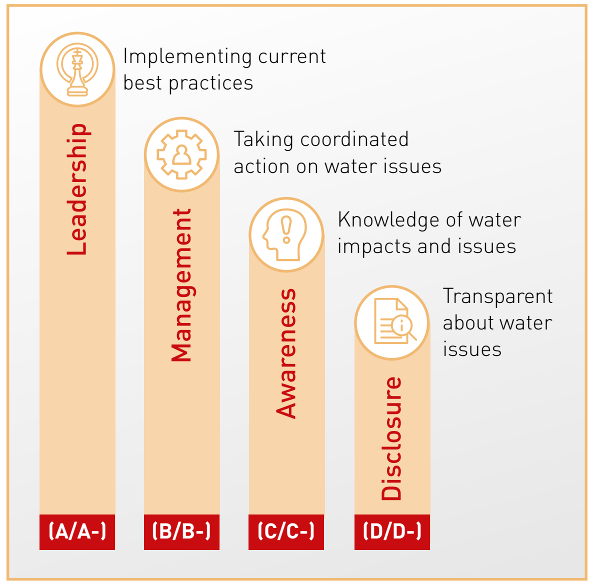
#Impacted by COVID-19 lockdown.

Measuring water use (aligned with SASB)

Accounting metric	Industrial	Office	Retail	Residential	Specialised/other
Water withdrawal data coverage as a percentage of total floor area (IF-RE-140a.1)	100%	100%	99%	100%	66%
Water withdrawal data coverage as a percentage of floor area in regions with high or extremely high baseline water stress (IF-RE-140a.1)	100%	100%	99%	100%	66%
Total water withdrawn by portfolio area with data coverage (IF-RE-140a.2)	620 304 m³	729 674 m³	1 371 090 m³	281 857 m³	30 476 m³
Percentage water withdrawn in regions with high or extremely high baseline water stress (IF-RE-140a.2)	42%	96%	68%	38%	100%
Like-for-like percentage change in water withdrawn for portfolio area with data coverage (IF-RE-140a.3)	-12%	-15%	-17%	N/A: 2020 first year with data for all residential	-36%
Description of water management risks and discussion of strategies and practices to mitigate those risks (IF-RE-140a.4)	Water management risks include, among other, flooding, drought, and infrastructure failure. Practices to mitigate these risks include backup water assessments in our inland office portfolio, and a special focus on improving operational efficiency in the Western Cape portfolio.				

CDP water security

In 2020, Redefine submitted its fifth annual water footprint to the CDP. We are proud to announce that we received a B score in 2019 and 2020 (2018: B-), aligned with a global average of B in 2020. Only one other South African REIT participated in the 2019 and 2020 CDP water security disclosure.



CDP – water | **2020: B (2019: B)**

As part of the 2019 and 2020 assessment results, we have identified water-related risk management as a key area for improvement. We have taken steps to align our risk management framework with international best practice. We will continuously improve our water-related risk assessments and impact studies with the integration of TCFD recommendations into our ERM framework. We have also assessed our portfolio's water-related risks using the WRI Aqueduct Water Risk Atlas and have included these results, in line with SASB reporting, **on page 22.**

Proposed CDP future focus areas

- Separate measurement of and accounting for all water sources
- Alignment with the TCFD recommendations
- Water quality measurements must be undertaken annually at all buildings
- Water recycling initiatives must be implemented and measured (using wastewater as a source)

Benchmarking our 2020 CDP results against our peers

	2020	2019	2018
Redefine	B	B	B-
Hyprop	B-	B-	Not available
Growthpoint	Not submitted	Not submitted	Not submitted
Emira	Not submitted	Not submitted	Not submitted
Attacq	Not submitted	Not submitted	Not submitted

Water

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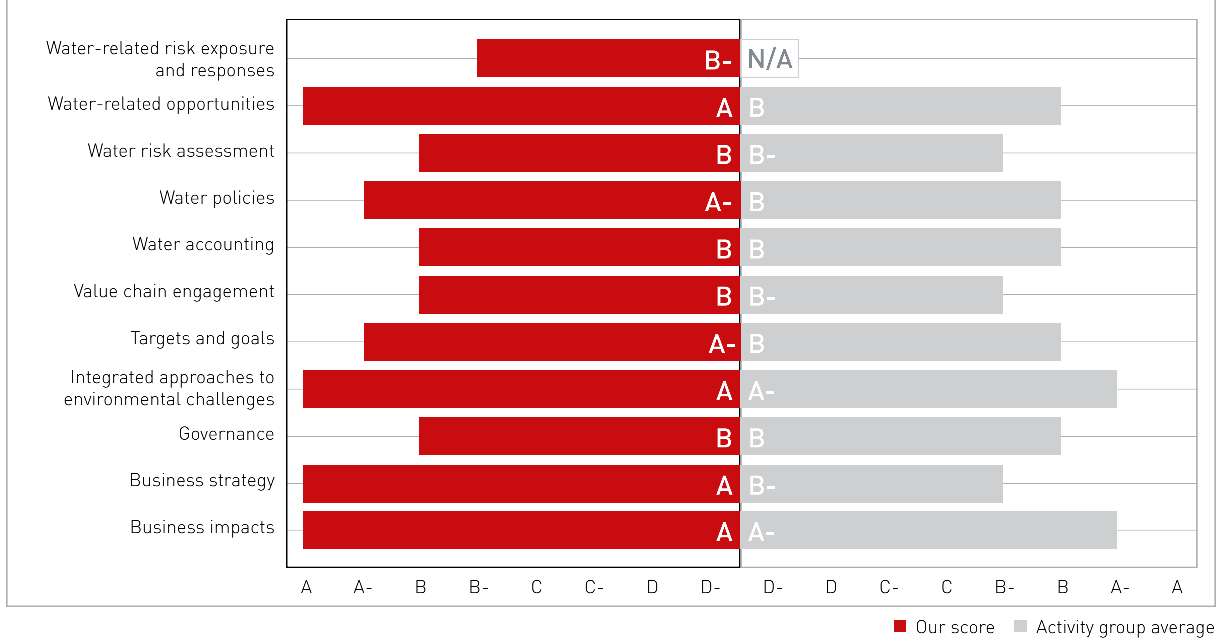
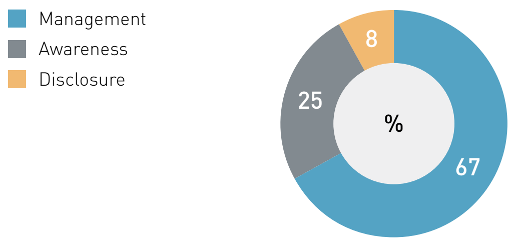
Category scores benchmarking



We are among 67% of companies that reached the management level in our activity group. The graph below illustrates the distribution of disclosure scores in this activity group.

Distribution of disclosure scores



Water optimisation

Smart water meters are used extensively to measure our water consumption accurately, to detect leaks and to gain valuable insight into the water distribution in our networks. To date, 44 properties received smart metering installations, five properties received smart valve systems and restrooms in 13 properties' had sensors installed.

We continue to review opportunities to maintain water security, including a portfolio-wide audit of all existing groundwater installations and boreholes. The feasibility of treating groundwater so that it is converted into a practical, usable state is also being investigated. This, however, is subject to detailed site investigations and receipt of the necessary water use licences.

Waste

To improve our understanding of waste streams, we conducted audits at numerous office parks and implemented improved recycling measures with waste management service providers. To reduce tenant costs, recycling efforts remain primarily dependent on consumer behaviour, highlighting the importance of awareness initiatives for our tenants and their customers. We have considered sourcing waste management suppliers on behalf of our tenants although doing so would add to their operational costs, which we are currently trying to avoid.

Our waste management strategy

We have an internally managed waste management system, which has moved away from municipal waste removal to ensure that we are able to measure and understand our waste streams, and how to best control them. We measure and categorise (as outlined in the waste footprint below) waste as it is increasingly important to understand and report on our waste streams and efforts to reduce waste-to-landfill.

We influence behaviour by engaging with our stakeholders to encourage awareness and drive the efforts of tenants and visitors – there is potential to develop this initiative by incentivising good behaviour. By reducing the production of single-use items, especially plastics, we increase awareness and thus reduce unnecessary waste production and food waste. With internal waste management initiatives we can also encourage recycling and leverage waste reuse opportunities as far as possible.

Waste footprint

In 2020, we assessed our waste footprint for the fourth year. We recycled 2 560 tonnes of waste (2019: 2 702 tonnes), which accounts for 29% of internally managed waste removal. Our efforts in recycling also significantly contribute to our Green Star SA certification journey and, during the year, we increased internally managed waste to 39% of our total GLA (2019: 30%).

Redefine waste management metrics

Metric	Industrial	Office	Retail	Total
Total waste produced (kg)	222 290	936 110	8 083 235	9 241 635
Percentage of waste diverted (%)	9	34	31	29

Recycled (kg)	Industrial	Office	Retail	Total
Paper	13 540	220 742	1 790 027	72%
Plastic	3 340	53 353	363 849	15%
Glass	1 310	22 547	206 174	8%
Scrap metal	1 120	16 401	51 183	2%
Tetrapak	–	2 807	59 001	2%
Other	–	2 220	19 387	1%

One of the challenges that we experience in pursuing effective waste management is that independent waste management contractors increase our tenants' operating costs.

Driving **behaviour change**

Management of tenant sustainability impacts

As we progress the alignment of our environmental reporting to the SASB Real Estate Standard we will enhance our efforts in future to enable reporting on the following metrics:

1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	(IF-RE-410a.1)
2	Associated leased floor area of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	(IF-RE-410a.1)
3	Percentage of tenants that are separately metered or submetered for grid electricity consumption by floor area	(IF-RE-410a.2)
4	Percentage of tenants that are separately metered or submetered for water withdrawals by floor area	(IF-RE-410a.2)
5	Approach to measuring, incentivising and improving sustainability impacts of tenants	(IF-RE-410a.3)

Stakeholder engagement

Engaging with tenants

We have developed a green guideline for our tenants to provide a best practice framework.

It has been challenging for us to effectively implement a green addendum for new leases and lease renewals. Our green addendum aims to set mutually agreed environmental goals and to provide our tenants with shared incentive structures to accelerate the reduction of our Scope 3 emissions. **We will pursue further solutions in this regard during 2021. Practical implementation challenges include:**

- Market maturity/tenant interest
- Education of leasing stakeholders such as brokers
- Operational challenges
- Data management – how best to manage and apply mutually disclosed data
- Enforcement of targets – currently a non-binding agreement
- Shorter lease periods – restricted financial value for either party to allocate capital for efficiency projects

Employees

We have actively embarked on integrating ESG practices throughout our business units and have engaged with employees to improve environmental protection awareness through various workshops and training.

Our **green building** journey

We continue to pursue certifications with the GBCSA because we believe that this adds value to our office buildings and our business.

The subsection below illustrates our green building milestones and achievements from 2013 to date.

Rosebank Corner, *Rosebank*

1 **Member of GBCSA** since 2013

2 **57%** of our office GLA rated to date

3 **Six as-built** certifications received

4 **82** of our office buildings are registered under the **existing building certifications**

5 **10 design certifications** received

6 Awarded **runner-up** for property investor/owner with the **highest number of certifications** at GBCSA's 2018 Green Star SA Leadership Awards

7 Awarded **runner-up** for the **highest certified building** at GBCSA's 2019 awards for Collingwood Building, Black River Office Park

8 Awarded **runner-up** for **best quality submission** at GBCSA's 2019 awards for Building 3, Clearwater Office Park

9 Developed **tenant green guideline** as part of our Green Star SA certification journey to encourage energy and water-efficient equipment

10 Redefine holds **101** Green Star SA certifications

11 Awarded runner-up for **best quality submission at the GBCSA's 2020 awards** for 82 Maude

12 All new office developments built to minimum **Green Star SA 4-star certifications**

The journey to net-zero buildings of the future

Net-zero buildings are the ultimate goal for real estate to address climate change. Net-zero buildings generate their own resources such as energy and water on site and, with regard to waste, do not remove any generated waste from the site. As part of the net-zero movement, C40 Cities (a collection of cities committed to climate change action) is ensuring that all new buildings in their respective cities will be net-zero carbon by 2030, and all existing buildings will become net-zero carbon by 2050.

Around the world, C40 Cities connects 97 of the world's largest cities to take bold climate action, leading the way towards a healthier and more sustainable future. Representing more than 700 million citizens and one quarter of the global economy, mayors of the C40 cities are committed to delivering on the most ambitious goals of the Paris Agreement at local level, and to cleaning the air we breathe. Among these, four South African cities have joined the programme: Johannesburg, Cape Town, Tshwane and Durban.

To ensure that our cities deliver on the highest ambition of the Paris Agreement and develop the net-zero carbon buildings of the future, we pledge to enact regulations and/or planning policy to ensure our new buildings operate at net-zero carbon by 2030 and all existing buildings by 2050. To meet this commitment, guided by C40 Cities and complying to local government regulations, we will:

- Establish a roadmap for our commitment to reach net-zero carbon buildings
- Develop a suite of supporting incentives and programmes
- Report annually on progress towards meeting our targets

We are committed to aligning with these targets and will continue to explore opportunities to accelerate our efforts in this regard. As a first step in this journey, we have developed a framework to guide our approach to net-zero carbon buildings, shown on the following page. This framework aims to drive innovation and ensure we research available technologies to achieve net-zero carbon to its fullest capacity to understand what is possible with no restrictions considered (**technical potential**). The framework not only guides us in terms of consideration and risks to better understand our **achievable potential** but also allows us to engage with industry bodies and regulators to inspire change by unlocking long-term value creation opportunities for our own business and for other stakeholders in the green economy.

Our **green building** journey

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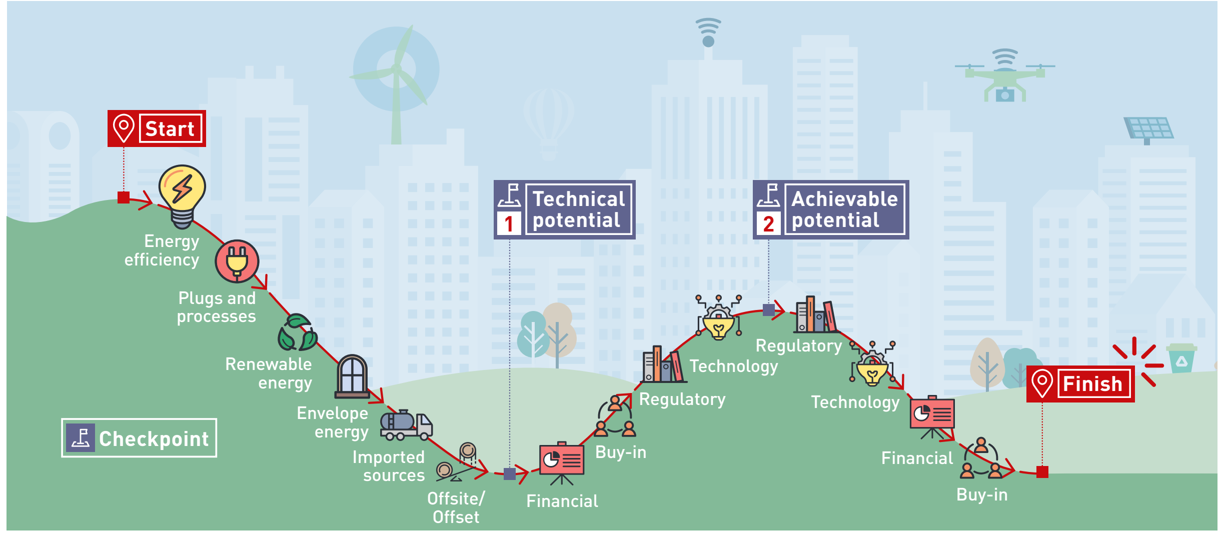


In response to the net zero movement, the GBCSA launched certification tools for net-zero carbon, net-zero water and net-zero waste buildings, which are currently most applicable to new developments and significant retrofits. Redefine investigated the feasibility of converting existing buildings into net-zero carbon buildings. Some of the restrictions we will need to overcome include:

Regulatory

- Embedded generation licensing restrictions must be reviewed
- Wheeling arrangements and access to the electricity grid must be permitted to enable carbon offset schemes
- Government's Integrated Resource Plan must include an adequate allowance for small-scale renewable sources as part of the energy mix

Tenant buy-in

- Tenant fitouts must be cognisant of resource efficiency and designed with on-site sources in mind
- Leasing frameworks must enable, guide and promote resource efficiency
- We are exploring the opportunity of green lease addendums to reduce tenant environmental impacts (currently non-binding agreements and disclosures) with financial incentives to motivate tenants to 'go green'

Technology

- Technology advancements will drive the cost of technology and implementation
- Integration and interoperability of technologies and systems must enable small-scale energy ecosystems to function optimally
- Precise equipment compliance requirements and standards must be set

Financial

- Investment metrics must consider the future relevance and long-term sustainability of carbon reduction projects and not only immediate financial return

Reaching net-zero carbon emissions

Our ultimate goal is to achieve net-zero carbon emissions. To achieve this, we calculated preliminary estimations of the technical potential of our portfolio. Restrictions impacting the technical possibility of reaching net-zero carbon emissions are outlined below.

Regulatory

- Embedded generation restrictions as per the Electricity Regulation Act 4 of 2006
- Unclear guidelines stalling potential investment and development
- Lack of feasible wheeling opportunities

Tenant buy-in

- The majority of necessary reduction is in the hands of tenants
- Prohibitive investment, especially considering lease periods
- Uncertain economic and political outlook, and lack of long-term investment vigour

Technology

- Lack of available space for on-site renewable energy
- Technology efficiency limitations to get to net zero
- Overly complicated technology requiring more and higher skilled resources

Financial

- Unattractive return on payback periods often above expected equipment lifespan

Regardless of these challenges, we continue to investigate solutions to shrink our impact to achieve net-zero carbon emissions.

The business case for green

Green buildings have several social, environmental and economic benefits, and effectively contribute to the achievement of the UN SDGs with a positive impact on society. Green buildings reduce or eliminate adverse environmental effects with efficient use of water, energy and other natural resources. The motivation to pursue green buildings is also economic due to the potential financial savings in lower utility bills, lower construction costs and increased property value. Green buildings also contribute to the overall health and wellbeing of people who work in them.

Redefine articulates the business case for green buildings as follows:

Developer

Why build a green building?

- Ability to secure preferential finance
- Rapid return on investment
- Increased market value
- Reduced vacancies

Landlord

Why own a green building?

- Tenant attraction
- Lower operating costs
- Compliance with legislation and corporate social responsibility requirements

Tenant

Why lease a green building?

- Reduced downtime
- Lower operating costs
- Lower maintenance costs
- Health and wellbeing

In 2020, we participated for the third time in the Morgan Stanley Capital International (MSCI) Global Green Building Index and our data formed part of the results. Some of the quantifiable impacts on the bottom line, across the sector, are listed below:

MSCI Global Green Building Index

	2020	2019
Net operating income growth		
Green Star SA-certified prime and A grade offices	3%	2.4%
Non-Green Star SA-certified and A grade offices	2.8%	2.4%
Net income per sqm per month		
Green Star SA-certified prime and A grade offices	162	155
Non-Green Star SA-certified and A grade offices	123	133
Vacancy rate		
Green Star SA-certified prime and A grade offices	8%	6.4%
Non-Green Star SA-certified and A grade offices	11.5%	11.8%

■ Green Star SA-certified prime and A grade offices

■ Non-Green Star SA-certified and A grade offices

Green Star SA certifications

We set a target of 100 certifications by the end of FY2020. We are proud to announce that we currently hold 101 (2019: 74) Green Star SA certifications, with 57% of office GLA certified and 15% of total GLA certified.

While we continue to pursue certifications which add value to our office buildings and our business, the Green Star SA certification process for other building sectors is challenging, with higher costs to implement and less mature local tools not well suited for the industrial and retail sectors. The market maturity and tenant demand do not currently drive Green Star SA certification, and while the certification of buildings other than offices is possible, it is cumbersome. Despite these challenges, we continue our green building journey and we have registered 16 new projects for certification in 2021.

101 Green Star SA certifications (2019: 74)

- **10** design certifications
- **6** as-built certifications
- **82** existing building certifications
- **1** interior certification
- **1** custom industrial certification
- **1** public and education building
- **57%** office GLA (15% of total GLA)

2 stars	3 stars	4 stars	5 stars	6 stars
1	13	70	13	4

Looking ahead

We realise the importance of certifying our buildings to benchmark and continuously improve their sustainability performance. As such, we plan to expand our certification strategy in our industrial and retail buildings. We are currently investigating the most suitable tools for properties in these sectors and considering alternative building certification tools to best suit our long-term strategy.

Our **green building** journey

CONTINUED

Our holistic green building approach

Focus area	Description	Progress during the year
HVAC	Reduce the use of harmful refrigerants with the installation of efficient equipment and systems such as variable speed drives or ice plants	Increased data availability and measurement to improve management and ongoing implementation of policy dictating gradual replacement of harmful refrigerants
Renewable energy sources	Alternative energy sources reduced carbon footprint	Installed 25 913 kWp (2019: 23 662 kWp) solar capacity to date achieved 33 607 tCO_2e emission reductions in 2020
Indoor air quality and thermal comfort	Measurement of volatile organic compounds (VOC), carbon dioxide, carbon and degrees Celsius to improve air quality and thermal comfort for higher occupancy productivity	Pre-certified GBCSA-approved internal air quality management plan implemented in 82 (2019: 58) buildings to date
Low-emitting materials	Using non-toxic materials such as low-VOC compound paints improves air quality and environmental impact	Pre-certified GBCSA-approved hardscape management plan implemented in 82 (2019: 58) buildings to date
Natural light	Natural light reduces energy costs and enhances occupancy experience	Access to natural light is inherently part of our new development design process while opportunities in existing buildings are explored
Biodiversity	Review and manage impacts on ecological systems and biodiversity	Focus in 2020 was primarily compliance-based for our new developments. We are also taking steps to enhance our understanding of biodiversity impacts
Green spaces	Green roof spaces may reduce energy use and community garden projects integrate green space into communities	Redefine's approach to incorporating green spaces into communities is again evident in the design of our Rosebank Link development
Alternative transport opportunities	Reduced carbon emissions through availability and access to shared and/or alternative transport opportunities	Pre-certified GBCSA-approved green travel plan implemented in 82 (2019: 58) office buildings to date
Energy-efficient lighting	Reduced energy costs and improved light quality for occupants	430 549 kWh (2019: 1 849 519 kWh) savings in 2020 due to retrofit projects
Green cleaning	Using biodegradable products reduces the environmental impact of buildings	Pre-certified GBCSA-approved policy implemented in 82 (2019: 58) office buildings to date
Metering and monitoring	Installation of smart metering to identify energy and water savings opportunities and influence behavioural drivers	A total of 7 485 smart meters are installed across the portfolio
Operational efficiency	Smart operations decrease the waste of natural resources and increase the lifespan of equipment	Pre-certified GBCSA-approved policy for landscape, hardscape, stormwater and pest management implemented in 82 (2019: 58) office buildings to date
Waste-to-value opportunities	Recycling and reusing waste to generate sources of heating, cooling or energy for the building while reducing waste sent to landfill	Fourth comprehensive waste footprint conducted with 39% (2019: 30%) of our total GLA managed by outsourced waste management contractors who recycled 29% (2019: 35%) of all waste collected
Water security and treatment	Solutions to mitigate water security and quality risks	Numerous solutions to reduce water consumption and ensure security of supply implemented in 2019 and 2020 (see **pages 32-34**)
Green tenant guidelines	Solutions to mitigate risks to water security and quality encourage tenants to pursue sustainable environment-friendly practices	Developed a tenant green guideline with best practice environmental framework implemented in 82 (2019: 58) office buildings
Acoustics	Improved acoustics to increase occupancy comfort through quiet HVAC systems and sound-absorbing materials	Pre-certified GBCSA-approved operational guideline implemented in 82 (2019: 58) office buildings to date
Health and wellbeing	Targeting aspects focused on improving occupant health and wellbeing	We aim to develop buildings with inclusivity and placemaking principles in mind

Building **materials**

As part of our journey in transitioning to a low-carbon economy, we intend to place an increased focus on building materials, especially for developments. As part of our overarching ESG strategy, we are committed to ensure a cradle-to-grave approach through implementing true life-cycle impact assessments, not only focusing on carbon emissions during the operational life of the building, but also exploring circularity principles and focusing on the embodied carbon of our activities and materials during construction. We are committed to continuously improve our understanding and management of environmentally related risks associated with our building material supply chain.

Going forward, we will also increase our focus on building materials used in our standing investments, which may very often be associated with tenant fit-outs. We need to increase our efforts to shift behaviour in this regard. To date, we have issued green tenant guidelines encouraging tenants to carefully consider the materials they use, as well as how these materials are reused, recycled or disposed of.

Our focus on building materials will incorporate the following aspects:

1. Low-emitting VOC and low-embodied carbon materials
2. Externally certified and eco-labelled materials and products
3. Locally extracted and produced materials
4. Reducing waste through reusing and recycling of materials

Examples from two of our developments illustrating the consideration of building materials used:

Brackengate 2, Massmart **(RDF 50.1% share)**

- Majority of the building consists of Rheinzink cladding, which is a natural element and sustainable resource
- Safintra Saflok 700, locally produced material, therefore reduced carbon footprint in manufacturing and transporting
- With the introduction of slag and other materials to the cement content, the absolute cement reduction for in-situ and pre-cast panels was 21%. Furthermore, there was a significant reduction in the usage of concrete in the internal warehouse floor by using reinforced steel fibre concrete floors instead, resulting in a total saving of 16.7% of conventional cement usage.

Brackengate 2, Roche **(RDF 50.1% share)**

- Exterior walls: Double-skin cavity brick construction allows for good thermal conductivity
- Concrete roof insulation: 60mm DipsBoard that complies with the necessary Green Star SA requirements
- Glazing: EPG Low E Single Glazing that complies with XA regulations
- Shading devices: Extensive use of shading devices in the design to limit heat build-up within the envelope horizontal louvres on the large extent of the facades, with vertical louvres on the west façade to shield harsh afternoon sun

Biodiversity

Protecting biodiversity is paramount and we strive to lead by example. To ensure the wellbeing of our stakeholders, we understand that a healthy natural environment is critical. We conduct due diligence assessments at all new developments to ensure that we do not harm any vulnerable species or sensitive ecological systems on land we have earmarked for development. We also replace impermeable surfaces, bare ground and weed-infested areas with endemic plants which have naturally adapted to the local environment, to ensure that our landscaping contributes positively to the preservation of biodiversity – including water resources.

Brackengate 2, Stikland

Biodiversity assessment	YES
Biodiversity management plan	YES

Details of assessment/management plan

For Stikland, a basic assessment process (environmental impact assessment) was followed to obtain environmental authorisation in terms of the National Environmental Management Act. As part of the process, biodiversity studies were undertaken (vegetation assessment and freshwater impact assessment) for the development.

Further to this, an approved environmental management programme and maintenance management plan (for proposed changes to the Kuils River) exists for the development.

The development further received a water use license in terms of the National Water Act, for the amendments to the Kuils River.

Brackengate 2, *Stikland*

Infrastructure at Atlantic Hills

Biodiversity assessment	YES
Biodiversity management plan	YES

Details of assessment/management plan

There is a conservation area in Atlantic Hills that we have preserved as a condition of approval from the council. None of the construction works have taken place on this site, and it is preserved for wildlife in the precinct. There is also a bird hide in this facility, which will be completed by the end of June 2020.

The major sustainability/green design element would be the storm water management system, designed to both ensure peak flows from the site stays within pre-development levels, and treat the quality of storm water runoff to reduce common pollutants.

According to the City of Cape Town's *Management of Urban Storm Water Impacts Policy*, all storm water management systems shall be planned and designed in accordance with best practice criteria and guidelines laid down by council, to support water-sensitive urban design principles and the following specific sustainable urban drainage system objectives:

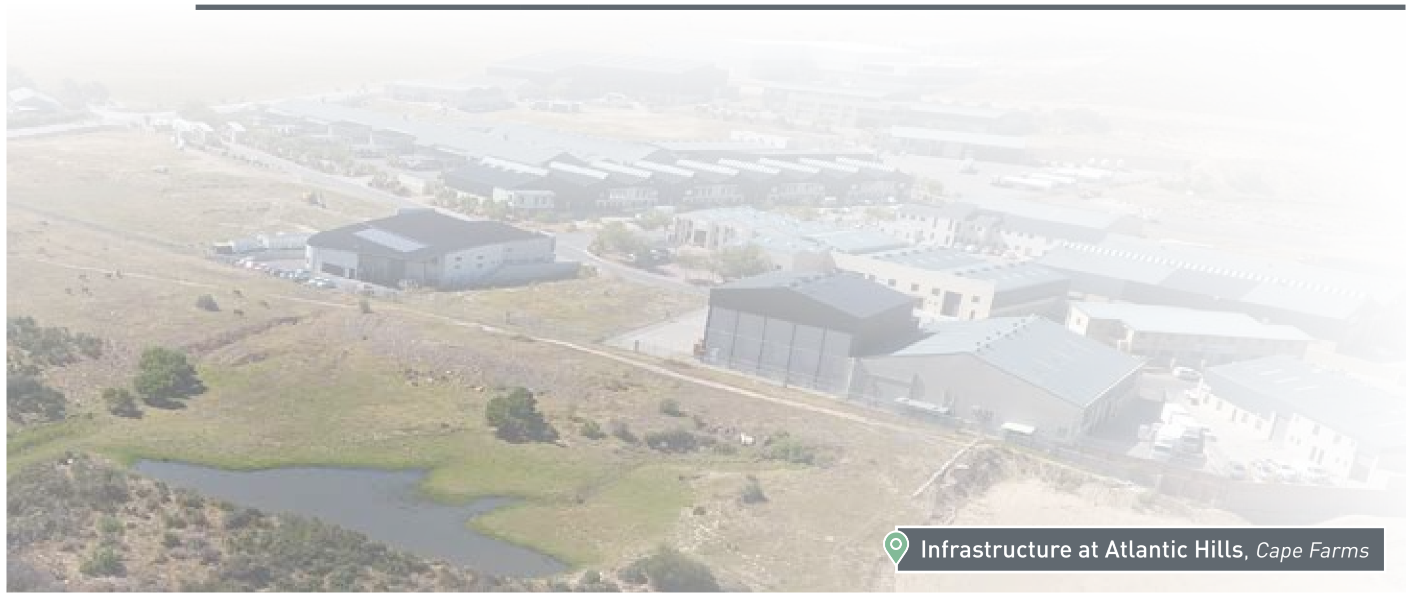
- Improve quality of storm water runoff
- Control quantity and rate of storm water runoff
- Encourage natural groundwater recharge

To achieve abovementioned objectives, the City of Cape Town recommend the following criteria for a greenfields development site:

- Improve quality of runoff – Design storm event: Half-year rainfall intensity (RI), 24-hour storm
- Pollutant removal target: Suspended solids – 80%; total phosphorus – 45%
- Control quantity and rate of runoff – One-year RI, 24-hour storm – 24-hour extended detention
- 10-year RI peak flow reduced to pre-development level
- 50-year RI peak flow reduced to pre-development level
- 100-year RI peak flow – evaluate the effect of the storm event
- Encourage natural groundwater recharge – site-specific conditions may allow this, where possible

The above is achieved for the Atlantic Hills Business Park Precinct, through the following:

- Storm water management treatment train consisting of:
  - 10 storm water attenuation ponds, each with engineered layerwork to enhance infiltration and treatment capacity, as well as variable outlet structures on each of the ponds to assist in attenuating peak flows from the site
  - A swale with engineered layerworks to assist with the pre-treatment of runoff and retarding peak flows prior to discharge into some of the attenuation ponds
  - Overland flow paths for conveyance of the 100-year flood across the site in a controlled way



Infrastructure at Atlantic Hills, *Cape Farms*

3 Our social landscape

> **The COVID-19 pandemic has highlighted the importance of a relational approach, showing us that we are more resilient when we work together."**
>
> *Redefine Properties*

At Redefine, we're committed to a relational approach to business, operating from the principle that while property is our commodity, people are our business. Throughout the crisis, we have strived to place people before profit, living our values in every interaction, knowing that it's not just about surviving, but also thriving into the future.

Alice Lane, *Sandton*

From investment to **involvement and innovation**

Property is our business and people are our purpose. As the COVID-19 pandemic continues to unfold, we remain focused on what we can control – making strategic decisions to safeguard our future and to ensure that we emerge from this crisis stronger than ever.

While we recognise that the current socio-economic context in which we are operating is fraught with many unknowns, we remain committed to delivering long-term value to our stakeholders by making strategic decisions that safeguard the future. Redefine's purpose is to create and manage spaces in a way that changes lives. To have a meaningful impact on lives, we work together for positive change in creating long-term sustainable solutions for all of our stakeholders, instead of once-off solutions such as donations to communities. As a group, we align our efforts across our portfolio to ensure focus on sustainability and build long-term partnerships with key stakeholders such as investors, employees, tenants, brokers, suppliers and local communities.

Our stakeholder priority assessment process

By assessing our key stakeholders' needs and mapping them against our own needs (considering strategic priorities and goals), as well as their interconnected needs, we identify opportunities and develop a set of mutually beneficial priorities to guide the development of initiatives under our ***Challenge Revolution***.

These are :

1. Developing future tenants
2. Building skills capacity
3. Integrating business innovation
4. Enhancing experiences
5. Embracing community focus
6. Minimising environmental impact

Challenge Revolution

We firmly believe that to create a more sustainable future, we need to shift from social investment to social innovation, and it was with this in mind that our ***Challenge Revolution*** initiative was designed. The initiative focuses on the outcomes of our stakeholder priority assessment process and, from that, unpacking how we can empower and facilitate innovative ways to meet these priorities through a number of programmes. The ***Challenge Revolution*** is the umbrella concept under which various programmes, aimed at meeting these priorities in an integrated way, are placed, i.e.:

The ***Challenge Convention***, ***Innovation Challenge***, ***The Mentorship Challenge***, ***Managers to Mentors*** *programme*, ***Learnership*** *programme*, ***Heads up, Hearts in, Hands on*** *employee engagement programme*, ***REACH*** broker engagement programme.

Redefine challenge revolution

Internal

heads up hearts in hands on

EVERY STEP OF THE WAY.

MANAGERS TO MENTORS

work with TO BE THE BEST

External

Redefine challenge convention

Redefine innovation challenge

THE MENTORSHIP CHALLENGE

Redefine REACH

These initiatives all reflect our belief that we need to remain relevant and forward-thinking by considering and collaborating with the people in and around our properties to identify and address their real needs in a truly South African way. Through this focus, we are able to tackle real business and social challenges, such as transformation and skills gaps, while remaining relevant and offering better experiences and innovative offerings in our spaces.

Please watch our stakeholder engagement video: http://youtu.be/9lSt9lQKmPg

Or scan the QR code

Due to COVID-19, these initiatives have been put on hold temporarily. We are seeking ways to repurpose the initiatives to ensure that they are accessible virtually and remain fit-for-purpose.

Challenge Convention

Redefine challenge convention

The core purpose of the ***Challenge Convention*** is community engagement that considers the needs and impact of stakeholders such as tenants, suppliers, shoppers and community representatives – on each other, on our spaces, and *vice versa*.

It is one of our primary stakeholder engagement platforms. It affords interactive, meaningful and constructive conversations with community members so that we can understand our impacts on each other. Our engagements also enable us to work together in developing projects and innovative solutions that will make a real difference.

Innovation Challenge

Redefine innovation challenge

We encourage innovative ideas which integrate stakeholders' needs into our daily operations, through our ***Innovation Challenge*** – a competition launched to inspire entrepreneurs and innovators in all walks of life to rethink, reinvent and reconfigure the physical spaces we occupy and interact within. It also encourages the creation of an entirely new way of operating for the office, retail mall and industrial property arena.

We use these ideas to differentiate and reposition our offerings in a fiercely competitive space. Through this direct form of stakeholder engagement, we hope to generate projects that will set Redefine apart and make a meaningful difference for our stakeholders by creating platforms and opportunities for these innovators to bring their ideas to life. We, thus, integrate community needs into our spaces, improve tenant experiences, and uplift promising entrepreneurs (thereby creating future tenants).

Due to COVID-19 social distancing requirements, the ***Innovation Challenge*** has been put on hold this year while we seek ways to repurpose and repackage the competition.

The Mentorship Challenge

THE MENTORSHIP CHALLENGE

The Mentorship Challenge demonstrates our commitment to our country and its future leaders. It enables ordinary South Africans to connect with legendary leaders in various fields. Our intention is to entrench a culture of mentorship in a skills-scarce SA and thus assist in upskilling our future stakeholders. ***The Mentorship Challenge*** uses an interactive online platform to enable thought leaders to share their wisdom and insight with interested parties.

Due to COVID-19 restrictions, we were unable to host the TV show in 2020. Nevertheless, we believe that we have created sufficient momentum and awareness to keep audiences engaged via our social media platforms. We are pleased with the stakeholder engagement results to date. With social distancing still in place, we are considering ways to repurpose ***The Mentorship Challenge*** to ensure its success continues in honour of the late Marc Wainer, who was the show's host before his untimely passing.

Our related ***Managers to Mentors*** leadership programme was initially launched to help senior managers in Redefine to coach and mentor employees, and help them live their higher purpose to change lives. We envisage that the broader ***The Mentorship Challenge*** programme will eventually be opened up to all our staff to sign up for mentorship – either by trained managers or any of the external mentors already registered on the platform. **For more information on the *Managers to Mentors* programme, see the human capital review on page 81.**

1 579 Total number of mentors and mentees matched	**683** Number of mentors registered	**7 076** Number of mentees registered

More information about the rest of the programmes under the ***Challenge Revolution*** is included in the detailed engagement strategies per stakeholder on the pages that follow.

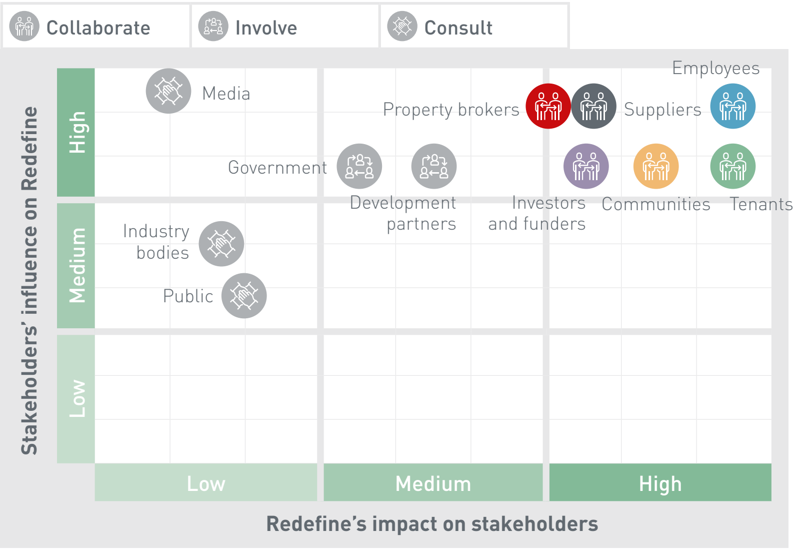
Engaging to **build value**

Over and above our ***Challenge Revolution*** programme that aims to drive our priorities around our key stakeholder groups, we also have tailored engagement plans for each of our key stakeholders, to ensure we meet their individual needs.

Our team is committed to ensuring that every interaction is transparent, inclusive and constructive. This relational approach to business enables us to achieve our mission – to create sustained value in the short, medium and long term for all our stakeholders.

We group our material stakeholders in terms of their level of influence on us and our impact on them. We are committed to understanding each stakeholder's concerns and then applying all relevant inputs to our decision-making to ensure value creation.

Analysis of Redefine stakeholders



Key stakeholders and goals

Investors and funders
Source of sustained growth in total returns

Employees
Employer of choice

Tenants
Differentiated provider of relevant space

Property brokers
Preferred business partner

Suppliers
Source of business opportunity and growth

Communities
Responsible community participant

Investors and funders

Level of stakeholder engagement

Why we engage

- By understanding our funders' and investors' requirements and meeting their expectations of value creation, we grow trust in our organisation, which strengthens our access to capital

Issues raised

- Liquidity concerns due to impact of COVID-19
- Focus on measures to simplify the balance sheet and lower LTV
- Compliance with debt covenants
- Deferral of dividend declaration payments due to COVID-19 liquidity concerns
- Ability to maintain REIT status
- Market confidence and share price
- Consistency in delivery on strategy
  - Further simplification of portfolio and offshore exposure
  - Replacement of FD
  - Concerns raised about transparency of information in announcements
- Transformation strategy is satisfactory at board level, which needs to be addressed at senior management levels

How we engage

- Electronic JSE Stock Exchange News Service (SENS) announcements
- Our corporate website serves as a key information platform
- Breaking news alerts sent to subscriber database
- One-on-one meetings with executive management
- Stakeholder webcasts
- Annual and interim results presentations
- IR and ESG reports
- Property tours
- Editorial coverage in property and financial media, as well as thought leadership pieces
- Attendance at industry and investor conferences
- Investor perception surveys

Our strategic response

- We remain committed to ensuring transparent communication and engagement with investors
- COVID-19 has weakened SA's fragile economy and increased uncertainty, so we have increased our engagement with senior management through virtual platforms (ESG conference, roadshow and one-on-one meetings prior to our closed periods)
- We remain committed to addressing debt covenant compliance, while we move to lower our LTV
- We elaborate on our transformation strategy on **page 67** and communicate our transformation strategy during stakeholder engagements – due to the property skills shortage, transformation remains a challenge we are working to address as a priority
- We communicate our long-term focus and strategy through our IR and ESG reports
- An investor perception survey was conducted in September 2020 to understand investor needs and concerns, to ensure we respond appropriately in our communication to the investors and funders
- New FD appointed

Employees

Level of stakeholder engagement

Why we engage

- Employee engagement is vital to maintaining a connected, motivated and engaged workforce. Our employees are fundamental to growing our brand and to the delivery of a high-quality service

Issues raised

- Anxieties related to COVID-19 include:
  - Job security
  - Remote working feasibility
  - Inability to be on site
  - Business sustainability
  - Data accessibility
  - Employee health and wellness
  - Salary increase freeze for middle and senior employees
  - Assimilating new employees during lockdown
- Fair and market-related remuneration
- Career development opportunities
- Flat organisational structures, our acquisitive nature and low employee turnover are barriers to promotional and career opportunities
- Transformation at senior management level
- Access to mentorship and coaching programmes
- Need for two-way communication across multiple platforms

How we engage

- COVID-19 encouraged us to reconsider how we engage with employees, while maintaining our corporate culture by driving our BEST values as the core message in all our communications
- Communications from our CEO (newsletters, emails and videos)
- One-on-one interactions between employees and line managers
- Employee surveys
- Intranet and electronic newsletters
- Rewards and recognition programme
- Performance reviews and exit interviews

Our strategic response

- From the onset of the pandemic, our CEO has increased his employee communications to keep people motivated and engaged. This was done through weekly videos to employees and emails to line managers, as well as our bimonthly newsletter
- Extensive COVID-19 awareness campaigns were undertaken to ensure social distancing and to communicate operational changes, policies and protocols on matters such as working from home, travel, and vulnerable employees
- Our people are encouraged to participate and give feedback to stimulate two-way communication and to avoid a top-down approach
- Formalised induction and onboarding programmes ensure information is relevant, clear, and easily accessible for new employees
- Transformation remains a top priority
- Remuneration practices are benchmarked annually against peer and industry companies – we have introduced a total reward statement to create a better understanding of individual remuneration and benefits, and to encourage dialogue
- Our long-term employee incentive scheme aims to broaden our reward strategy
- We have a rewards and recognition programme that incentivises employees to be the best at what they do
- We support and encourage our employees to improve their skills and capabilities to remain relevant
- We support internal employee promotions when opportunities arise, and encourage internal career growth
- We encourage our people to be innovative by designing stimulating jobs that foster a culture of ongoing learning
- We have a specialist learning and development department to support capacity building for future business needs and employee development through mentorship and coaching
- Our wellness programme offers financial, physical and emotional support
- Our ***Managers to Mentors*** programme was launched in December 2019 as a senior leadership development initiative – focusing on a series of topics ranging from communication and presentation skills to transformation – with a view to empower leaders to communicate effectively as coaches and mentors (extending to all employees from 2021 to allow everyone to register to be mentored by both internal and external mentors)

Engaging to **build value**

CONTINUED

Tenants

Level of stakeholder engagement

Why we engage

- Tenant sustainability is at the forefront of our considerations, as our business would not survive without our tenants
- By assisting our tenants and understanding their needs, we encourage lease renewals to ensure our sustainability
- By attracting and upskilling new-generation tenants with innovative solutions, we improve the offerings so that our spaces remain relevant

Issues raised

- COVID-19 rental concessions
- Extended trading closures due to government's COVID-19 regulations and lockdown directives
- Health and safety at properties since the pandemic outbreak
- Lower operating costs for tenants to improve efficiencies
- Constrained consumer spending
- Lower footfall and dwell times in retail properties, especially super-regional malls
- Inconsistent service levels throughout the tenant life cycle and areas of the portfolio
- Utility supply interruptions
- Increased cost of occupation
- Response time in resolving issues

How we engage

- We believe in the value of personal interaction, so, wherever possible, we have on-site teams at our premises
- Operational issues are communicated through various platforms, including emails and WhatsApp groups
- We communicate health and safety-related matters, including practise drills
- Other communication platforms include:
  - Print and electronic communication
  - Ethics hotline (whistle-blowers)
  - Call centre

Our strategic response

- Our rental position is legally clear, and our leases are drafted so that no tenant can withhold payment under any circumstances. However, as a good corporate citizen, we accommodated tenants affected by the pandemic with multiple rental concessions (rental deferrals and remissions)
- Tenant communications were issued every time government amended lockdown laws, including enforcement of a national curfew, social distancing, health and safety requirements, and restricted trading
- We continuously strive to increase the resource efficiency of our properties through environmentally responsible operating methods – such as solar PV panels
- We have installed standby power and water solutions at several of our key retail properties to enable uninterrupted operation when supply is interrupted
- We have a dedicated call centre to field enquiries and complaints
- We continuously review our customer journey and all touchpoints to enhance tenants' experiences

Property brokers

Level of stakeholder engagement

Why we engage

- Property brokers are critical to our business and to let out our portfolio spaces. As such, their alignment with our brand promise is essential

Issues raised

- Timely payments of commissions
- Slow pace of closing leasing deals
- Incentive programmes
- Access to view vacant spaces
- Marketing material and information to assist in concluding deals

How we engage

- We have an extensive broker incentive programme ***REACH***
- We send a newsletter to our broker database quarterly
- Our website is a key source of information for brokers regarding ***REACH***, and our vacancy portal reflects current vacancies
- We assist brokers with information regarding vacant space through site visits, presentations and marketing
- We have a team of internal leasing executives to liaise with brokers

Our strategic response

- We strive for quick decision-making and simple deal structuring
- We continuously strive to improve and develop communication platforms aligned with expectations
- We have streamlined payment processes to minimise delays
- Ongoing interactions are strategically planned to create lasting partnerships, as well as expose brokers to vacant spaces throughout our portfolio
- Special spaces and deals are structured to create additional awareness and interest for vacant space that is difficult to let

Suppliers

Level of stakeholder engagement

Why we engage

- Our suppliers are valued partners, and deemed to be an extension of Redefine as they frequently interact directly with our stakeholders (tenants and retail customers). It is imperative that they conduct themselves in a manner that is consistent with our brand promise and company values

Issues raised

- Supplier business sustainability during COVID-19 lockdown
- Transformation – ESD
- Supplier performance management
- Contract management
- Tender process and criteria
- Conflicts of interest
- Information supply and response times
- Timely payments within clearly communicated standard operating procedures
- Local representation and opportunities to uplift small enterprises

How we engage

Direct engagement is via our newly established group procurement function, through:

- Potential/new supplier introduction
- Exploration of strategic sourcing opportunities
- Service level agreement management and service delivery feedback meetings
- Stakeholder feedback (tenants)
- Supplier code of conduct policy introduced

Our strategic response

- Where Redefine could not receive a service from a supplier during the COVID-19 lockdown, as a minimum, we continued to honour the labour component of all contracts, with the undertaking that suppliers protect their employees' jobs
- Implementation of purchase orders across the business for better control and governance
- Streamlined payment processes to minimise delays, for quick and efficient settlement
- Use of analytics to identify areas in need of improvement
- Supplier development and support initiatives for exempt micro-enterprises, as well as small and medium-sized enterprises (SMEs), through preferential payment terms
- Supplier rationalisation to only support quality suppliers and improve administration efficiency
- Constantly seeking smarter and sustainable procurement opportunities
- We strive for quick decision-making and simple deal structuring
- We continuously strive to improve and develop communication platforms, aligned with expectations
- We support the national Business for SA (B4SA) campaign to pay SMEs in 30 days

Communities

Level of stakeholder engagement

Why we engage

- Our goal is to ensure that we create mutually beneficial partnerships to achieve our longer-term value creation goals through engagement that enables us to understand our impact on communities and thus meet their needs

Issues raised

- Opportunities within our spaces to improve the lives of surrounding communities:
  - Business opportunities for local enterprises
  - Job creation for unemployed youth and other community members
  - Collaboration with non-profit organisations (NPOs)

How we engage

- Direct engagement about community concerns through personal interaction within buildings
- Community forums and engagements through the ***Challenge Convention***

Our strategic response

- COVID-19 has halted our ***Challenge Revolution*** while we seek ways to repurpose and reinstate this initiative when community representatives, tenants, local government and other relevant stakeholders can be brought together in and around our buildings to determine their needs and collaborate in creating solutions
- We have fine-tuned our CSI strategy and established a CSI committee to ensure a consistent approach and alignment with company goals in how we approach initiatives across the portfolio

Engaging to **build value**

CONTINUED

Development partners

Level of stakeholder engagement

Why we engage	Issues raised
▫ Our expansion pace and potential depends on our relationships with development partners who invest with us in opportunities that benefit from their expertise and resources	▫ Effective joint venture deal structure ▫ Quality of resources ▫ Availability of capital ▫ Knowledge base and industry reputation of partners ▫ Fees for services rendered ▫ Cultural fit with Redefine, including strategic alignment with regulatory and governance procedures, as well as property development business processes and transformation
How we engage	**Our strategic response**
▫ Sourcing of development opportunities ▫ Conceptualisation of development projects ▫ Joint venture and joint ownership of development projects ▫ Internal development management team for joint implementation of projects with development partners ▫ Joint inputs on site acquisition, town planning, leasing, tenant interface, legal and contractual documentation and tender processes, as well as construction of infrastructure to suit tenant requirements ▫ Ongoing relationship management in terms of the Redefine value system	▫ Financial due diligence conducted ▫ We ensure optimal legal deal structures with rigorous internal due diligence ▫ We review development opportunities on a case-by-case basis ▫ Ensure fees are market-competitive ▫ We assess the availability and quality of resources ▫ The intellectual property and reputation of potential partners is assessed ▫ We conduct cultural fit assessments

Public and retail shoppers

Level of stakeholder engagement

Why we engage	Issues raised
▫ The public, especially in and around our shopping centres, comprises the shoppers who support our tenants and require relationship management to maintain our brand reputation as they broadcast their experiences on various platforms (formally and informally)	▫ COVID-19 safety and hygiene ▫ Safe and secure environment ▫ Correct tenant mix ▫ Service delivery ▫ Convenient parking, relevant equipment and suitable facilities ▫ Shopping centre events and other forms of entertainment ▫ Access to senior management to timeously address complaints ▫ Issues about retail redevelopments and refurbishments ▫ Health and safety compliance during development ▫ Environmental impact of our buildings ▫ Health and safety within properties
How we engage	**Our strategic response**
▫ Proactive engagement with retail tenants ▫ Shopping centre marketing, promotions and communications ▫ Active management of communication with local media and on social media platforms ▫ Proactive management of complaints and enquiries ▫ Tailor our tenant mix per retail centre to ensure we meet the needs of our audiences ▫ Various marketing and communication initiatives to keep shoppers informed, and deliver on, among others, centre-specific objectives such as increased dwell time and foot traffic	▫ Consumers are buying essentials in bulk and have gone back to basics, so we are reconsidering our tenant mix and focusing on communicating our mall health and safety protocols in a way that attracts consumers to our shopping centres ▫ We are considering multipurpose use in our retail centres to potentially include solutions such as educational facilities and clinics ▫ The health, safety and security of our employees, shoppers and tenants is of utmost importance, so security measures are continuously revised within shopping centres ▫ We continue to research and monitor consumer behaviour and shopping trends to mitigate risk and tailor an appropriate tenant mix for each centre ▫ Our internal team manages marketing activities and non-GLA spaces to improve the offering and experience in all our malls ▫ We remain focused on enhancing shopper and tenant experience during retail upgrades and extensions ▫ Environmental sustainability and the impact of our properties on the surrounding environment is top-of-mind, as demonstrated through our numerous sustainability initiatives

Local and national government

Level of stakeholder engagement

Why we engage	Issues raised
▫ Our goal is to create and maintain an appropriate regulatory environment by engaging with local and national government to ensure that their concerns and ours are addressed	▫ Continued contribution to economic growth ▫ Good corporate governance ▫ Compliance with applicable legislation
How we engage	**Our strategic response**
▫ Written and verbal communication ▫ Personal meetings and relationships with municipal and national government officials ▫ Returns submitted in compliance with legislation ▫ Formal application and engagement process	▫ We regularly engage with local authorities and regulatory bodies to improve service delivery and accuracy of billing for utility services ▫ We liaise with municipalities about capital project approval issues, development planning and implementation ▫ We pursue the highest standards of legislative compliance and sound corporate governance ▫ We aim to align our community development projects with the National Development Plan – local government involvement and inclusion are key in our community engagement

Media

Level of stakeholder engagement

Why we engage	Issues raised
▫ We value transparent and mutually beneficial communication with the media to ensure that a balanced view of our business is broadcast to the public	▫ Proactive engagement to ensure strategic information is shared efficiently and comprehensively ▫ Timeous responses to media enquiries that provide a true reflection of the facts
How we engage	**Our strategic response**
▫ Media statements and briefings ▫ Site visits ▫ Access to management ▫ Invitations to webcasts and conferences	▫ We have a full-time communications specialist and a public relations agency to drive strategic communications and ensure that accurate information is supplied timeously ▫ Our crisis communications strategy is continuously refined and communicated within the business ▫ We consistently review our digital marketing strategy and increase resources (internal and external) to improve the use of social media platforms, and mitigate reputational risk associated with these platforms

Industry and business organisations

Level of stakeholder engagement

Why we engage	Issues raised
▫ By participating in and engaging with industry and other organisations, Redefine benefits from sharing relevant ideas and experiences	▫ Actively representing REIT sector negotiations with government about COVID-19 trading restrictions ▫ Brokering rental concessions on behalf of tenants ▫ Support and participation ensure knowledge is shared within the industry
How we engage	**Our strategic response**
▫ Active involvement in improving district and business boards of directors, including industry association committees ▫ Presentations at conferences ▫ Networking events ▫ Partnering with industry organisations to communicate and drive common goals – the COVID-19 lockdown led to the establishment of a public interest group to ensure business continuity and risk mitigation	▫ We have engaged with and used the services offered by SAPOA and the SA REIT Association since the onset of COVID-19, while participating in discussions about the representation of REITs ▫ We have engaged with the JSE and the South African Reserve Bank about dividend and tax issues ▫ We support and engage with relevant boards, committees and industry bodies ▫ Participation in and engagement at conferences continues, while we explore opportunities to ensure exposure and positioning of Redefine as a thought leader in the property sector

Engaging to **build value**

CONTINUED

Stakeholder communications and engagement

COVID-19 has forced us to reconsider the manner and frequency of engagement with our stakeholders. During SA's lockdown when we saw the rise of virtual stakeholder engagement, our team launched extensive proactive stakeholder campaigns to ensure that two-way communication was maintained and increased where possible. Our executive management team also increased their availability and received positive feedback for reaching out to stakeholders, with engagements held online due to COVID-19.

Deepening our engagement with investors and funders

As providers of financial capital, our investors and funders are crucial to the growth and sustainability of our business. To support ongoing relationships of mutual benefit, we work to understand the needs and expectations of our providers of financial capital, and to address their concerns.

We follow an in-depth engagement plan with investors and funders, including roadshows, presentations, breaking news distribution and one-on-one meetings. We conduct an annual investor perception survey and, considering the feedback we receive and issues raised, we amend our engagement strategies on an ongoing basis. Due to COVID-19, engagements were held online in 2020.

Our investor communication plan for the year ahead will focus on continuous demonstration of delivery on our strategy and will ensure regular communication to address investors' key concerns.

COVID-19 specific engagement

Most engagements with investors and funders during lockdown centered around liquidity improvement, debt covenants, dividend payments, board appointments and our ESG focus.

Deferred dividend payment	On 23 March 2020, we announced that we would defer the dividend payment for the six months ended 29 February 2020 until the release of our year-end results in November 2020, as a precautionary measure to provide additional financial flexibility and bolster our liquidity
Disposal of non-core assets	The disposal of non-core assets, to right-size our footprint, improves liquidity and lowers LTV
ESG focus	How we plan to embed ESG considerations into our operations
Debt covenant management	To meet debt commitments and cover short-term liquidity needs

Ongoing matters

Board structural changes

Appointment of Diane Radley as an independent non-executive director, Ntobeko Nyawo as our new FD, and Leon Kok as our COO, with effect from 1 February 2021.

Investor perception survey

Recommendations received from investors include:
- We should deploy further time and human capital to manage the South African portfolio
- Future board appointments should include property skills and experience as a prerequisite
- Transformation at executive level from a race and gender perspective
- Maintain quality and transparent disclosure to preserve and develop investor trust

Driving passion through employee engagement

Our goal is to inspire our employees to be the best in all aspects of what they do by taking the initiative and being passionate about their work. Our employee value proposition (EVP) includes two-way expectations – what employees can expect from us, and what we can expect from them in return.

What our employees can expect from us

Employee engagement initiatives

Engaged and committed employees live our values and deliver on our brand promise. We use multiple communication platforms such as videos, email, WhatsApp, bulk SMS, bulletin boards, posters, brochures, newsletters, video conferencing and telephone calls – as well as face-to-face group and one-on-one engagements – to spread brand values and group messaging among our employees. We do this to ensure that our employees understand the company's strategic objectives, key business projects and initiatives, brand awareness and ongoing human resources initiatives that form part of the employee life cycle.

What we expect from our employees

We expect our employees to deliver on our strategy and goals. This is achieved through driving innovative solutions and living our brand values.

Positioning Redefine as an employee of choice

Our strong corporate brand presence and communication of our people-centric approach contribute to positioning us as a brand that people aspire to work for.

Employee engagement during COVID-19 lockdown

We began an extensive internal communications campaign from the start of the COVID-19 lockdown, to support the evolving needs of the business and our employees. The goal was to ensure a sense of belonging and increase engagement levels by highlighting our united set of values.

Our communications were aimed at building a supportive corporate culture, with emotional wellbeing and learning promoted, by equipping employees to be healthy and productive, including topics based on:
- Promoting health and safety awareness about the virus, with information about social distancing, mask-wearing, mental health, testing and sanitation, as well as employee support measures
- Communicating operational matters such as changes to employment policies and protocols relating to working from home, travel and vulnerable employees
- Explaining various business continuity measures such as the purchase of IT equipment and home data connectivity, as well as the appointment and training of designated COVID-19 compliance officers

As part of our wellness programme, we showed gratitude to our employees for their hard work and commitment during lockdown by:
1. Awarding them with a 'mahala' day off on 25 September 2020.
2. Requiring everyone to take a mini-break (of at least four consecutive days) to build resilience and avoid burn-out.
3. Amend the leave policy to accommodate employees who may forfeit leave as a result of the lockdown.

Our communications team decided to use the COVID-19 crisis as an opportunity to redesign the look and feel of our **BEST** values to make the concept more attractive to employees. Although the fresh designs do not strictly comply with the Redefine corporate identity, it is what we need in these extraordinary times.

We underpin all employee communications with our **BEST** values as the core message to maintain and enhance our brand culture.

BRAVE | ETHICAL | Sustainable | TRUSTWORTHY

Redefine celebrated it's 21st birthday in 2020. We celebrated this occasion by creating an audiovisual (AV) and encouraged our employees (nationally) to participate in this initiative. **To view the AV, click here:** https://www.youtube.com/watch?v=Kf04ZtKDqRE.

Or scan the QR code

Engaging to **build value**

CONTINUED

Our COVID-19 communications elements include:

BEST values video	We have produced an inspirational video during the first week of the national lockdown, with an underlying message of hope, and our values as the theme. Please watch our **BEST** values video at https://www.youtube.com/watch?v=Kf04ZtKDqRE **Or scan the QR code**
Video messages from our CEO	Realising the importance of face-to-face interaction, we introduced a weekly video message from our CEO to all employees (recorded on his personal device at home).

Newsletter	▫ The *Let's Talk* newsletter has been rebranded to *Let's connect*
	▫ We have introduced two-way engagement campaigns:
	  ▫ 'Home truths' weekly articles sharing employees' frustrations, feedback and funny stories about working at home, with a prize for the best submission
	  ▫ 'What's the buzz?' weekly articles defining employees' favourite COVID-19 buzzwords

Line manager communications	The goal of weekly communications from our CEO to senior line managers is to motivate them to inspire their teams, and to be the 'heroes' in driving our culture and values during lockdown.
Promoting employee interaction in isolation	▫ We want to drive employee interaction instead of pushing information through email, with a goal to inspire employees to connect and share with their peers, comment, respond and also enjoy themselves ▫ Various virtual platforms are used, explored and considered, such as WhatsApp and social media ▫ Microsoft Teams has been integrated throughout the business as the primary virtual business communications tool ▫ Interactive online training is offered to all line managers ▫ Office telephone lines have been rerouted via the Microsoft Teams application to ensure business continuity and enable all employees to receive incoming calls and to phone external parties ▫ The Redefine call centre hours have been extended to 24 hours a day to field all incoming calls and to help employees manage call volumes ▫ Bulk SMS and WhatsApp solutions have been sourced for employees without smartphones

heads up **hearts in** hands on

In line with the goals of our ***Challenge Revolution***, our learnership programme looks at addressing the shortage of skills within our sector. **For more information on our learnership programme, refer to page 81**.

work with THE BEST TO BE

Enhancing tenant experiences

To be considered the landlord of choice, we seek ways to differentiate ourselves by ensuring that every tenant experience is meaningful. We live our words –

We're not landlords. We're people.

We are committed to offering a good tenant experience throughout the tenant's journey with Redefine. To achieve this, we continuously engage with our tenants to identify their needs, concerns and expectations.

Tenant retention is a vital part of our property management focus for our long-term sustainability. We believe that maintaining and preserving tenant relationships can preserve and increase our revenue generation potential, maintain or improve occupancy levels, as well as ensure shoppers enjoy a quality tenant mix offering to choose from.

To entrench this tenant engagement strategy throughout the business, we apply an internal change management programme, which we have branded ***Every Step of the Way***. This programme ensures that employees understand their importance in shaping our tenants' experiences with Redefine, because every engagement throughout the tenant life cycle impacts the brand experience. During 2020, we implemented a fast-track project to identify quick wins to make meaningful differences in the experiences of our tenants.

EVERY STEP OF THE WAY.

Supporting tenants through COVID-19 rental concessions

Tenant sustainability and retention are at the forefront of our considerations. Our industry is extremely competitive under normal market conditions, and even more so in a pandemic. We have seen COVID-19 wreak havoc on the South African economy, triggering unprecedented market conditions and placing many tenants in survival mode. Our continued participation in the Property Industry Group (PIG) helped coordinate a rental concession guideline for tenant relief measures, to aid the sustainability of struggling businesses – our rental concessions were subject to these PIG-issued guidelines.

We recognised the need to act fairly and accommodate tenants, where possible, during the pandemic. We considered 3 865 rental relief requests from our tenants. After careful negotiations, considering our tenants' type of business, turnover and ability to absorb losses during the lockdown, we entered into multiple rental concessions with tenants who were in good standing as at 30 March 2020. On 31 August 2020, we concluded rental relief negotiations and provided the following assistance:

Discounted/free rental	As at 31 August 2020, a total of R268 million discounted or free rental grants were provided.
Deferred rental	During the period from April 2020 to August 2020, we granted rental deferrals amounting to R87 million of which R50 miilion remained outstanding as at 31 August 2020.

Engaging to **build value**

CONTINUED

Tenant engagement during COVID-19 lockdown

We proactively approached tenant communications to ensure open and transparent engagement during lockdown. Due to continuous changes in lockdown restrictions, our communication plans were amended regularly. The central communications themes centered around:

Health and safety awareness	▫ Awareness posters, stickers and signage in all malls, commercial and industrial buildings ▫ Social media awareness campaigns implemented at all relevant malls ▫ Posters and signage placed close to hand sanitisers and in bathrooms to raise awareness about the importance of handwashing ▫ Signs installed at centre management offices to direct tenants and clients to an emergency number for any enquiries or emergencies
Centralised communication through call centre and central mailbox	▫ A process implemented to ensure that all COVID-19 cases (reported by tenants) were channelled through our call centre where a central register of reports is kept ▫ Call centre hours extended to 24 hours a day to field all incoming calls from tenants ▫ A central mailbox created to record all feedback and communication from tenants
Business sustainability	▫ To maximise income for tenants, extended trading hours at our shopping centres in the days leading up to the national lockdown ▫ Proactive engagement with all our tenants to negotiate COVID-19 agreements
Events cancelled	▫ As a safety measure, all events cancelled or postponed throughout lockdown
Crowd control	▫ Crowd control with appropriately spaced chairs for people to avoid long queues at malls
Government regulations and restrictions	▫ Regular emails to inform tenants of various restrictions and regulations at each lockdown level

Reaching out to our brokers

Tenant attraction is critical in our current economic and operational context. We therefore partner with brokers to help reduce our vacancies. As brokers offer representation and consulting services to our tenants, our relationships with brokers must be nurtured. Some tenants prefer to deal with brokers only and not with landlords directly when looking for space. It is therefore important for us to be top-of-mind and considered a preferred partner among brokers. Our broker engagement strategy aims to facilitate two-way communication to foster stronger relationships.

REDEFINE REACH

Our broker engagement plan is packaged as our ***REACH*** programme and includes initiatives such as quarterly newsletters, our ***REACH*** magazine, marketing campaigns such as brochures, desk drops and mailers, as well as an incentive programme that includes quarterly events (driving experiences, golf outings and overnight getaways) and an annual incentive trip for top-performing brokers to locations around the world. These excursions have temporarily been placed on hold due to COVID-19. As brokers deal with various landlords, and space requirements do not always set us apart, it is crucial for us to ensure ongoing engagement with up-to-date information. Our vacancy portal is a tool we use to facilitate engagement with our brokers.

Partnering with suppliers

It has become increasingly evident that our suppliers, who must often deliver our value proposition to other stakeholders including tenants and shoppers, should be considered as critical representatives of our brand.

Our change management programme, implemented in November 2019, therefore outlines standard operating procedures for our procurement practices.

Our supplier engagement strategy, finalised in 2020 for our broader supplier base, includes a supplier onboarding programme, a code of conduct policy and a communications plan that drives advocacy and our brand values.

Supplier code of conduct

As part of our commitment to fully integrate ESG into our daily activities and value chain, we have implemented a supplier code of conduct to ensure that suppliers remain accountable for their ESG impacts. We require full cooperation and buy-in from our suppliers, and expect full compliance with our conduct standards – asking suppliers to demonstrate an applied commitment to good governance, ethical conduct and long-term sustainability.

Our code of conduct summarises what we expect from our suppliers and business partners. The code of conduct covers **five areas of supplier expectations:**

1. **Supplier conduct towards representatives and employee**
2. **Health and safety**
3. **The natural environment**
4. **Anti-bribery and anti-corruption**
5. **Overall ethical conduct**

In addition to these expectations, we also require our suppliers to comply with all applicable laws, legislation and regulations in all jurisdictions in which they operate. We have informed suppliers that the conduct provisions set out in our code of conduct do not replace any applicable laws, statutory provisions and legislations, and constitute an additional conduct standard. If a contract between us, or applicable laws and regulations, contain stricter or more detailed requirements than this code, then we expect our suppliers to meet those more stringent requirements.

In April 2020, under hard lockdown, we made the conscious decision to put people ahead of profit and protect livelihoods by supporting our supplier base during these challenging and unprecedented times. We extended a proposal to all our contracted suppliers that, despite limited or no service delivery, Redefine would still pay the full labour component of our contractual obligations on the reciprocal undertaking that no jobs would be lost within their companies as a consequence of the lockdown.

We support the national B4SA campaign to pay SMEs within 30 days of invoice. This campaign is a collective effort to ensure that South African businesses survive the economic crisis exacerbated by the COVID-19 lockdowns. We have formally committed to paying our SME suppliers within 30 days.

Empowering communities

Our relationships with communities are vital as our tenants would not be able to trade, and our business would not exist, without them. As key stakeholders, communities play a critical role in the creation of sustainable interventions that address their challenges.

Strong community relationships are critical for our business sustainability. Our integrated community engagement plan considers community needs, as well as new ways to better serve and create value for community stakeholders.

During the year, we started aligning our CSI initiatives with our refreshed CSI strategy. Some of the outcomes from these engagements, and the high-impact projects we focused on, are listed in the sections that follow.

Our new CSI strategy

Our new CSI strategy is underpinned by a demand-driven rather than a business-as-usual or supply-driven approach, in line with our ***Challenge Revolution*** approach (see **page 46**). Using the ***Challenge Convention*** as a vehicle, we engage with communities to identify their priorities and assist in planning and implementing solutions, with a significant stake and interest in the success of projects. A supply-driven approach is not appropriate and often fails as external stakeholders implement pre-planned projects in identified communities and develop solutions that do not necessarily respond to real community needs.

Engaging to **build value**

CONTINUED

Our CSI objectives

We aim to serve the communities surrounding our buildings with CSI initiatives that strive to:

- Increase our involvement in communities where Redefine operates
- Empower and uplift disadvantaged communities by understanding their needs and co-creating solutions that will achieve a measurable positive impact on their socio-economic conditions
- Monitor the impact of interventions and communities on the business and its properties
- Build and strengthen relationships with our communities

Our CSI focus areas

We focus on four key strategic areas for social investment, which we believe are crucial to create a legacy for our communities, driven by innovation to ensure scalability and replicability:

Skills development	Youth development	Social development	Environmental awareness

Our new CSI strategy is fundamentally different in the following ways:

- We focus on communities around our buildings (not national projects)
- We follow an inclusive, consultative engagement approach to co-create solutions
- We prefer to follow a demand-driven approach
- We use the ***Challenge Convention*** as a vehicle to engage with our communities
- We use an asset-based community development model to implement solutions with community-centered, meaningful conversations that reveal community assets and capabilities as a point of entry and do not see 'victims in need of assistance', but capable entities with agency and ability to lead their development processes
- We will ensure participation of our employees in the implementation of the strategy – thereby fostering relationships with our employees and the communities around our buildings

To deliver our CSI strategy, we have developed a five-year execution plan, which we have categorised into three clear groups:

Flagship projects to be implemented	Non-flagship interventions	*Ad hoc* interventions
Large-scale Three to five years	**Smaller-scale** Six to 12 months	**Once-off** Short timeframe
CSI budget allocated		CSI and mall marketing budget and non-GLA space allocated
Our flagship programmes are strategic interventions that focus on the most significant issues faced by our host communities. Substantial CSI budget outlays are invested in these programmes that extend for longer than 12 months. Flagship initiatives are designed to be true standard-bearers that provide the focal point for Redefine's social investments, which are implemented through extensive community engagement processes, usually including work groups, forums, events or focus groups (framed as the ***Challenge Convention***).	**Non-flagship interventions** constitute social investment programmes and/or projects that are implemented on a smaller scale over a period not longer than six to 12 months. These programmes provide solutions to identified problems around a building in communities where larger-scale interventions are not required. Non-flagship programmes include support of charities that currently let space within Redefine-owned properties, as well as exit strategies for NPOs previously supported by Redefine to ensure continuity and sustainability going forward.	***Ad hoc* interventions** refer to smaller-scale initiatives that support the focus areas of the company's CSI strategy, based on the needs of the community, including once-off initiatives or projects that run for a limited period of time, such as non-GLA donations.

We have an internal CSI committee who oversees the implementation of our CSI initiatives in line with our CSI strategy. Our CSI committee has set budget thresholds for each programme and/or project type described above.

60%	35%	5%
of the CSI budget is allocated to flagship programmes	will be made available as grants to smaller non-flagship programmes/projects	to *ad hoc* interventions

Smaller-scale *ad hoc* interventions are considered through various Redefine platforms that enable property management teams to allocate additional funding from their marketing budgets and/or use non-GLA space for community-based activation purposes, subject to committee approval.

We have launched an internal initiative called ***The Red Thread***, to drive employee participation and ensure consistency in implementation of CSI initiatives throughout our portfolio.

All socio-economic development interventions require the CSI committee's approval to ensure consistency, reporting and maximum benefit in terms of B-BBEE scores.

Engaging to **build value**
CONTINUED

During the year, we started aligning our CSI projects to the new CSI strategy. Measurable objectives have been introduced for new projetcs to ensure that we can accurately measure impact of our investment going forward.

Flagship CSI projects

Maponya Mall: *Challenge Convention*

The ***Challenge Convention*** at Maponya Mall included two major conventions, as well as a series of work groups and forums for communities that hosted the youth, NPOs, and SMMEs.

The outcomes from the convention included the need for skills programmes and facilities to increase collaboration and information sharing for NPOs, SMMEs and youth, which we address through CSI initiatives that are being implemented at the mall, based on the outcomes of the convention.

The Challenge Convention. *Maponya Mall, Soweto*

Maponya Mall: CSI initiatives

Due to COVID-19, our skills development programmes for NPOs and SMMEs were slightly delayed. Recruitment and identification of the participants concluded electronically during lockdown, and formal lectures commenced in an online fashion during September 2020.

Objectives once set for these programmes are as follows:

Business continuity and sustainability	We anticipate that, in the long term, the entrepreneurs will refine their business models to help them to become sustainable
Financial impact	We anticipate that, through improved financial management, the entrepreneurs will be able to attract funding and investment opportunities, which will enhance their net asset value (NAV)
Social impact	We anticipate that, in the long term, the interventions will sustain the current jobs, as well as create new employment opportunities for the community of Soweto
Personal effectiveness and leadership	We anticipate that, through personal development, the entrepreneurs will have the confidence to continue building their businesses

SMME programme (Unstuck Soweto)

Our investment (SMMEs)	Value added to date for stakeholders based on feedback received
R800 000	▫ 30 SMMEs trained

NPO programme (Hi Neighbour)

Our investment (NPOs)	Value added to date for stakeholders based on feedback received
R400 000	▫ 12 NPOs trained (three employees each)

Looking ahead

The development of a youth-focused hub at Maponya Mall is underway. The hub will serve as a multipurpose communal space that connects youth to services and resources that promote empowerment and participation in the local economy. It will host programmes that **empower youth with skills development and employment opportunities**.

Our physical infrastructure investment began in 2020	R1.3 million

Objectives set for the Maponya Hub are as follows:

- A physical space is created at Maponya Mall that is conducive to learning, collaboration, partnership building and increasing information in multiple spheres
- There is improved social and economic inclusion of youth due to skills development, improvement of personal capacities, and community concepts
- NPOs and entrepreneurs are more sustainable due to increased knowledge and skills in the areas of planning, monitoring, evaluation and learning, marketing and communication, and safeguarding and protection

S&J: The Hawk Academy

The Hawk Academy is a flagship project. Due to the impact and risk associated with the local informal community settlement adjoining our S&J land, we continue to engage with this community, as well as the City of Ekurhuleni, to establish the best way forward.

The Hawk Academy, a government school founded in 2015, began operating in a mine office building. It soon became evident that it needed to be formalised in a suitable school facility. Redefine, in partnership with Abland Foundation, donated 6.5 hectares of land towards the development of the school which now accommodates 944 learners from grade R to grade 10. In addition, together with the Abland Group Foundation, Redefine provides equal funding towards infrastructure development and maintenance of the school.

In 2020, six new containers were donated to the Hawk Academy, which will serve as classrooms and ablution facilities for the learners. Other initiatives undertaken to date include paving sections of the school yard, adding ablutions, sponsoring school fencing, installation of a borehole, as well as donations of stationery, toys and toiletries, feeding schemes, and various employee volunteering programmes.

Our investment	Value added to date for stakeholders based on feedback received
R1.4 million (2019: R1 million)	▫ 944 learners ranging from grade R to 10 ▫ Improved facilities for learners

Looking ahead

We will continue to focus on further developing facilities within the school, such as additional classrooms, sports fields, a computer laboratory and training centre, as well as a science laboratory. Furthermore, we will continue to engage with the community about their needs and expectations.

Engaging to **build value**

CONTINUED

Non-flagship CSI projects

Sustaining impact with existing sponsorships

We continue to engage with and support our current charities. We work with them to further align their projects with our strategy and the role they play in the communities around our buildings. Simultaneously, we develop exit strategies to secure the sustainability and positive impact of these projects. We also consider how we can support all charities currently leasing facilities from us with rental reductions or free space.

Buskaid

Buskaid Music Academy in Diepkloof, Soweto, is a project that brings the gift of music to underprivileged children, teaching them to play classical string instruments.

Our investment	Value added to date for stakeholders based on feedback received
R1.1 million (2019: R1.1 million) Contributing to overall administration, teachers' funding, concerts, and an on-site clinical psychologist to support students as needed	▫ 118 (2019: 120) students enrolled in 2020 ▫ 12 (2019:16) assistant teachers employed under the guidance of two full-time teachers and one part-time teacher ▫ Assistant teachers employed from a pool of students who have graduated from the programme ▫ The full ensemble of performers consists of 24 musicians, who play at concerts under the guidance of the musical director, Rosemary Nalden, and her assistant, Sonja Bass ▫ For gigs, approximately 13 musicians play (depending on their availability), providing employment for students when they reach the appropriate level of training

Post year end

We introduced a service provider to facilitate a process to map out the future strategy and business plan that will ensure the sustainability of Buskaid. Based on outcomes, Redefine will continue to assist in the most important areas and implement an exit plan of no longer than three years.

Reach For A Dream

Reach For A Dream encourages children to realise their dreams while fighting life-threatening illnesses. Redefine donates office space to the organisation, and thus helps Reach For A Dream to continue giving hope to terminally ill children.

Our investment	Value added to date for stakeholders based on feedback received
R65 050 per month (2019: R53 000 per month) for offices	▫ Over 5 800 children benefit from Reach For A Dream ▫ Donated office space

EPIC Foundation

The EPIC Foundation is a Gauteng-based NPO, founded by Alta McMaster in 2013. Alta has endured many traumatic life experiences, including rape, so she deeply understands society's need to empower survivors of rape and abuse (women, children and men). Her experience of turning violation into an epic victory can be read at www.epicfoundation.org.za

Since 2010, the EPIC Foundation has supported survivors in Gauteng with the Comfort Pack Project, which uses a wide distribution network to distribute welcome packs to people arriving at victim empowerment centres linked to police stations, as well as larger rape crisis and trauma centres.

Redefine assisted the EPIC Foundation with its original tenant installation, and has subsequently donated office and warehouse space.

Our investment	Value added to date for stakeholders based on feedback received
R37 743 per month for premises	▫ Over 3 500 people benefited from the EPIC Foundation this year, 20 people were trained in self-defense, and counseling provided to 50 survivors ▫ Donated premises

Engaging to **build value**

CONTINUED

Ad hoc CSI interventions

Retail CSI initiatives

Our approach to CSI includes analysing potential opportunities within our property portfolio with initiatives for local communities in and around retail centres, including donations of non-GLA opportunities such as centre court space and kiosks for charities assisting people and animals.

During the year, our retail CSI, including donations of courtyard space and various smaller monetary donations, amounted to **R2.7 million in space donations and R202 000 in community donations** (2019: R3 million)

The Challenge Convention. *Maponya Mall, Soweto*

Respecting human rights

We support the national *No Violence Against Women and Children* campaign and have created staff awareness of this initiative through a series of communication initiatives.

We are committed to upholding the human rights of our stakeholders. We therefore subscribe to the principles of the International Labour Organisation (ILO), we uphold and commit to the 10 principles set out in the UNGC, and we support human rights as set out in the Universal Declaration of Human Rights. In addition, our code of ethics outlines our approach to human rights and supports our intention to make sustainability an integral part of our day-to-day operations. While we uphold and support the human rights of all our stakeholders, we have identified the policies and processes relating to our communities and suppliers below.

We respect the human rights of people in communities by:

- Observing legislation and the cultural values of societies
- Seeking ways to identify and address indigenous people's interests
- Striving to promote the wellbeing, safety and environmental preservation of communities within or close to our areas of operation
- Consulting with local and indigenous communities to identify traditional and cultural heritage values that may potentially be affected by our operations, and to reach consensus on strategies to address these concerns

We uphold human rights through our suppliers by:

- Requiring our suppliers to respect human rights and asking them to act in full accordance with our policies and guidelines concerning social responsibility, labour standards and human rights
- Committing to openly and transparently reporting on human rights violations within our value chain

Our B-BBEE performance during 2020

Meaningful transformation that creates substantive impact in the environments in which we operate remains a priority for our business and underpins all our strategic objectives. We remain committed to advancing the transformation landscape beyond the property sector in a manner that contributes positively and sustainably to the growth and economic wellbeing of all South Africans impacted by our business operations.

Although the COVID-19 pandemic presented a number of operational challenges and at times threatened to derail several objectives, we remained vigilant to managing these risks and capturing the opportunities that emerged.

As such, we are pleased to report that for the 2020 financial year, in accordance with the amended Property Sector Code, **we have maintained our level 3 B-BBEE contributor status**.

As an organisation, we pride ourselves on an agile and forward-looking approach to transformation, and align our operational plans with our transformation objectives. In this vein, work has already begun on our broader transformation goals, and we look forward to shifting the transformation needle in the coming years.

The 2020 scorecard is as follows:

B-BBEE scorecard*

	2020	2019	2018
Ownership	31.00	30.45	30.94
Employment equity	4.02	2.18	2.39
ESD	29.47	32.43	29.89
Economic development	5.00	5.00	5.00
Management control	3.00	3.00	3.00
Skills development	16.59	18.55	18.65
Socio-economic development	1.01	2.00	2.00
Overall score	90.08	93.61	91.87
B-BBEE contributor level	3	3	3

**As rated by Honeycomb BEE Ratings (Pty) Ltd. The verification was based on the Amended Property Sector Code released by the Department of Trade, Industry and Competition (DTIC) in May 2017, as well as the Amended Codes of Good Practice on Black Economic Empowerment released by the DTIC in October 2013.*

Our B-BBEE certificate is available on our website, www.redefine.co.za

Empowering our people

Prioritising health and safety

We are committed to protecting the health and safety of our stakeholders. While health and safety is ultimately owned by the board, it is a priority for us as a business and, accordingly, the responsibility extends to all employees and contractors.

Our health and safety approach is guided by our internal health and safety strategy, which is reviewed and updated from time to time, as required. We have designed this strategy to ensure we continually improve the health and safety protection we offer our staff and visitors, while also achieving a high level of legal compliance.

Our strategy can be divided into six key activities:

The strategy, which is applicable to all properties over which we have operational control, aims to achieve full compliance with health and safety protocols across our portfolio in order to safeguard our tenants, staff and other key stakeholders. As the property owner, we are responsible for ensuring that all common areas in and around these properties are safe and do not pose a danger to people on the property.

For us, health and safety is as much about designing our buildings to promote wellness for tenants and visitors to our properties, as it is about compliance with the relevant legislation. Our green building approach includes holistic health and wellness features that include addressing natural light, energy-efficient lighting and heating, as well as optimising ventilation and air-conditioning systems, for example by reducing harmful refrigerants. Where possible, we use low-emitting materials and have implemented measures to reduce exposure to chemical factors. We also consider ergonomic acoustics when planning a new development or refurbishment.

Employee training

Our learning and development department facilitates annual employee training in accordance with the Occupational Health and Safety (OHS) Act 85 of 1993. The training, which targets our building managers, facilities managers, as well as property management staff, is conducted on site by certified professionals and includes specific emphasis on OHS understanding, compliance, safety, health and the environment, first aid, firefighting and compliance.

Contractor training

We use a permit system for all contractors to ensure we comply with health and safety requirements. Permits are issued before any work begins, thereby helping us mitigate any risks associated with on-site contract work as far as possible. Separate guidelines and checklists for contractors doing specific types of work – such as hot work, work at height and work in confined spaces – include additional safety precautions and permits before any work commences.

When contractors arrive on site, they are required to submit their permits, as well as their safe-work method statements. Our team then ensures that all contractors are made aware of any potential hazards or risks that could potentially impact them, who then sign an acknowledgement agreement accordingly. We keep all permits and acknowledgements in an on-site safety file. This process is audited by Comsaf (Pty) Ltd (Comsaf), our independent health and safety practice auditor.

We expect all contractors to sign a contract as part of their supplier application pack, in accordance with the OHS Act, which sets out their roles and responsibilities. We also expect contractors to keep their own health and safety records, especially when they work on larger projects. As a large property manager, we use a number of handymen and ensure that all handymen receive health and safety training during their Redefine induction.

Incident investigation and emergency responses

Our health and safety strategy defines our process for investigating and managing safety-related incidents, as well as the appropriate corrective action required. Depending on the severity of the incident, we may appoint a health and safety specialist to conduct an investigation or assist with the incident's management.

Each Redefine building has an emergency response plan and procedural documents which include building evacuation procedures. These are kept in the on-site health and safety file by the facilities manager of the relevant property. In compliance with legal requirements, we conduct bi-annual fire drills and keep a record of their outcomes in the safety file. In terms of our emergency response procedures, should any medical emergency be reported to our security control room, an ambulance will immediately be dispatched.

Health and safety risk assessments

Comsaf conducts annual independent health and safety audits on all our buildings to ensure we align with best practice and continually improve our approach to health and safety. Each building is inspected and an overall score is obtained, with any findings shared with the team responsible for managing that building.

We also conduct quarterly reviews on properties that did not achieve a certain score based on Comsaf's audits. The reports are received and then distributed to the relevant teams. We then convene a meeting with the relevant team to discuss all instances of non-compliance, as well as how to resolve them going forward.

Accident and incident rate

We believe that occupational illnesses and injuries are not an inevitable or expected consequence of doing business. Our goal is to create an environment where risks are properly appreciated, understood and managed to provide safe and healthy spaces and ensure that people leave our properties healthy and uninjured. This approach helps to protect our stakeholders, ensure legal compliance and enhance our reputation. The following graph sets out the contractor accident and incident rate on our development sites from 1 September 2019 to 31 August 2020:

Contractor accident and incident rate: on-site data for 1 September 2019 – 31 August 2020

Incident	Non-disabling	Disabling	Fatalities
Sep	0	0	0
Oct	0	0	0
Nov	1	1	0
Dec	0	0	0
Jan	0	0	0
Feb	0	0	0
Mar	0	0	0
Apr	0	0	0
May	0	0	0
Jun	0	0	0
Jul	0	0	0
Aug	0	0	0
2020 Total	1	1	0
2019 Total	1	1	0

Empowering our people

CONTINUED

Ensuring a safe working environment

The OHS Act sets out requirements to ensure the health and safety of employees at work. We strive to meet and go beyond these requirements and aim to identify and mitigate the risks that may lead to health and safety incidents. Effective health and safety can only be achieved through joint consultation and mutual collaboration. We are committed to being proactive – anticipating, recognising, evaluating and controlling situations that pose a risk, and strive to promote wellbeing within our business.

From the onset of the COVID-19 pandemic, we have applied the guidelines issued by the World Health Organisation and the South African government in all our buildings. We continue to work with regulators, industry bodies and tenants to ensure we continually enhance our protocols to safeguard all stakeholders from the virus. Our employee health and safety records are set out below. We have also included the number of known employee COVID-19 infections below.

Number of employee claims submitted to the Compensation Commissioner in 2020 vs 2019

Incident	Non-disabling	Disabling	Fatalities
Sep	0	0	0
Oct	0	0	0
Nov	0	0	0
Dec	1	0	0
Jan	0	0	0
Feb	0	0	0
Mar	0	0	0
Apr	0	0	0
May	0	0	0
Jun	0	0	0
Jul	0	0	0
Aug	0	0	0
2020 Total	1	0	0
2019 Total	1	0	0

Number of days lost to injuries in 2020 vs 2019

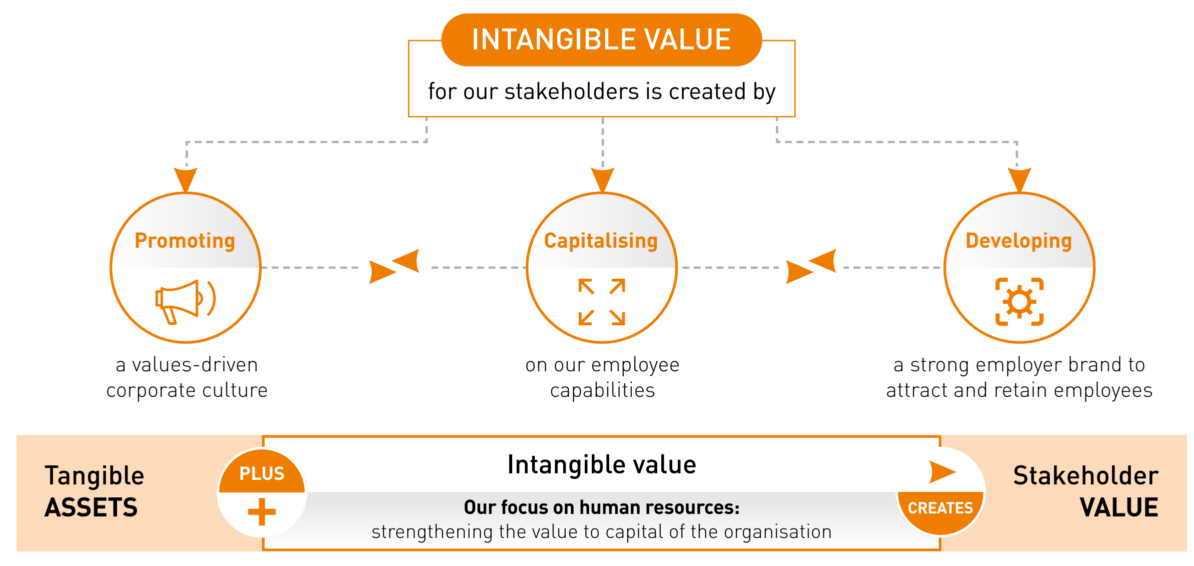
Incident	Injuries	Occupational diseases	COVID-19 infections
Sep	0	0	N/A
Oct	0	0	N/A
Nov	0	0	N/A
Dec	15	0	N/A
Jan	13	0	N/A
Feb	0	0	N/A
Mar	0	0	0
Apr	0	0	1
May	0	0	0
Jun	0	0	9
Jul	0	0	3
Aug	0	0	1
2020 Total	28	0	14
2019 Total	172	0	N/A

Centurion Mall, *Centurion*

Our approach to empowering our people

Our people are our biggest differentiator, and the heart and soul of Redefine. Through their knowledge and skills, as well as their dedicated and committed attitude, we are able to differentiate our business and ensure we remain sustainable in the long term. Empowering our workforce is an important aspect of nurturing a high-performance culture and we appreciate the importance of inspiring and allowing our people to become their best authentic selves. Our people are our brand ambassadors and the energy and enthusiasm they bring to every interaction with our stakeholders strengthens our reputation. Our approach to empowerment is about creating an environment where, guided by our purpose and values, our people feel inspired and able to take action, driving our business forward and creating sustained value for our stakeholders.

Human capital delivering sustained value for stakeholders



Creating value through our people

1 INPUTS	2 ACTIVITIES	3 OUTPUTS	4 OUTCOMES	5 IMPACT
▪ Workforce composition ▪ Pay and benefits ▪ Skill, qualifications and competencies ▪ Regulatory compliance	▪ Recruitment and retention ▪ Performance management ▪ Learning and competency development ▪ Organisational development and design ▪ Reward and recognition ▪ Workforce and succession planning ▪ Employee engagement ▪ Employee wellness	▪ Leadership capability ▪ Workforce capability ▪ Workforce performance ▪ Diversity and inclusivity ▪ Engagement and wellbeing	▪ Innovation, agility and resilience ▪ Organisational culture and values ▪ Productivity ▪ Organisational performance ▪ Talent pool of future leaders	▪ Learnership programme introduced 244 people to the property sector as a career ▪ 16.0% workforce growth over the past three financial years ▪ 21.0% of employee training, which resulted in a certified qualification ▪ 100% of caregivers have been offered maternity and paternity leave and benefits ▪ 100% of caregivers allowed flexible working arrangements

Empowering our people

CONTINUED

Responding to COVID-19

Background

The South African government declared a national lockdown from 26 March 2020 to fight the spread of COVID-19. The pandemic and subsequent extended lockdown had a significant impact on business operations.

Our priority has been to put lives first by ensuring the health and safety of our employees, and at the same time provide them with the necessary resources and support to remain resilient and productive as we adapt to the new normal.

Snapshot of our approach to COVID-19

Health and safety

- Prioritised the safety of all employees (**see page 70**)
- Implemented work from home for the majority of employees (**see page 79**)
- Employees whose roles did not allow them to work from home, were placed on special paid leave (**see page 79**)

Wellbeing

- Regular check-ins conducted (**see page 73**)
- Employee wellness offerings promoted to support staff (**see page 74**)

Engagement

- Extensive internal communications campaign conducted to engage, equip and support employees during lockdown (**see pages 55-56**)
- Pulse surveys conducted, as well as an engagement survey (**see page 47**)

Training

- Learning and development continued, with most programmes conducted online (**see page 79-81**)

Attracting and retaining top talent

Attracting and retaining high-potential individuals who are able to support our evolving business needs is critical to our success. Our EVP is key to our ability to attract and retain top talent – demonstrating how we create value for our people and clearly articulates our expectations in return. Our human capital policies support the delivery of our EVP, and include leave, wellness, workplace flexibility and remuneration policies. We offer fair and responsible remuneration for all our employees, benchmarking salaries at the median and 75th percentile of the market for scarce and critical skills.

To attract top talent, we look wider than the property industry and often recruit people from other industries. This practice complements our diverse thinking, introduces new skills and supports our efforts to remain relevant in an ever-changing world. We focus our energies on developing high-performing individuals who have the right qualifications, know-how and people skills to uphold our culture and brand integrity to meet our evolving business needs.

Unpacking our employee profile

Our operating landscape requires specialist skills, which are developed over years of exposure to our industry. Redefine therefore consistently aims to attract and retain the right people.

Permanent employees	445	(2019: 424)
Temporary employees	47	(2019: 60)
Average age	40	(2019: 40)
Average tenure	6 years	(2019: 5 years)
Total employee turnover	14.9%	(2019: 23.3%)
Permanent employee turnover	9%	(2019: 11.6%)
Female employees	58%	(2019: 58%)

Responding to COVID-19 CONTINUED

Being an employer of choice

We are committed to ongoing improvement of our employment practices and as such participate annually in the Top Employer in SA certification. The certification is hosted by the Top Employers Institute and comprises comprehensive research that scrutinises employee offerings across various companies and the annual accreditation provides valuable feedback, which allows us to benchmark and improve.

Using the HR Best Practices Survey, the Top Employers Institute conducts a detailed assessment of our people practices and policies, with questions across the following dimensions:

1. Talent strategy
2. Culture
3. Career and succession management
4. Learning and development
5. Leadership development
6. Workforce planning
7. Onboarding
8. Performance management
9. Compensation and benefits

In 2020, we participated in the initiative for the sixth consecutive year; however, due to the global impact of COVID-19, the results were delayed and we look forward to their release in January 2021.

Engaging with our employees

We believe that employee engagement is fundamental to understanding, and improving, our relationship with our people. We aim to create a work environment where our employees are fulfilled in their roles and proud to work for Redefine. We understand that an engaged workforce enhances our human capital value, leading to improved employee retention and higher productivity levels.

We regularly undertake employee engagement surveys for insight into the levels of engagement in our organisation, and have evolved our approach by conducting frequent pulse surveys, which are shorter, and done more frequently. The feedback we obtain from our employees during these surveys is not only an indication of employee satisfaction, but also forms part of our business strategy process. The engagement surveys are used to identify trends within our organisation which may affect employee engagement and satisfaction. We use the results to understand the areas in which the organisation is performing well, as well as areas in need of improvement – ultimately, this enables us to sustain a strong EVP, based on the specific demographics and actual needs of our people.

During the national lockdown, engaging with our employees was more critical than ever, with most employees working remotely. Our pulse surveys were invaluable during this period to help assess the wellbeing of our employees, including how they were feeling and coping while working from home. The surveys also helped identify major challenges and concerns, as well as preferred means of communication.

With the unknowns outweighing the knowns, most of our employees felt anxious and worried (to varying degrees) about the impact of COVID-19, broadly as well as on the company and their livelihoods. Our people reported a high overall level of confidence in the company's leadership team to make the right decisions, and to manage and navigate the company through the crisis. We were encouraged that the vast majority of our people maintained good physical health, felt safe, and had adequate resources and support to continue to work productively at home.

Empowering our people

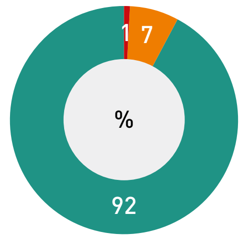
CONTINUED

Communicating in a clear, concise and consistent manner has become imperative to maintain our culture and engage with employees during the lockdown. Our values remain the core message and driver in all our communications, and we continue to reinforce our purpose. Furthermore, regular employee check-ins between line managers and employees were conducted– using a multitude of digital communications platforms such as telephone, email, text message, and video conferencing.

Creating a stable and supportive working environment is critical to manage employee anxiety. We are fortunate to report that we have not had any retrenchments since the beginning of the government lockdown . A group-wide COVID-19 awareness initiative was also implemented to create awareness and to provide information about specific employee benefits, which support the emotional and physical health of our staff and their families.

In addition to the pulse surveys, which focused on employee wellbeing, we conducted an employee engagement survey in October, with **84%** of our people completing the survey, ensuring that results are credible and representative of the current levels of employee engagement. The 2020 survey indicated that our employees remain highly engaged with a score of **92%** – a meaningful improvement to our 2019 score of **87%**, significantly outperforming the South African benchmark of **66%**.

In these uncertain times, this score once more reflects the resilience of our employees, and the strength of the Redefine culture and brand. Although employee engagement scores differ across the world, we benchmark our scores against global, emerging and South African markets.



Disengaged	Not engaged	Engaged
'Disengaged' employees are unhappy and unproductive at work and liable to spread negativity among co-workers.	'Not engaged' employees lack motivation and are less likely to invest discretionary effort in organisational goals or outcomes.	'Engaged' employees are psychologically committed to their jobs and likely to make positive contributions to their organisation.
(2019: 1%)	(2019: 12%)	(2019: 87%)

Focusing on employee health and wellness

We are committed to ensuring the safety and wellbeing of our employees and we strive at all times to provide a safe work environment for our people, which we believe empowers them to perform optimally while meeting our organisational objectives and health and safety requirements.

Our employee wellness programme (EWP) offers a range of services, including legal advice, counselling and financial assistance for employees and their immediate families. The programme is free of charge and accessible to all Redefine employees. The goal of this programme is to support employees' general health and wellbeing.

We use an external corporate health and wellness partner to monitor employee wellness and to ensure that every staff member has the necessary support. The EWP includes an online health portal with information on a range of health topics such as chronic diseases, medication, acute illness, and general health and wellbeing. We have a registered nurse who is on site once a week, which also provides ease of access in ordinary years to flu shots. In 2020, due to the pandemic, we had to adopt digital platforms to implement our EWP.

Objectives of our EWP include:

- All employees have access to the EWP
- To provide guidance and promote opportunities that enable employees to effectively manage their physical, mental, spiritual, financial and social wellbeing
- To enable Redefine to monitor and manage all aspects of employee wellness that could negatively affect employees' ability to deliver on organisational objectives
- Monitor and analyse internal health and safety data collected through pulse surveys, as well as healthcare provider and safety reports
- To reduce stress by offering training programmes to equip employees with the necessary coping techniques to lessen the impact of stress on their daily lives
- To promote a safe and healthy working environment in pursuit of optimal productivity and preservation of human life
- To reduce employee risk arising from health and wellness issues
- To contain the costs of poor health and wellness on our workforce
- To enhance the EVP by promoting a culture of individual health and overall organisational wellness

A values-driven corporate culture

As a people-centric business, our corporate culture, and values underpin how we conduct ourselves, which forms part of our integrated thinking and business strategy. We ensure that our ethical culture and value system are entrenched at every level of the business. We understand that employees want to work for responsible companies, and as such, the retention and motivation of our workforce depends on our employees' connection to our purpose and meaning.

We strive to be excellent
We pursue innovation
We embrace change

We show integrity
We are fair and consistent
We are honest and caring

Understanding our impact and creating lasting value

We earn trust
We show respect
We place people at the heart of everything we do

We pride ourselves on our inclusive culture. We want every employee to have the space they need to grow and develop – where they can translate our values into successful behaviours.
Please watch our BEST values video: https://www.youtube.com/watch?v=Kf04ZtKDqRE.

Or scan the QR code

Embedding ethics throughout the organisation

We believe that creating an ethical culture is a business imperative – it's about having consistency and always doing the right thing, even when no one is watching. Ethical conduct is entrenched in our culture, and forms a cornerstone of our values. We are intolerant of all unethical conduct and committed to mitigating all material business ethics risks, because we understand that a sustainable business is underpinned by sound business ethics.

How we effectively manage ethics forms the foundation of the trust we share with our employees and other stakeholders. Our CEO has ultimate responsibility for managing ethics in our business, and is supported in this duty by executive and senior management, with specific assistance from the head of ESG and the company secretary. Specific ethics-related issues are regularly reviewed and reported to the social, ethics and transformation committee for consideration.

To ensure our employees understand our approach to ethics, we have employee policies and frameworks in place to guide our employees, with training provided to ensure these policies are widely understood. Employees receive annual ethics training. Policies include our conflict of interest policy, code of conduct policy, acceptance and declaration of gifts policy, whistle-blowers policy, as well as our fraud and corrupt activities framework.

We also conduct multiple employee engagement initiatives to monitor and motivate ethical behaviour. These initiatives seek to mitigate ethics risks like corruption, discrimination, human rights abuse, inequality, and conduct violations.

Our annual group ethics survey, conducted by independent external consultants, provides invaluable feedback on the effectiveness of our ethics management systems and any ethics-related risks. This year, 70% of our employees participated and we are pleased to have achieved a 76th percentile advanced ethical maturity score from the Ethics Institute. Our results demonstrate the strength of Redefine's ethical capital and supports our drive to maintain an ethical reputation. We also use the survey to identify ethics gaps which require further attention from management. To enhance learning, the results of the survey is shared with employees during face-to-face workshops and via online learning modules, which were used extensively during the COVID-19 lockdown.

Through frequent employee engagement around ethical behaviour, we hope to deter non-compliance and reduce exposure to unethical opportunities. We run a 'declaration month' internal communications campaign every January to remind staff to declare all gifts (received and given), as well as to declare any conflicts, or potential conflicts of interest.

Our disciplinary code supports and guides management when ethics incidents are reported. In cases where unethical behaviour is discovered, we thoroughly investigate the event and institute corrective actions, such as compliance training on business ethics or disciplinary action when necessary. In 2020, 18 incidents of unethical behaviour were reported – of these incidents, 54% of our employees attended the workshop on ethics and 18 employees entered disciplinary action.

We pride ourselves on having an open door policy, to ensure that staff feel comfortable when reporting unethical behaviour to executive and senior management. Staff can also access the Whistle Blowers hotline anonymously to report any ethics-related concerns.

Empowering our people

CONTINUED

Our ethics management system rests on our six pillars:

1 Leadership | 2 Ethics goals and strategy | 3 Ethical standards and enforcement | 4 Ethics awareness and understanding | 5 Ethics assessment | 6 Operational ethics: ethics in practice

The following table outlines our objectives, focus areas and progress in the 2020 reporting year:

Principal	Objective	Progress	Focus area
Leadership			
1 Lead to empower others	Develop sustainable stakeholder relationships and demonstrate responsible corporate citizenship	Ongoing ethics awareness training and leadership development. **For more information, refer to the governance report on page 88.**	Continual promotion of ethics awareness within Redefine
Ethics goals and strategy			
2 Create and maintain a culture characterised by trust and accountability	Ethics is a primary organisational commitment	Ongoing	Implement a holistic strategy to improve and embed ethics throughout the organisation
Ethical standards and enforcement			
3 We 'walk the talk'	▫ Improve transparency in strategic decisions and operating activities ▫ Strengthen governance mechanisms and system of internal controls	▫ Revised integrated risk and compliance framework as well as a corporate governance framework ▫ Fraud and corrupt activities framework and policy tabled for approval ▫ Procurement policy reviewed ▫ Employee code of business conduct reviewed to ensure it gives effect to the company's commitment to ethics ▫ Implemented a conflict of interest policy supported by communication, training and ongoing awareness ▫ Reviewed whistleblower policy supported by awareness campaigns ▫ Supplier code of conduct introduced to ensure that suppliers uphold our commitment to ethics ▫ Our values form part of performance management and serve as a guide during our recruitment process	▫ Supplier risk assessment ▫ Implement an annual letter of representation
Ethics awareness and understanding			
4 We are serious about ethics	Promote adherence to integrity, ethical behaviour and conduct management through consequence management for non-compliance	Platforms used to entrench our culture and values include: ▫ Onboarding and induction process ▫ Internal communications ▫ Improved employee ethics disclosure, compliance and awareness	Ongoing reinforcement of organisational values to enhance ethical culture further
Ethics assessment			
5 We understand our ethical status	Monitor ethical quality and performance of the company to identify interventions timeously	▫ Achieved a 76th percentile advanced ethical maturity score from the Ethics Institute in ethics risk survey conducted among employees ▫ Ethics measured as part of the external board evaluation process	Conduct annual assessments
Operational ethics: ethics in practice			
6 Our values are the driving force in our organisation, to be authentic to who we are and where we want to go	Support and empower all Redefine employees in the fight against unethical behaviour, financial crime, and bribery and corruption, including increased support for whistle-blowers	▫ Ongoing ethics awareness training and leadership development ▫ Disciplinary action instituted against transgressors	Ongoing incorporation of ethics into key areas of the company's processes and functions

We acknowledge our responsibility to uphold our ethics performance and to continue building on the positive results we have achieved to date.

Respecting human rights

We are committed to upholding the human rights of every person involved in our business. We subscribe to the principles of the ILO, we uphold and commit to the 10 principles set out in the UNGC, and we support the observance of human rights as set out in the Universal Declaration of Human Rights. Our code of ethics outlines our approach to human rights and supports our intention to make sustainability an integral part of our day-to-day operations.

Our approach to human rights:

- Promote freedom of association and the abolition of forced and child labour
- Prohibit discrimination based on race, gender, colour, ethnicity, age, religion, political and sexual orientation, union membership, physical disability or HIV/Aids status
- Forbid physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation and the use of child, compulsory or forced labour
- Strive to ensure a safe and healthy work environment and, when there is an incident, provide compensation that at the very least meets basic needs
- Commit to complying with the letter and the spirit of our legal obligations in redressing historic issues of inequality in SA

We respect the inherent value of our people and view discrimination as a severe transgression of their rights, and as such a dismissible offence. Our disciplinary policy prioritises employees' rights, and our sexual harassment policy prohibits such behaviour as a form of discrimination.

Embedding the principle of decent work

According to the ILO, decent work can be defined as the aspirations of people in their working lives, which involves:

- Security in the workplace and social protection for their families
- Equal opportunity and treatment for all women and men
- Work opportunities that are productive and deliver a fair income
- Better prospects for personal development and social integration
- Freedom for people to express their concerns, organise and participate in the decisions that affect their lives

Redefine supports the decent work agenda and the ILO's four strategic objectives:

1 Employment creation

An economy that generates opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods

3 Promoting social dialogue and tripartism

Involving strong and independent worker and employer organisations is central to increasing productivity, avoiding disputes at work and building cohesive societies

2 International labour standards and fundamental principles and rights at work

Obtaining recognition and respect for the rights of workers. All workers, particularly disadvantaged or poor people, need representation, participation and laws that respect their interests

4 Social protection

Promoting inclusion and productivity by ensuring that women and men enjoy working conditions that are safe, allowing adequate time to rest, taking into account family and social values, providing for fair compensation in case of lost or reduced income, and permitting access to adequate healthcare

Empowering our people

CONTINUED

Redefine adapted the framework from the ILO's Tripartite Meeting of Experts on the Measurement of Decent Work to cover ten substantive elements, which are closely linked to the four strategic pillars of the decent work agenda. The indicators provide Redefine with a framework, detailed below, to monitor decent work in an integrated manner and to close potential gaps.

1 Employment opportunities

- 3.2 % youth employment rate (15 to 24 years) as percentage of total workforce
- 9.76% of total learning interventions were focused on youth education and training
- 74% of promotions were ACI*
- Employment status ratio (permanent 90.4% and temporary 9.6%)
- Gender distribution in the overall workforce and management positions respectively
- 45% of promotions were female of which 64% were ACI*
- 1.6% of jobs were newly created in 2020

2 Social security

- 100% of permanent employees belong to a provident fund for retirement savings
- Group risk cover for death, disability and severe illness
- 35.5% of employees belong to a medical aid through the company
- 0.95% absenteeism

3 Decent working time

- 40-hour work week
- 18 days paid leave per 12-month leave cycle
- 30 days paid sick leave during 36-month cycle
- Declare core business hours and flexible working hours

4 Combining work, family and personal life

- Flexible working hours
- Remote working policy
- Parental leave and maternity leave policies (better than statutory requirement with similar position guaranteed on return)

5 Stability and security of work

- No retrenchments during COVID-19
- No salary cuts enforced
- Employment tenure
- Staff turnover (permanent and total including fixed-term contract)

6 Work that should be abolished

- Review job functions to ensure content is meaningful and contributes to delivery of business objectives
- Zero tolerance of child labour with report on average age as well as youngest and oldest employees to support and demonstrate statement
- No forced labour supported by contracts of employment for all employees who agree to terms and conditions of employment, including right to resign subject to notice periods
- Employees are not forced to work in unsafe conditions or with hazardous materials without approved personal protective equipment and additional protective measures
- Our average age is 40, the youngest age is 19 and oldest 65

7 Equal opportunity and treatment in employment

- Total commitment to the employment equity process (**for more information, see pages 83-85**)
- Commitment to gender pay equality (**for more information, see pages 83-85**)
- Occupational reporting by race, gender and employment of people with disabilities (inclusive of women in senior and middle management) (**for more information, see pages 83-85**)

8 Safe work environment

- Our response to COVID-19 supports our commitment to a safe work environment (**for more information, see page 70**)
- Eight inspections by the Department of Employment and Labour in 2020

9 Adequate earnings and productive work

- Declare mean (average) or median (middle) salary
- Minimum and maximum salary as percentage of mean (average) or median (middle) salary
- We calculate the Gini coefficient and Palma ratio, and we also monitor this information as part of our EEA4 form submissions

10 Social dialogue, employers' and workers' representation

- Policy statement on collective bargaining
- Policy statement on freedom of association
- 0.40% of employees belong to trade unions
- No days lost to strike and lockouts

*ACI – African, Coloured and Indian.

Growing employee capabilities

We are committed to creating an environment for our employees to thrive. When employees are empowered to be productive and effective in their day-to-day activities, the organisation benefits through improved levels of employee engagement and performance. We align our employees' capabilities with our strategic goals to achieve our value creation objectives, cultivating a balance between leadership and functional capabilities, recognition to succeed and ultimately thrive, and the need to be effective at all levels of the organisation.

Preparing for the changing world of work

The global trends that are expected to define the world of work by 2025 are characterised by an acceleration in various areas, including workplace flexibility, virtual collaboration, decreased mobility, widespread technology adoption, online learning, the knowledge economy, globalisation, carbon resources, economic and demographic challenges, and social trends. While these trends existed prior to the COVID-19 pandemic, they have been heightened and accelerated by crisis.

In SA, economic, social and political challenges have been compounded by the impacts of COVID-19, which has forced many organisations to re-examine how they work – by prompting them to reflect on whether their business model remains fit for purpose and relevant.

At Redefine, COVID-19 has changed the way our people work. Despite the challenges posed, the crisis has also created opportunities for the business, for example, workplace flexibility and technologies to facilitate remote working, which were optional in the recent past, have become a business necessity. During this time, we have successfully adapted to the new reality, rapidly setting up employees remotely and ensuring they were managing and motivating our team virtually.

During the hard lockdown, 72% of our people worked from home, and 28% were placed on special paid leave as their functions did not allow them to work from home (for example, refreshment providers, handymen and guest relation officers, as well as our learners). Designated essential employees were identified, comprising 15% of the workforce. These employees were required, on a rotational basis, to perform essential services by coordinating, supervising and ensuring the effective functioning of health and safety standards and measures at our properties.

To ensure business continuity, we made significant investments in hardware, software and data to ensure those employees able to work remotely were empowered and enabled to do so. Each staff member was provided with work-from-home guidance in the form of communications and e-learnings – the goal being to keep our team connected and motivated, and to maintain our unique business culture. Each line manager was charged with supporting their teams remotely and checking in on a regular basis.

As we begin to plan for the return-to-work phase, we are looking ahead, reflecting on how best to rethink work, our workforce and the workplace, as well as adapting to the 'new normal'. Life beyond lockdown demands an adaptable and agile shift in focus to satisfy employees' needs for inclusion, belonging, ongoing learning, personal growth and purpose.

The lockdown exit

- Instil a culture of innovation and learning
- Accelerate transformation
- Refresh organisational structure

Anticipated outcome

- Keep staff engaged and motivated
- Improve transformation across all levels
- Position management for the 'new normal'

The recovery phase

- Build a resilient workforce
- Fast-track flexible workforce policies
- Embed diversity into culture

Anticipated outcome

- Move away from linear thinking and embrace change
- Be adaptable to a fluid working environment and work in an agile manner
- Embed inclusive decision-making and a culture of trust and transparency

As a people-centric business, we believe that focusing on people, not jobs, is key to the sustainability of our business. We remain focused on promoting innovation and adaptability by building change capabilities, encouraging collaboration, transparent communication and fostering an approach to decision-making based on assurance and self-confidence.

Empowering our people

CONTINUED

Supporting a culture of learning and development

Redefine prioritises learning and development by committing financial resources to employee training and career development. We have traditionally used a blended approach of on-the-job training, digital learning, coaching and mentorship, workshops, structured programmes (including learnerships and graduate programmes) and study bursaries for tertiary education.

Redefine's training and development policy:

- Develop our staff without prejudice or discrimination
- Allow our staff to progress to full qualifications in the work they do
- Ensure the highest possible quality of training by accredited training providers
- Allow flexibility for staff to progress in their career development path

While the COVID-19 pandemic has not changed our commitment to learning and development, it was required that we prioritise the health and safety of our employees. Our blended learning approach has always aimed to expose employees to opportunities in ways that suit each individual – be it independent, classroom-based or through interaction with colleagues. Under the circumstances, we have had to find alternative ways to help our employees develop new skills.

As a start, we have continued our training and development online and realigned our practices, including:

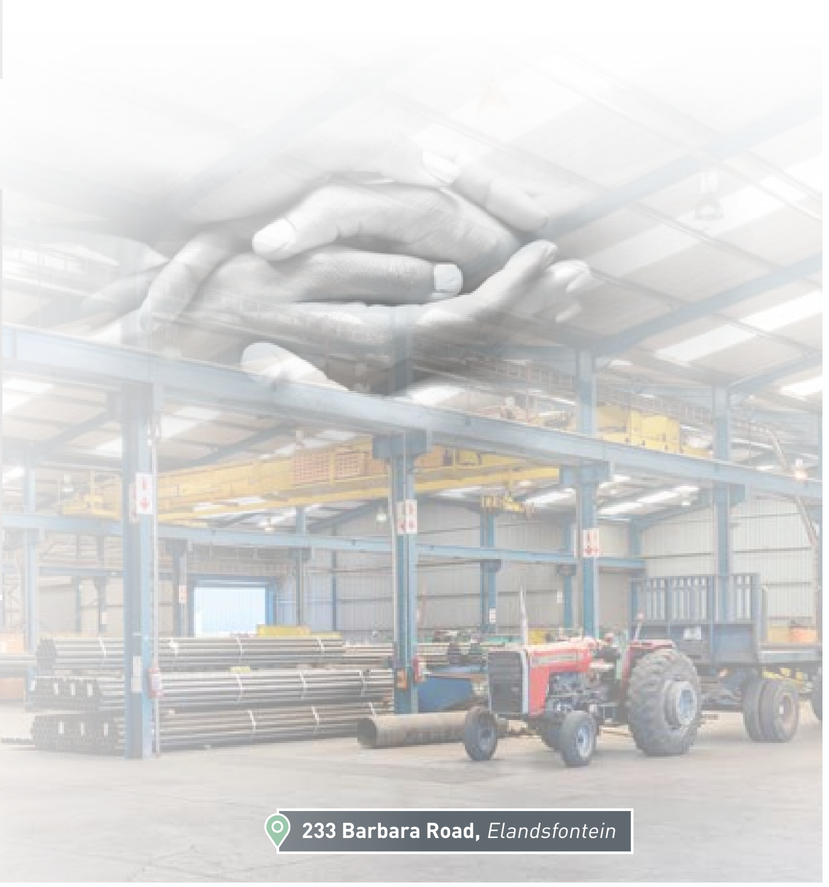
1. Training through our digital learning management system, myLearning
2. Using Microsoft Teams and Zoom to conduct online workshops
3. Hosting online lectures
4. Introducing 'nugget learning' in shorter and more focused sessions
5. Providing input on valuable soft skills (how to lead virtual teams, remain productive, manage stress and maintain a healthy mind)

Our annual training target has been set at 80% of the workforce participating in at least one learning activity to upskill, and thus optimise competence in various business areas. Training initiatives include functional and technical training relevant to the employee's role, soft skills and behavioural programmes, as well as leadership development focused programmes.

Line managers, together with our human resources team, seek to understand the aspirations of each employee through ongoing feedback and communication. We map personal development plans and career paths in consultation with our employees, who are encouraged to be accountable for identifying opportunities and initiating career development conversations.

Staff hours spent in training	**13 172**	(2019: 14 486)
Direct investments in training*	**R3.8 million**	(2019: R4.7 million)
Total training investment**	**R10.1 million**	(2019: R9.5 million)

*Course costs and other costs such as travel, accommodation, catering and venue.
**Direct cost and salaries of qualifying categories.



233 Barbara Road, *Elandsfontein*

Gaining valuable work experience

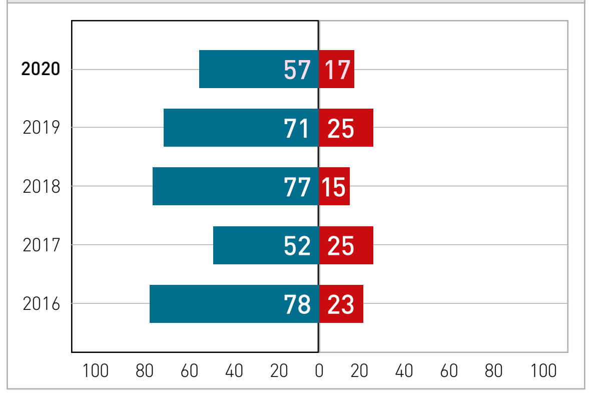
Launched in 2013, our learnership programme has continued to create opportunities for participants and expanded the pool of skilled entrants into the property sector. The learnership programme, which is currently offered online due to COVID-19, offers applicants the opportunity to gain valuable work experience at Redefine for one year while earning a salary. Learners obtain a recognised qualification in business administration, and practical industry-related experience. The learnership programme comprises structured learning at National Qualifications Framework levels 2 and 4, as well as practical on-the-job training in all facets of property management.

This learnership programme has highlighted the importance of companies playing a meaningful role in the development of skills and capability in the property industry. The programme started with only five learners in 2013, and has since gained traction and grown in popularity, with 3 800 applications received in the past year and acceptance into the programme subject to a rigorous selection process. Since 2013, 244 learners have graduated, and 42 participants have been offered full-time employment at Redefine since inception. In 2020, we facilitated the intake of 27 new learners and offered seven learners permanent employment.

Learners are afforded an opportunity to participate in the group's internal recruitment processes, and top-performing learners are identified and integrated into the business, with this defined as a permanent conversion. We have extended the programme to include full-time Redefine employees who may have the necessary experience in a particular field but not the qualifications to move to an area of greater responsibility and remuneration. We proudly uphold this initiative as an example of how we grow our people in a way that meets the needs of employees as well as the business.

work with TO BE THE BEST

Intake of learners (%)



■ Retention conversion – intake (learners retained for an additional year) ■ Permanent conversion* – intake (learners absorbed permanently into the business)

*Our retention conversion rate includes the learners we retained for an additional year.

The Mentorship Challenge

We will extend ***The Mentorship Challenge*** to benefit all our employees at Redefine in 2021. Employees can be mentored by any mentor, inside or outside of Redefine, as well as impart their own knowledge to mentees. We have also refined our online registration process, which allows us to ensure that our employees are matched with a mentor who is aligned with their learning and development plans.

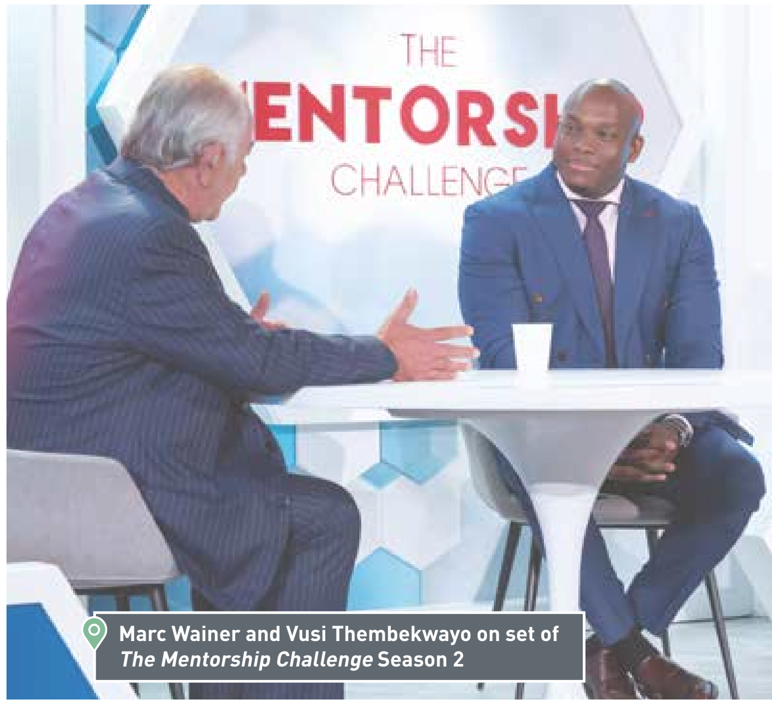
THE MENTORSHIP CHALLENGE

Managers to Mentors leadership programme

In 2020, we launched the ***Managers to Mentors*** leadership programme for line managers in Redefine. The monthly sessions are attended by our senior management team who are exposed to leadership, coaching and guidance on how to become effective mentors. Guests from ***The Mentorship Challenge*** show are invited to provide insight on relevant topics.

MANAGERS TO MENTORS

The Mentorship Challenge and the ***Managers to Mentors*** leadership programmes aim to fulfil our goal of upskilling our people and entrenching a learning culture throughout the group.



Marc Wainer and Vusi Thembekwayo on set of ***The Mentorship Challenge* Season 2**

Empowering our people

CONTINUED

Promoting leadership development throughout the organisation

We invest in leadership development to improve self-awareness, increase accountability and build the relational skills of our leadership pool, identifying emerging leaders to grow their understanding of the organisation's leadership style and effectively implement succession planning to secure our long-term future.

We use an engagement pulse survey to measure the effectiveness of our leadership team, by assessing the level of responsible leadership displayed by senior leaders, evaluating their commitment to our values, and assessing individual performance against leadership competencies. While we were unable to conduct 360 degree reviews in 2020 due to COVID-19, this remains an important tool which will be revisited in the future.

Our strengths deployment inventory (SDI) programme, which was on hold for most of the reporting year due to COVID-19, enables senior management to improve their self-awareness and promotes collaboration. The programme highlights how each team member's behaviour can influence the overall team dynamic, and builds trust and understanding to optimise each person's contribution to the team.

Supporting a high-performance culture

Redefine recognises the integrated nature of employee performance management and a holistic work system that defines our interactions with employees. By clearly communicating our strategic goals, we elevate our expectations and the accountability we expect from our employees. To achieve this alignment, we have embedded our strategic priorities and objectives throughout the organisation. Strategic priorities are articulated as KPAs and KPIs to measure the achievement of performance targets against a predetermined set of goals. The process of clarifying business expectations and refining KPIs is continuous, ensuring roles and responsibilities are clearly defined.

For more information on our strategic priorities, refer to our IR

Redefine's performance review policy includes:

- Biannual performance reviews
- Strategic priorities form the basis of determining outputs required for business and individual success
- KPAs, which are supported by KPIs, are clearly defined, cascaded and communicated to ensure that, as a business, we meet our targets to deliver on our objectives
- Personal development plans for employees to focus on areas that will assist them in performing at their peak in their current roles, and achieving their individual career goals
- Support and encouragement for employees to develop themselves
- Co-designed career paths with individuals

Celebrating our employees' brilliance

Our Celebrating Brilliance Awards are designed to recognise exceptional performance. Reward and recognition is a crucial employee engagement tool that promotes a culture of excellence. By presenting employees with monetary and non-monetary rewards, we partner with our workforce to achieve success.

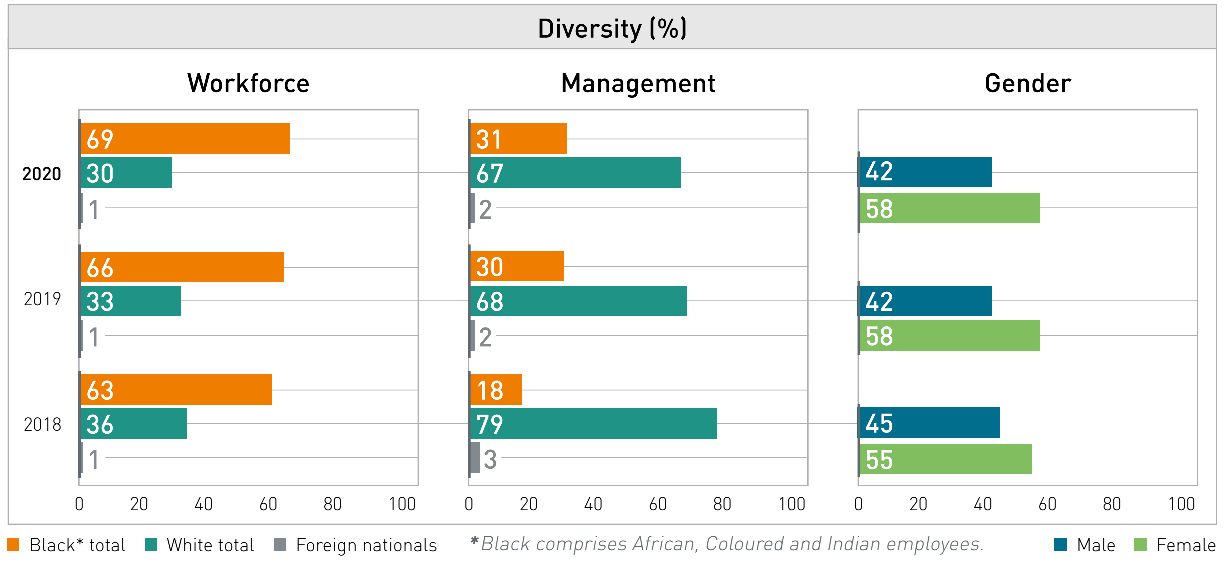
CELEBRATING Brilliance

Growing our organisational capabilities through transformation and inclusion

Our inclusion agenda is ongoing. We understand that our unique identities and experiences creates diverse thinking and brings balance and perspective to our functional and leadership teams, boosting effectiveness and resilience, and improving our competitiveness. We achieve this by driving innovation and shifting our focus from transformation to inclusivity.

Diversity is a significant driver of innovation while an inclusive workplace provides equal opportunity for all. In 2020, we adopted a new parental leave policy, which has been aligned with our maternity leave policy. Our goal is to treat each employee fairly and to support our employees, who are also caregivers, in creating balance between their professional and family priorities.

New acquisitions, employee transfers and resourcing models present an ongoing challenge to our transformation efforts. The skills shortage within the industry has led Redefine to look for talent beyond the property sector. We continue to focus on growing talent that complements our transformation efforts through initiatives such as our learnership programme, leadership development and other internal development programmes – focusing on people and not jobs. We do not tolerate discrimination in any form and our human capital policies support this commitment.



For more information on our overall performance in terms of B-BBEE, see page 67. We support the principles of inclusivity and promote equal opportunity among all our employees. We have adopted a board diversity policy to ensure that we promote gender and racial diversity within the board. **For more information on board diversity, see pages 96-97**.

Employment profile by occupational level as at 31 August 2020

	AF	AM	CF	CM	IF	IM	WF	WM	FNF	FNM	Total
Top management	0	0	0	0	0	0	0	4	0	0	**4**
Senior management	3	3	1	2	2	8	17	14	0	1	**51**
Professionally qualified	2	2	3	1	0	2	11	16	0	1	**38**
Skilled technical	40	42	24	5	17	8	44	23	0	0	**203**
Semi-skilled	46	49	20	3	6	1	16	0	0	1	**142**
Unskilled	6	2	0	0	0	0	0	0	0	0	**8**
Total permanent employees	**97**	**98**	**48**	**11**	**25**	**19**	**88**	**56**	**0**	**3**	**445**
Total temporary employees	**20**	**15**	**3**	**0**	**0**	**1**	**2**	**3**	**1**	**2**	**47**
GRAND TOTAL	**117**	**113**	**51**	**11**	**25**	**20**	**90**	**59**	**1**	**5**	**492**

African female | Coloured female | Indian female | White female | Foreign national female
African male | Coloured male | Indian male | White male | Foreign national male

Empowering our people

CONTINUED

Creating a discrimination-free workplace

Redefine is committed to creating a fair and equitable workplace. We support the principles of the Employment Equity Act 55 of 1998 and, as such, endeavour to ensure that no employee is unfairly discriminated against. Our employment equity plan is an important tool used to ensure we create a discrimination-free working environment, as well as take action to redress the effect of historic patterns of discrimination in employment practices, which can contribute to ongoing discrimination, and support equitable representation of designated groups in all occupational categories and levels in the work environment.

For more information on our human rights policy, refer to page 77.

We have developed and implemented our employment equity plan to fulfil the objectives of the Employment Equity Act. To achieve the objective of the employment equity plan, we use one or more of the following mechanisms:

- Preferential selection of suitably qualified employees from designated groups during recruitment and promotion to attain equitable representation in all occupational categories and levels in the work environment
- Wherever possible, we prioritise recruitment from within Redefine, acknowledging and using the talents of our employees before looking externally
- On-the-job formal and off-the-job training and development programmes are used to promote current job skills in preparation for senior jobs, in line with our requirements
- We look to create opportunities through multi-skilling and cross-functional experience career paths for employees to develop as generalists or functional specialists within our industry

The selection, promotion and training of suitably qualified employees based on inherent requirements of the job and on merit, is conducted on a non-discriminatory basis with regard to the objectives of the employment equity plan. A suitably qualified person has the abilities, formal qualifications and/or relevant experience and/or potential necessary to perform a particular job. All decisions in this regard give due consideration and promote the achievement of the organisation's short- and long-term objectives. However, it is acknowledged that, in certain work areas, an external appointment may be crucial to facilitate a change of culture or the introduction of a new technical programme or process. External appointments will only be made when internal recruitment processes have been exhausted. When recruiting externally, preference will be given to designated groups, especially women and disabled people.

We support culture-free selection assessments, which measure employee potential at applicable levels. All testing is non-discriminatory. All employees are evaluated by their managers in terms of their performance in achieving their development goals, in the same way that managers are evaluated in terms of the achievement of operational results. Performance reviews are conducted in terms of accepted norms of performance management to identify employee potential and create opportunities for mutually agreed career paths and succession.

The company recognises prior learning, which is founded on the premise that many employees acquire knowledge, experience and skills outside of a formal education and training environment, and that such learning, no matter how, when or where acquired, is worthy of recognition. The company supports the view that all employees are able to perform any kind of work, within reason, until it is objectively proven otherwise.

Freedom of association and collective bargaining

Consistent with our commitment to Principle 3 of the UNGC, the South African Constitution, and the Labour Relations Act, Redefine commits to respecting employees' rights to freedom of association and collective bargaining, without interference and free from discrimination.

Redefine will promote these rights with its employees and business partners to:

- Provide that all employees have the right to freedom of association
- Ensure that everyone has the right to fair labour practice
- Make provision for employees' right to form and join a union, to participate in the activities and programmes of a trade union and to strike (as regulated by national legislation)
- Provide for trade unions to engage in collective bargaining as per the relevant national legislation such as the Labour Relations Act

Unpacking our employment equity policy

1 Purpose

Our policy sets out Redefine's approach to employment equity, and the steps that should be taken to ensure that a fair and equitable workplace is created and maintained, as well as the implementation of affirmative action measures.

2 Scope

This policy aims to assist employees at all levels to actively contribute to the transformation of Redefine, as we strive to become more reflective of the population at large, specifically in the geographic areas in which we operate.

3 Authority and responsibility

Our CEO is ultimately responsible for ensuring that discrimination in the workplace is eliminated and that the objectives of our employment equity plan are achieved. In addition, he signs off on the employment equity report submitted to government, detailing our progress.

The designated manager of the employment equity committee has responsibility and authority to develop the employment equity plan and to compile the employment equity report to be submitted to government. The manager monitors the achievement of the employment equity plan and gives feedback to the CEO.

The members of the employment equity committee assist in the development of the employment equity plan and report. The committee also assist the designated manager in monitoring the implementation of the employment equity plan.

All employees must report immediately (within 24 hours) to management, in writing, when they become aware of any discriminatory practices within the workplace. Should employees wish to remain anonymous, the whistleblower hotline can be used as an alternative way to report discriminatory practices.

All managers and supervisors have the authority and responsibility to implement the objectives of the employment equity plan as far as the objectives pertain to a specific department within budgetary constraints, as determined by the designated manager in consultation with senior management.

All managers and supervisors must ensure that their departments are free of unfair discrimination as set out in the Employment Equity Act. Managers and supervisors can take measures, as deemed appropriate, to address and eliminate any form of unfair discrimination in consultation with senior management.

East Rand Mall, *Boksburg*

S&J Industrial Estate, *Germiston*

4 Our governance landscape

> **COVID-19 has demonstrated the importance of ethical and effective leadership to navigate the crisis.”**
>
> *Redefine Properties*

Guided by our governance framework, our board is the custodian of corporate governance and sets the ethical tone across the business. Our board consists of a carefully selected blend and balance of experience, skills, diversity and independence to promote effective decision-making and ethical governance.

Corporate **governance**

Value creation through the application of good governance principles

The board, in its capacity as the custodian of governance, leads the company ethically and effectively towards improving stakeholders' trust and confidence and reducing the cost of capitals. The board's governing structures, processes and actions, coupled with the mindful realisation of desired governance outcomes, enable and support Redefine's value creation process in the short, medium and long term.

The board takes collective responsibility for its primary governance role and responsibilities, and recognises that the execution thereof allows for more informed approval and monitoring of strategy, and an ongoing and conscious focus on Redefine's positive efforts in relation to society and the environment in which we operate. Our governance framework provides a solid foundation for the implementation of King IV and the board continuously applies these recommended principles to enable and support Redefine's value creation process.

Our governance report provides a detailed narrative of our application of the King IV principles. We do not follow a tick-box approach to governance, but are committed to creating a culture of continuously improving our governance practices. Where principles are only partially applied, we provide explanations about how we plan to achieve full application going forward. These explanations are set out in boxes titled 'Opportunity to grow value'.

KEY

Applied	Partially applied	Not applied yet

Leadership, ethics and corporate citizenship

Leadership

PRINCIPLE 1: The board leads the company ethically and effectively

Board members lead the company with integrity and competence, and in a responsible, accountable, fair and transparent manner, to ensure leadership that results in achieving Redefine's strategic objectives and positive outcomes over time. The directors understand that ethical and effective leadership complement and reinforce each other. By setting an example of doing business responsibly, the directors demonstrate their continued commitment to Redefine's values and to the ethical conduct we embrace.

Responding to the challenging economic, political and social environment in which Redefine operates, it is of crucial importance for the board to create an ethically conducive culture. To this end, the board assumes ultimate responsibility for the company's ethical performance by ensuring a sound strategy and business offering, ethical leadership and a commonly accepted and lived set of values. The board similarly holds management accountable for implementing Redefine's ethical framework. These qualities, in turn, lead to effective governance, risk and compliance management practices, and provide reassurance that the company is effectively managing business risks and identifying opportunities.

Board members, individually and collectively, cultivate these ethical characteristics and exhibit them in their conduct as follows:

Declarations and conflicts of interest and related-party transactions

Board members timeously inform the board of actual or potential conflicts of interest that they may have in relation to particular items of business or other directorships. In accordance with the board's conflict of interest policy, comprehensive registers of individual directors' interests in and outside the company are maintained, updated annually and noted by the board and its committees at each board meeting. Where there are conflicts of interest, these are minuted and the affected director/s recused from the relevant debate and/or decisions.

Redefine's conflicts of interest policy and supporting procedures were reviewed and improved during 2019, and prescribed declaration forms are widely communicated to employees annually. Digitalisation of the process assists in maintaining the highest possible standards of ethical conduct.

The nomination and governance committee monitors and oversees significant related party transactions and relationships where control exists. In accordance with IAS 24, these are disclosed in detail in our AFS.

Insider trading and dealing in company securities

Board members adhere to Redefine's policy on insider trading and dealing in securities, which

- Prohibits directors from using their positions or confidential and price-sensitive information to achieve a benefit for themselves or any other related parties, and
- Prohibits directors and employees from trading in securities during closed periods.

The company secretary regularly informs directors and employees of insider trading legislation and advises them of closed periods. Directors' dealings are disclosed in accordance with the JSE Listings Requirements.

Induction, training and development

Board members participate in our induction process, as well as our ongoing training and development programme. The company secretary, supported by the nomination and governance committee, administers the programme and ensures that directors are adequately briefed and have the requisite knowledge of the company, our operations, the triple context in which we operate, as well as the capitals we use and effect.

Directors similarly receive informative updates and training throughout their tenure. This assists in keeping them abreast of economic, regulatory and industry trends, and continuously develops their competence to lead effectively.

The board and its members are held accountable for ethical and effective leadership through annual performance evaluations that monitor, among others, the board's effectiveness as a team, as well as the commitment, performance and ethical characteristics of its individual directors. Board members are similarly bound by the terms and conditions of Redefine's code of business conduct and other ethics policies, as referred to below.

Organisational ethics

PRINCIPLE 2: The board governs the ethics of the company in a way that supports the establishment of an ethical culture

The SET committee plays a key role in exercising oversight of Redefine's ethics, and ensures that the board is sufficiently equipped to deliver on its goal of having a sustainable ethical culture. Although this responsibility has been delegated, the board remains accountable for the way in which same is discharged.

Corporate values and culture

Our success depends predominantly on maintaining a good reputation. The board ensures that Redefine conducts its business dealings in an ethical manner, in accordance with applicable laws, rules and regulations, and that our activities are governed by the following corporate values:

Governance is supported by the example that the board and management set and the values and behaviours embraced by all employees. Employees cultivate and adopt our values. These values encapsulate Redefine's culture, shape our principles and inform employees' behaviour.

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 2: The board governs the ethics of the company in a way that supports the establishment of an ethical culture — continued

Code of business conduct and other ethics policies

The board approves Redefine's formal code of business conduct and ethics-related policies, which are central to our growth and sustainability and are designed to assist employees in making ethical decisions. The policies address the company's key ethical risks, define how employees should conduct themselves, and address employees' responsibilities to various stakeholders and society at large. The policies are published on the company's internal media platforms, are included in employee induction and training programmes, and are incorporated in employment contracts. Similarly, the policies are incorporated in Redefine's procurement strategy and, by reference, in supplier contracts.

Our ethics policies include grievance mechanisms, as well as a whistle-blowing policy, offering several anonymous and secure avenues for reporting unethical conduct. We are committed to protecting whistle-blowers from occupational detriment on account of having made protected disclosures, and undertake to treat any and all disclosures confidentially, in a manner that prevents prejudice and/or disadvantage to the disclosing party.

The SET committee oversees material reports regarding unethical conduct and continues its efforts to ensure that independent, objective and fair courses of action are taken in such instances. The trends identified in the reports of unethical behaviour received, referred and/or investigated by the committee during FY2020, are set out below:

September 2019 – August 2020	
Third-party conduct	1
Procurement (kickbacks)	2
Exhibition irregularities	1

Of the four reports received, one investigation is in progress. Where investigations conclude with a finding/s against an employee/s, 100% of these cases result in disciplinary action.

Gift declaration

In helping Redefine maintain and grow trust-based partnerships, the board adopted a gifts policy which is reviewed annually. On the recommendation of internal audit, the gift declaration process was optimised in 2019 to make it more efficient. Various communications are disseminated to employees to raise awareness of the importance of solid ethics.

The following rules apply in this regard:

1. All gifts received or given must be declared
2. For the purpose of the policy, the definition of gifts includes invitations to shows, functions or events
3. All gifts with a value of R2 000 or more must be authorised by executive management in writing before they are given or accepted, as the case may be
4. Compliance with the policy is mandatory and non-compliance could lead to disciplinary action

What employees must do when they receive a gift:

A present from a service provider

Can I accept it?

What should I do?

All gifts must be declared via the 'Declaring gifts' tab on the Redefine intranet. If the gift is worth **R2 000+**, employees must get written approval before it is accepted.

It's as simple as that.

Ethics programme

Our ethics programme (including whistle-blowing mechanisms and management of the independent whistle-blowing reporting line), coupled with management's dedicated efforts to create awareness, as well as detect and resolve ethical violations and provide training on ethics and anti-competitive behaviour, contribute to a strong ethical foundation. Ethical risks and opportunities are incorporated into risk management and investment processes, and ethical standards are applied to evaluating, recognising and rewarding employees by linking KPIs to living Redefine's values.

Our sexual harassment policy confirms the stance that harassment and abusive behaviour are not tolerated. Moreover, facilitation payments and anti-competitive practices are prohibited.

Assessment of adherence to ethical standards

Periodic independent assessments are conducted to monitor adherence to Redefine's ethical standards by employees and other stakeholders. We conduct annual ethics surveys in partnership with external service providers, and execute ethics management system audits on a three-year rolling cycle. Such audits establish the depth and clarity of our leaders' understanding of ethics and, specifically, the extent of ethical practices in the company.

In 2020, The Ethics Institute conducted the ethics risk survey. Redefine achieved an ethical culture maturity score in the 76th percentile and an ethics behaviour risk score at the 98th percentile (both compared to the SA General Organisational Norm). This is indicative of a high level of ethical capital, and supportive of Redefine's sound ethical reputation.

The mandate of our internal audit function includes evaluating Redefine's governance processes, including ethics and the tone at the top, and is a source of information, as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities.

Responsible corporate citizenship

PRINCIPLE 3: The board ensures that the company is and is seen to be a responsible corporate citizen

Redefine benefits by serving internal and external stakeholders with a material stake in our activities, as well as the broader society we affect. In line with this ethos, the board understands that Redefine is required to take responsibility for the outcomes of our activities and outputs on the social systems in which we operate, as well as the natural environment on which society depends. Redefine understands that the achievement of the UN SDG's will require stakeholder engagement, awareness-raising and partnerships within our value chain, as well as within the broader real estate sector.

In line with its role of overseeing Redefine's conduct, the board approves our values, strategy, strategic objectives and KPIs, ensuring that these are congruent with the company being a responsible corporate citizen. It is imperative that the company is a values-driven organisation that delivers on the South African transformation agenda and fulfils its legal and moral obligations as a good corporate citizen.

The board embraces, supports and enacts, within its sphere of influence, the principles of the UNGC in the areas of human rights, labour, the environment and anti-corruption, and follows the Organisation of Economic Co-operation and Development (OECD's) recommendations regarding corruption. The board believes that integrating ESG concerns into Redefine's everyday business results in responsible corporate citizenship and sustainable development.

Accordingly, the board is conscious and active in its role of aiding the achievement of the following global UN SDGs, which it believes, after the rigorous materiality analysis detailed on **pages 8-10**, are most relevant to Redefine's business, within the broader industry and national context are outlined alongside.

Our primary SDGs

- 3 Good health and well-being
- 5 Gender equality
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities
- 13 Climate action
- 16 Peace, justice and strong institutions

Our secondary SDGs

- 4 Quality education
- 6 Clean water and sanitation
- 10 Reduced inequalities
- 12 Responsible consumption and production
- 17 Partnerships for the goals

During 2021, the board will inform and approve measurable, business-related targets to map Redefine's specific contribution to and progress against the relevant goals.

For more information regarding the UN SDGs and our commitments to them, refer to pages 8-10.

Corporate **governance**

CONTINUED

PRINCIPLE 3: The board ensures that the company is and is seen to be a responsible corporate citizen — continued

Through its various committees, the board oversees and monitors how Redefine's operations and activities affect its corporate citizenship status. This is measured against performance targets agreed with management, in support of our strategic objectives. Similarly, Redefine's operational transformation committee assists in ensuring that we maintain a workplace supportive of transformation, and that the development of employees promotes investment programmes that lead to meaningful participation in the economy by rural and local communities, as well as upholding preferential procurement principles.

During 2020, we maintained our responsible corporate citizenship status from an ESG perspective by, among others:

Environment	Social	Governance
Incorporating SASB and TCFD elements into our reporting journey	Employee engagement score of 92% outperformed national benchmark of 62%	Ntobeko Nyawo appointed FD from 1 February 2021
101 Green Star SA certifications, from 74 in 2019	Developed a supplier code of conduct to embed ESG principles throughout our supply chain	Achieved a 76th percentile advanced ethical maturity score from The Ethics Institute
Online monitoring and leak detection, smart shutoff valves and sensors installed to reduce water consumption	Maintained our level 3 B-BBEE rating	First SA REIT to become a formal signatory to the UNGC

The environmental and social landscape sections of this report detail progress made against our priorities and sustainability framework in the context of:

- Employment equity, fair and responsible remuneration, and the safety, health, dignity and development of employees
- Economic transformation, prevention, detection and response to fraud and corruption
- Consumer protection, community development and the protection of human rights
- Energy and water security, environmental compliance, and waste management

Some of the board's mindful governance processes in this regard are highlighted below:

Tax transparency

The board ensured that the company not only complied with all applicable tax arrangements, but also had a strong governance process and full transparency around its tax policy and tax arrangements. Risks relating to increased regulation across all relevant jurisdictions were similarly considered on a continuous basis, ensuring responsible corporate tax behaviour on the part of the company.

Redefine contributed approximately R536 million in value added tax (VAT) and pay as you earn tax to the local economy in 2020.

Political contributions

The board adopted a discretionary approach when making political donations or contributions in the countries in which Redefine operates. Political donations must be permitted by local laws and regulations, and made to a political party or a political organisation and not to individual political candidates.

Such political donations require the presentation of a strong business case on the basis of particular local circumstances, and the procedures set out in Redefine's policy must be strictly observed.

No political donations or contributions were made during FY2020.

Applied | Partially applied | Not applied yet

Strategy, performance and reporting

Strategy and performance

PRINCIPLE 4: The board appreciates that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

The board collectively assumes responsibility for the performance of the company and for:

- Strategy
- Policy
- Oversight
- Accountability

It informs and approves our core purpose, values and strategy annually. With the support of the various committees, the board oversees and monitors the implementation and execution by management of the policies and procedures developed to give effect to the approved strategy, and assesses the achievement of the Redefine's strategic objectives and positive outcomes against agreed key performance targets.

More details about our performance against 2020 strategic objectives are reported in our IR.

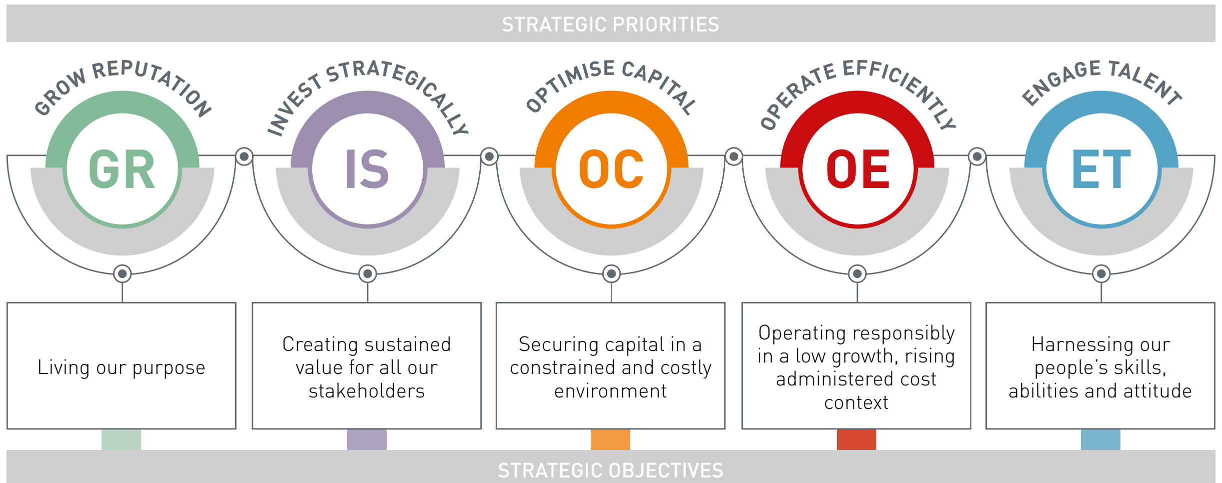
Redefine's value creation process demonstrates the relationship between the various elements involved in achieving our stakeholder goals. By gaining an in-depth understanding of all the factors that impact our ability to create sustainable value for all stakeholders, the board is able to plan and adjust the business in a constantly changing environment, overcome challenges and exploit opportunities.

During 2020, the board identified the following five megatrends (global macro forces that could potentially transform Redefine's business) expected to significantly impact the company going forward:

- Uncertain geopolitical and socio-economic growth factors
- The evolving role of business in creating a prosperous and sustainable society
- Business model resilience to the rapidly changing context
- Heightened demands on governance and regulatory context
- Managing for liquidity and sustainability during COVID-19

In response and considering Redefine's five strategic matters, the board informed and approved our long-term strategy, developed to ensure that management can seize the opportunities and mitigate the risks associated with each trend. This long-term strategy, in turn, informed our short- to medium-term strategy, ensuring alignment across the business.

Short- and medium-term strategic priorities



Corporate **governance**

CONTINUED

PRINCIPLE 4: The board appreciates that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process — continued

Primary long-term strategic objective

Our primary long-term objective is to increase total return through improved cash flow to enable delivery of sustained growth for all stakeholders.

As value is not created in isolation and as the board is committed to creating broader value for the societies in which we operate, our long-term priorities include the achievement of the UN SDGs referred to previously.

Going concern status

On an annual basis and as and when dividends are paid, the audit committee reviews management's documented assessment of the company's going concern premise. Upon the recommendation of the audit committee, the board confirms that the company is solvent and liquid and is therefore a going concern.

For more information regarding the company's going concern premise, refer to our AFS.

Reporting

PRINCIPLE 5: The board ensures that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and its short-, medium- and long-term prospects

Through the audit committee (supported by the adopted combined assurance framework), the board ensures that the necessary controls are in place to verify and safeguard the integrity of the company's annual reports and other disclosures. Management's determination of reporting frameworks and standards are approved by the audit committee and the SET committee, where relevant, to ensure compliance with legal requirements and relevance to stakeholders.

In FY2020, the company's reporting suite was compiled in accordance with the following:

- The International Integrated Reporting <IR> Framework
- The Companies Act, No 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV) (copyright and trademarks are owned by the Institute of Directors in South Africa NPC, and all its rights are reserved)
- International Financial Reporting Standards (IFRS)

The audit committee oversees the integrated reporting process and similarly reviews the AFS. The board seeks to provide all stakeholders with timeous and relevant information to enable accurate assessments of Redefine's performance and prospects. Company updates and financial information are distributed via various channels, and relevant information, including, among others, corporate governance disclosures, IR and sustainability reports and AFS are published on our website.

The board ensures high-quality disclosure of our financial and operating results. It enriches the usefulness of these disclosures by providing further explanation on critical accounting estimates, in addition to the disclosure required by IFRS.

The board reviews the financial statements and approves and presents them to shareholders. The board believes that the 2020 financial statements accurately present the financial status of Redefine and that all subsidiaries and affiliated entities, subject to consolidation, were properly consolidated and presented.

Applied | Partially applied | Not applied yet

Governing structures and delegation

Primary role and responsibilities of the board

PRINCIPLE 6: The board serves as the focal point and custodian of corporate governance in the company

The board believes that good governance contributes to sustained value creation and improves the trust and confidence of our stakeholders. An account of the board's activities during FY2020 is set out in our IR and describes how the board applied principles of good governance to enable and support our value creation process.

Board charter

The roles and responsibilities of the board and of individual directors are set out in the board charter, that is reviewed annually and is aligned with the provisions of relevant statutory and regulatory requirements. The charter regulates the parameters within which the board operates and ensures the application of the principles of good governance in all its dealings.

Meeting attendance

During FY2020, the board and committee meetings were held quarterly, in line with the group's financial reporting cycle, and a two-day risk and strategy workshop was held in June. In addition, *ad hoc* meetings were held for certain of the committees. All directors attended 100% of the meetings of the board and the committees on which they served in 2020.

Board access to information and resources

Directors have unrestricted access to executive management and company information, as well as the resources required to execute their duties and responsibilities. Access to external specialist advice is available to directors at the company's expense, in terms of the board-approved policy on independent professional advice. Directors did not seek any independent professional advice during FY2020.

Composition of the board

PRINCIPLE 7: The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

Board members accept responsibility as the custodians of governance within the group. The board is constituted in terms of the company's memorandum of incorporation (MOI) and in line with King IV. The majority of board members are independent non-executive directors who bring diversity to board deliberations and create sustained value by constructively challenging management.

Changes to board composition in 2020

Over the past few years, our board has undertaken significant refreshment efforts to better align itself to the strategic objectives on which we expect to focus going forward, fill identified skills gaps and bring new perspectives to the board. During 2020, the board appointed Diane Radley as an independent non-executive director and accepted the resignation of Harish Mehta.

In addition, Leon Kok will assume the role of COO following David Rice's official retirement on 31 August 2020. David continued as a contractor in the COO role while the recruitment process for a new FD was underway. Leon will continue in his role as FD until our new FD, Ntobeko Nyawo, assumes the position on 1 February 2021.

The board makes use of a competency matrix to support director recruitment and succession planning. Such matrix reflects diversity that extends beyond race and gender. Information regarding the composition of our current board is set out on **page 96** and **97**.

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 7: The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively — continued

Leadership roles and functions

We believe that independent board oversight is an essential component of good performance and effective control and as such, ensure that delineations between the roles of directors and management are always in place. Sipho M Pityana, an independent non-executive chairperson, leads the board in monitoring and providing strategic direction. Bridgitte Mathews, the lead independent non-executive director, strengthens the independence of the board and leads in the absence of the chair. The role of the chairperson is distinct and separate from that of the CEO, and the separation of responsibilities is designed to ensure that no single person has unfettered decision-making powers, and that appropriate balances of power and authority exist on the board. Currently, two members of executive management, namely the CEO and the FD, serve on the board to ensure that non-executive directors have more than one point of direct interaction with management at all times.

Chairperson	Lead independent non-executive director	CEO
Responsible for leading the board and for ensuring the integrity and effectiveness of the board and its committees.	Maintains the effectiveness of the board by providing leadership and advice when the chairperson has a conflict of interest, without detracting from or undermining his authority.	Responsible for the effective management and running of Redefine's business in terms of the strategies and objectives approved by the board.
Ensures high standards of corporate governance and ethical behaviour.	Provides support to the chairperson, is available as a trusted intermediary for the other directors, as necessary, and chairs a meeting of the non-executive directors at which the performance of the chairperson is considered.	Chairs Redefine's executive committee, leads and motivates the management team, and ensures that the board receives accurate, timely and clear information about the company's performance.

'Overboarding'

The board understands that while board members' duties are increasing, given the impact of data and technology transformation, business disruption and increased expectations around shareholder engagement, directors who sit on multiple boards simultaneously offer a unique perspective on current issues affecting boards.

The board's policy on external directorships held by members of the board mandates the nomination and governance committee to make judgments on whether directors are over-committed. This ensures the ability of directors to execute their fiduciary duties and to apply their minds to Redefine's business and interests.

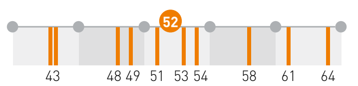
The policy is applied when considering candidates for appointment to the board and when evaluating the performance and capacity of current members and overall board effectiveness.

Diversity of age

Policy: Executive directors are required to retire from the board at age 65 and non-executive directors are required to retire at age 70. Executive directors are subject to three-month notice periods.

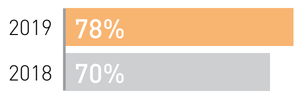
Average age

52 years



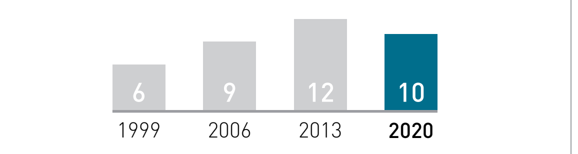
Younger than 60 years

80%



Board size

Policy: The board should be sizeable enough to promote accountability and encourage healthy, constructive debate and decision-making, while meeting regulatory and MOI requirements. It should encourage participation and a sense of responsibility.

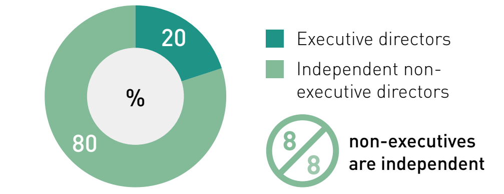


Independence

While all directors have a duty to act with independence of mind and in Redefine's best interests, perceptual independence is judged from the perspective of a reasonable and informed third party. The nomination and governance committee oversees the assessment process of directors' independence for board approval, and the review considers director performance and factors that may impair independence, including prevailing circumstances and directors' interests, whether perceived or actual. The approved assessment process includes self-assessment by each director, as well as consideration of each director's circumstances, by the board.

In 2020, and following a rigorous annual review, the board concluded that all non-executive directors continued to be independent in character, demonstrated behaviour, contribution to board deliberations, and judgement.

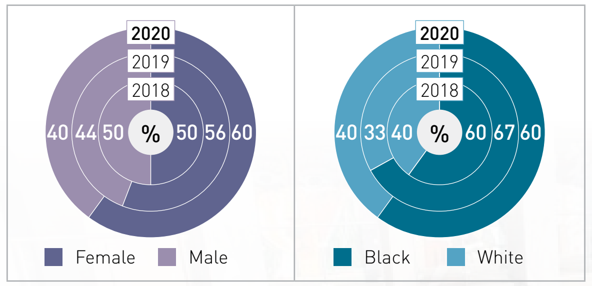
Currently, the majority of our board members are independent non-executive directors:



Gender and racial diversity

The board adopted policies for the promotion of gender and racial diversity at board level, and reports annually on how these policies have been considered and applied. Our gender diversity policy promotes a voluntary target of 40% female representation on the board over a three-year period, and the racial diversity policy promotes a voluntary target of 50% black representation (including African, Indian and Coloured) on the board over the same period.

The board has met its gender and racial diversity targets:



Board refreshment and succession

The board understands that careful management and refreshment of its members is vital for its effective functioning. Through the nomination and governance committee, and considering the company's strategy and future needs, as non-executive directors retire, candidates with the requisite attributes, skills and experience are identified to ensure that the board's competence and balance are maintained and enhanced.

Provision has been made for periodic staggered rotation of board members to ensure the introduction of members with new expertise and perspectives, while retaining valuable knowledge, skills and experience, and maintaining continuity. Succession plans similarly make provision for the identification, mentorship and development of future members.

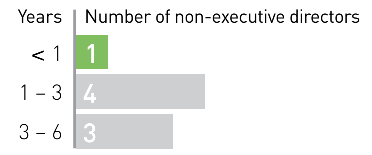
Board refreshment

Succession and tenure
+
Rotation plans
+
Retirement age
+
Annual board evaluations
+
Skills matrix
=
8 new non-executive directors

8 retired / resigned non-executive directors

Over a five-year period

Succession and diversity of tenure



Average tenure

1.9 years

Bryanston Shopping Centre, *Bryanston*

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 7: The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively **continued**

Appointment, rotation and re-election of directors

The nomination of directors has been delegated to the nomination and governance committee, which recommends the appointment of new directors for approval by the board. Such appointments are formal and transparent, and the selection process is conducted under the guidance of an approved policy. The nomination and governance committee proposes the appointment of directors to the board on the basis of their skills, knowledge and experience, taking into account racial and gender diversity targets, and ensures that the board is able to lead Redefine and our business activities, in line with the principles of King IV, in a manner that promotes the achievement of our governance outcomes over time.

In accordance with Redefine's MOI and at each AGM, one-third of our directors are subject to retirement by rotation and re-election by shareholders. The directors to retire every year are, firstly, those who were appointed to fill a casual vacancy or an additional appointment to the board and, secondly, those who have been longest in office since their last election. Notwithstanding the foregoing, if, at the date of any AGM, any director will have:

1. held office for a period of **three years since his/her last election or appointment**
2. **reached the age of 70 years,** and/or
3. held office for an aggregate period of **nine years since his/her first election or appointment,**

then such director shall retire at such AGM, either as one of the directors to retire in persuance to the foregoing, or additionally thereto.

As detailed in the notice of AGM, Marius Barkhuysen, Ntobeko Nyawo, Diane Radley and Lesego Sennelo are due to retire by rotation at Redefine's AGM in February 2021, in accordance with these requirements. Brief *curriculum vitea* for each director standing for election or re-election are set out in the AGM notice.

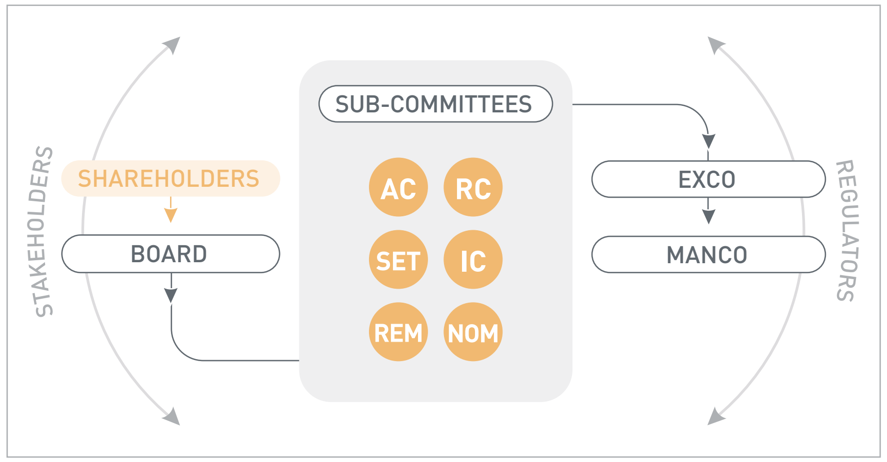
Where applicable, the board conducts a rigorous review of the independence and performance of independent non-executive directors serving on the board for more than nine years.

Committees of the board

PRINCIPLE 8: The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties

Governance structure and delegation

Redefine's governance structure and delegation provisions enhance independent judgement, ensure sustainable execution of strategy, and create opportunities to leverage off directors' special expertise in areas such as audit, risk management, sustainability and executive remuneration. The board delegates authority to established board committees, as well as to the CEO, with clearly defined mandates.



Committees

- AC Audit committee
- RC Risk, compliance and technology committee
- REM Remuneration committee
- NOM Nomination and governance committee
- SET Social, ethics and transformation committee
- IC Investment committee

Powers specifically retained by the board relate to, among others:

- Steering and setting strategic direction, including in relation to risk, information and technology governance
- Risk and opportunity identification
- Human capital management (including executive management selection and compensation)
- Major capex and large-value transactions
- Approving policy and planning
- Succession planning
- Reporting and communication with stakeholders
- Integrity of financial controls
- General compliance

Financial authority thresholds

Delegated financial authority thresholds, insofar as same relate to acquisitions, disposals, developments and capex, are approved by the board on an annual basis, post recommendation by the investment committee. These thresholds are set out below:

Category	Redefine board	Redefine investment committee	Redefine executive committee
Acquisitions	> R750 million per transaction	≤ R750 million and > R200 million per transaction	≤ R200 million per transaction
Disposals	> R750 million per transaction	≤ R750 million and > R200 million per transaction	≤ R200 million per transaction
Developments	> R750 million per transaction	≤ R750 million and > R200 million per transaction	≤ R200 million per transaction
Extensions, refurbishments and capex	> R750 million per transaction	≤ R750 million and > R200 million per transaction	≤ R200 million per transaction

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 8: The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties **continued**

Committee composition, responsibilities and terms of reference

The committees are appropriately constituted and members are appointed by the board, with the exception of the audit committee whose members are nominated by the board and elected by shareholders. External advisors, executive directors and members of management attend committee meetings either by standing invitation or on an *ad hoc* basis to provide pertinent information and insights in their areas of responsibility.

Details regarding the full roles, responsibilities and composition of the board committees are set out in the sections that follow. The responsibilities delegated to these committees are formally documented in the committee's terms of reference, which are approved by the board and reviewed annually.

After each committee meeting, committee chairpersons report back to the board. This facilitates transparent communication between directors and ensures that all aspects of the board's mandate are addressed. The board remains satisfied that the committees are competent to deal with Redefine's current and emerging risks and opportunities, and that they effectively discharged their duties during FY2020.

AC Audit committee

Composition and meeting procedures

At all times during the financial year, the committee comprised three independent non-executive directors, all of whom satisfied the requirements of section 94(4) of the Companies Act and King IV. As a collective and having regard to the size and composition of the group, the committee was adequately skilled and all members possessed the appropriate financial and related qualifications, skills, financial expertise and experience required to discharge their responsibilities.

The composition of the committee and the attendance of meetings by its members during FY2020 are set out below:

Daisy Naidoo
(Chairperson)

Bridgitte Mathews

Lesego Sennelo

Attendance	Daisy Naidoo (Chairperson)	Bridgitte Mathews	Lesego Sennelo
Meetings	100% 4/4 meetings	100% 4/4 meetings	100% 4/4 meetings
Appointed	October 2019	November 2018	November 2018

■ Appointed

Diane Radley was appointed as an additional member of the committee with effect from 1 September 2020.

Regular invitees

- CEO
- FD
- COO
- Head of corporate finance
- Head of operational finance
- Head of internal audit
- External auditors
- Head of risk and compliance

The committee met on five occasions, with meetings scheduled in line with the group's financial reporting cycle. The committee also met separately with the internal and external auditors.

Mindful governance in 2020

With due consideration to material matters and top-of-mind risks, the committee focused its attention on the following areas during the year:

- Oversaw the management of capital and financial risk exposure to ensure that the group continues as a going concern. In doing so, significant attention was given to the impact that declines in fair value, impairments (in associates) and expected credit losses would have on NAV and LTV, as well as the strategies in place to mitigate same
- Proactively monitored debt covenant projections and oversaw temporary covenant relaxation arrangements in order to create additional headroom to absorb adverse LTV covenant triggers
- Determined the appropriate accounting treatment for rental concessions (rental discounts and/or deferments) granted in the context of COVID-19, and considered the accounting treatment and implications of the Mall of the South put option and the M1 Marki transaction
- Oversaw the implementation of IFRS 9 Financial instruments and the implications of and proper accounting for IFRS 16 Leases
- Considered dividend proposals with due regard to legal, regulatory and tax implications, covenant commitments and the interests of stakeholders, as well as the need to protect liquidity in the short term
- Oversaw the early adoption of the second edition of the SA REIT Association's best practice recommendations to ensure consistent presentation and disclosure of relevant REIT ratios

The committee spent its time as follows:

External audit-related matters	Internal audit matters	Financial reporting and accounting practices, including a review of the group's finance function	Governance functional areas	Internal financial controls
20%	15%	40%	10%	15%

Value preservation in 2021

While the committee will continue to operate within its terms of reference and ensure that meetings address all regular matters reserved for its consideration, the following additional key activities are expected to receive the committee's attention during 2021:

- Supporting the incoming FD, Mr Ntobeko Nyawo, and his induction and onboarding process
- Monitoring and managing credit metrics, particularly LTV
- Managing balance sheet risks and stress/scenario testing
- Reviewing financial soundness and sustainability (cost containment, revenue strength) in the context of extreme economic challenges and market volatility
- Continuing to focus on dividend considerations
- Monitoring tax governance and group rationalisation
- Embedding combined assurance
- Embedding systems to allow for a more control-based audit, as well as continuous auditing from an internal audit perspective
- Monitoring the implementation of the amended Listings Requirements, including the effectiveness of internal financial controls, systems and processes within all group entities, in support of the CEO and FD attestation
- Reviewing and considering of management's plans in respect of future changes to IFRS and other regulations

The audit committees' full report detailing, among others, the manner in which the committee fully discharged its responsibilities in FY2020, is set out in our AFS.

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 8: The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties **continued**

RC Risk, compliance and technology committee

Composition and meeting procedures

At all times during the financial year, the committee comprised three independent non-executive directors. The chairperson and members of the committee were elected by the board, and all members were suitably qualified and had the necessary expertise required to discharge their responsibilities. The committee met on four occasions, with meetings scheduled in line with the company's financial reporting cycle.

The composition of the committee and the attendance of meetings by its members during FY2020 are set out below:

Lesego Sennelo
(Chairperson)

Amanda Dambuza

Daisy Naidoo

Attendance	Lesego Sennelo (Chairperson)	Amanda Dambuza	Daisy Naidoo
	100% 4/4 meetings	100% 4/4 meetings	100% 4/4 meetings
Appointed	November 2018	November 2018	October 2019

■ Appointed

Marius Barkhuysen and Diane Radley were appointed as additional members of the committee with effect from 1 September 2020.

Regular invitees

- CEO
- FD
- COO
- Head of internal audit
- External auditors
- Head of risk and compliance
- Head of IT

Mindful governance in 2020

With due consideration to material matters and top-of-mind risks, the committee focused its attention on the following areas during the year:

- Oversaw the adoption and implementation of an appropriate ERM policy, which accords with industry practice and prohibits Redefine from entering into any derivative transactions outside of the normal course of business
- Monitored compliance with the ERM policy and ensured that risk management processes supported the achievement of strategic priorities
- Identified, reviewed and prioritised Redefine's top risks and opportunities and monitored management's responses thereto. In doing so, significant attention was given to the systematic assessment and management of Redefine's risk universe and emerging risk trends, ensuring that our risk profile allowed for agile and responsive decision-making processes, particularly in response to COVID-19
- Ensured that risk appetite and tolerance thresholds were used in conjunction with business planning and decision-making. At times, the rapid reallocation of resources, necessary to effectively respond to the effects of the pandemic, resulted in the company operating outside of previously acceptable risk tolerance levels. As such, individual risk tolerance and appetite levels, as well as overall performance risk appetite, were revisited and adjusted where necessary
- Conducted a deep dive into Redefine's financial volatility/treasury risks with a view to ensuring sound balance sheet management. Significant consideration was given to the outcomes of stress and scenario testing to allow the committee to understand, and appropriately respond to, possible variations in liquidity and capital positions
- Oversaw the implementation, entrenchment and monitoring of measures to comply with the Disaster Management Act regulations and COVID-19 health and safety requirements
- Oversaw improved data protection compliance including Protection of Personal Information Act (POPIA) readiness
- Monitored and oversaw improvements to IT security and cyber resilience
- Monitored system availability and stability, with a specific focus on successful cloud migration and work-from-home capability
- Monitored the effective implementation of Redefine's IT and business continuity strategies. In doing so, business continuity plans were tailored for COVID-19 and accelerated accordingly

The committee spent its time as follows:

15%	40%	15%	20%	10%
Governance and compliance management	Operational risk management	IT security risk management	Fraud and ethical conduct	Business environment and internal control factors

Value preservation in 2021

While the committee will continue to operate within its terms of reference and ensure that meetings address all regular matters reserved for its consideration, the following additional key activities are expected to receive the committee's attention during 2021:

- Overseeing and managing the impact of COVID-19, with a specific focus on the effects of COVID-19 on Redefine's top strategic risks. This will include concentrated efforts on the health and safety of staff, operational resilience, as well as capital and liquidity risks
- Greater embedment of enterprise-wide risk management
- Materially progressing POPIA compliance through a focused data protection project to ensure compliance by 1 July 2021 implementation date
- Monitoring progress in terms of data capability maturation and the use of data in a meaningful and responsible way
- Embedding of IT governance standards and aligning IT services with current and future business needs
- Ensuring compliance framework and methodology implementation

Redefine has complied with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with Redefine's MOI during the year under review.

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 8: The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties — continued

IC Investment committee

Composition and meeting procedures

At all times during the financial year, the committee comprised three independent non-executive directors. The chairperson and members of the committee were elected by the board, and all members were suitably qualified and had the necessary expertise required to discharge their responsibilities.

The committee met on four occasions, with meetings scheduled in line with the company's financial reporting cycle. The committee also held a number of *ad hoc* meetings to consider, among others, interim and year-end property valuations and various development opportunities in Poland.

In addition to its mandate and to ensure the generation of sustained cash flow, the committee operates in terms of Redefine's investment strategy and in accordance with the following investment criteria:

Local	International
Diversify exposure across traditional sectors	Local partner representation, aligned with Redefine's interests
Exposure to key economic nodes	Opportunities provide for scale
Locations with solid infrastructure to reduce leasing risk	Liquid real estate market
Lower tenant risk and improve tenant profile	Free flow of currency
	Sophisticated tax regimes and rules of law

The composition of the committee and the attendance of meetings by its members during FY2020 are set out below:

Sipho M Pityana (Chairperson)

Attendance: 100% 4/4 meetings

May 2019

Marius Barkhuysen

Attendance: 100% 4/4 meetings

February 2017

Lesego Sennelo

Attendance: 100% 4/4 meetings

November 2018

■ Appointed

Diane Radley was appointed as an additional member of the committee with effect from 1 September 2020 and replaced Sipho as the committee's chair.

Regular invitees

- CEO
- FD
- COO
- Development director
- CEO Redefine Europe
- Head of acquisitions and disposals
- Head of corporate finance

Mindful governance in 2020

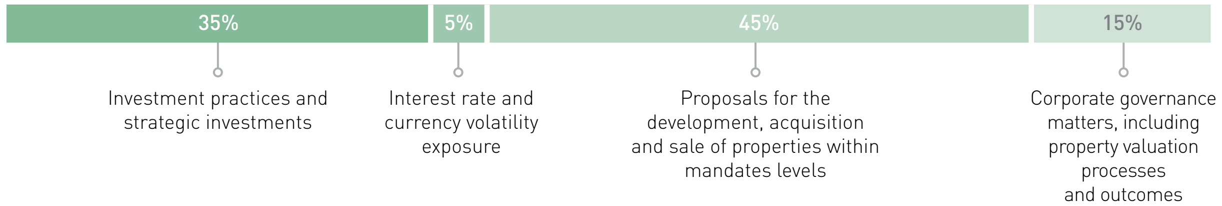
During 2020, the committee focused its attention on containing Redefine's LTV ratio by monitoring and overseeing the implementation of our LTV improvement plan. The plan included, among others:

- The disposal of R13.4 billion non-core assets including:
  - The exit from RDI REIT PLC which realised R2.3 billion
  - The disposal of our investment in Cromwell Property Group, the proceeds of which were used to settle Australian debt of AUD53.3 million
  - The disposal of Australian student accommodation assets for R5.1 billion
- The introduction of an equity partner to fund expansion of the logistics portfolio in Poland
- The elimination of speculative development expenditure and a moratorium on all new local acquisitions

In addition, the committee focused its attention on the following:

- Reviewed interim and year-end property valuations and the impact of same on Redefine's balance sheet, LTV ratio and liquidity
- Considered sectoral diversification and explored alternative uses for existing property and asset classes
- Evaluated the prospective returns of each capital deployment opportunity to determine the allocation of scarce capital
- Ensured the responsible management of our exposure to interest rate and currency volatility by strategically reducing geographic exposure
- Considered the long-term consequences of our investments, including climate risk management and other ESG metrics, as well as flexible and innovative development solutions that improve resource efficiency

The committee spent its time as follows:



Value preservation in 2021

While the committee will continue to operate within its terms of reference and ensure that meetings address all regular matters reserved for its consideration, the following additional key activities are expected to receive the committee's attention during 2021:

Local portfolio:

- Continuing to ensure relevance and improve existing well-located properties through optimisation
- Overseeing the disposal of non-core assets to position the local portfolio for sustained organic growth and the recycling of capital into opportunities with better long-term capital growth prospects, ensuring alignment with targeted LTV ratios.
- Continuing to implement our long-term strategy on an asset-by-asset basis
- Proactive monitoring of investment in younger (more efficient), well-located and better-quality properties with longer leases and A-grade tenants and selective acquisitions in under-represented regions to complement existing assets

International portfolio:

- Ensuring the provision of ongoing strategic and financial support to in-country partners
- Responsibly managing geographic concentration risk
- Overseeing our offshore expansion through development activity in Poland

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 8: The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties **continued**

SET Social, ethics and transformation committee

Composition and meeting procedures

The committee is constituted as a statutory committee in terms of its duties set out in sections 72(4) and (5) of the Companies Act and its associated regulations. Despite being a statutory committee, it is constituted by the board and fulfils the required functions on behalf of the company and all its subsidiaries.

The committee performs an oversight and monitoring role with regard to the overall direction and control of Redefine's social responsibility performance and ensures that the company's business is conducted in an ethical and properly governed manner. Relevant members of the management team are invited to attend the committee's meetings to obtain guidance and report back on Redefine's performance regarding:

- Legal and regulatory affairs
- Ethics and compliance
- B-BBEE
- Consumer affairs, whistle-blowing lines, investigations and human resources
- Sustainability, ESG and corporate affairs

The committee complies with all relevant legislation, regulation and governance codes and executes its duties in terms of the requirements of King IV.

The composition of the committee and the attendance of meetings by its members during the FY2020 are set out below:

Ntombi Langa-Royds (Chairperson)

100% 4/4 meetings

May 2016

Amanda Dambuza

100% 4/4 meetings

November 2018

Bridgitte Mathews

100% 4/4 meetings

October 2019

Attendance

■ Appointed

Marius Barkhuysen was appointed as an additional member of the committee with effect from 1 September 2020.

Regular invitees

- CEO
- FD
- Development director
- Head of ESG
- Head of human resources
- Head of marketing and communications
- Head of internal audit
- Head of risk and compliance
- Head of utilities
- Head of procurement

Mindful governance in 2020

With due consideration to material matters and top-of-mind risks, the committee focused its attention on the following areas during the year:

- Transformation
  - Maintained appropriate policies and provided guidance with regards to transformation initiatives for approval by the board, including racial, gender and other diversity policies in line with the JSE Listings Requirements
  - Monitored the implementation of transformation policies, practices and procedures at all levels in the organisation to ensure compliance with current and evolving legislation and related regulations in South Africa, with particular reference to the Broad-Based Black Economic Empowerment Act 53 of 2003 and the Employment Equity Act 55 of 1998
- Social and economic development
  - Monitored Redefine's social and economic development, including our standing in terms of the goals and principles set out in the UNGC and the OECD's recommendations regarding corruption. In particular, the committee:
    - Recommended that Redefine become a formal signatory to the UNGC
    - Oversaw the introduction of a revised anti-bribery and corruption policy which feeds into our ethical framework
- Ethical conduct
  - Oversaw the annual ethics survey used to assess Redefine's ethical status in relation to both internal and external stakeholders
- Good corporate citizenship
  - Monitored the promotion of equality and the prevention of unfair discrimination
  - Oversaw the finalisation of Redefine's CSI strategy to ensure a consistent approach to CSI throughout our portfolio. In so doing, the committee simultaneously considered our contribution to the development of the communities in which our activities are predominately conducted, as well as our sponsorship, donations and charitable giving
- Sustainability
  - A materiality analysis was conducted across all 17 UN SDGs to identify the areas of business or society where Redefine can make the most significant impact. Based on this, the committee approved primary and secondary UN SDGs based on their relevance to our business, to guide how we will prioritise our resources and commitments. It similarly approved the most significant priorities across each of the goals throughout our value chain
  - Considered the environment, health and public safety, including the impact of our activities thereon. The committee focused specifically on the application of heightened health and safely considerations and COVID-19-compliant protocols to key stakeholders
  - Reviewed workplace health and safety issues in accordance with the Occupational Health and Safety Act 85 of 1993
  - Considered Redefine's standing in terms of the ILO's protocol on decent work and working conditions
  - Monitored employment relationships and Redefine's contribution towards the educational development of employees. In doing so, the committee oversaw the implementation of work-from-home protocols and increased online learning capabilities to support the ongoing training and development of employees working remotely and/or placed on extended leave due to COVID-19
  - Considered top sustainability issues as determined by management and recommended the approval of these issues to the board where necessary. These issues included, among others, the expansion of internally managed waste, the reduction of water consumption and the reduction of carbon emissions through solar PV installations
- Stakeholder engagement
  - Monitored Redefine's activities regarding consumer relationships, including advertising, public relations and compliance with consumer protection laws
  - Considered stakeholder management and engagement in terms of King IV
- ESG
  - Recommended the approval of a revised ESG strategy framework and the incorporation of SASB and TCFD elements into Redefine's ESG reporting journey
  - Oversaw the development of a supplier code of conduct to embed ESG principles throughout our supply chain, and approved Redefine's procurement strategy
  - Monitored the benchmarking of Redefine's ESG performance against local and international peers so as to inform our strategy and adopt international sustainability best practices across our organisation

The committee spent its time as follows:

15%	10%	15%	10%	30%	20%
Transformation	Stakeholder engagement	Good corporate citizenship and ethical conduct	Social and economic development	Sustainability	ESG

Value preservation in 2021

While the committee will continue to operate within its terms of reference and ensure that meetings address all regular matters reserved for its consideration, the following additional key activities are expected to receive the committee's attention during 2021:

- Accelerating the company's transformation programmes and improving compliance with B- BBEE requirements
- Supporting youth employment and skills development through learnerships and other programmes
- Engaging with our communities to understand and manage their expectations and needs, and to co-create solutions to ensure meaningful impact for the communities around our buildings
- Overseeing the further development of our comprehensive climate risk management strategy and target setting, as well as the alignment of our public disclosure thereof with international best practice
- Continuing to invest in long-term renewable energy solutions and water-efficiency projects
- Overseeing ESG awareness throughout our value chain to intensify our impact. This includes upstream (suppliers) and downstream (tenants and communities) awareness efforts
- Deepening ethics awareness and prioritising corporate conduct practices
- Assessing the impact of ESG on our ability to attract equity and debt funding to improve strategic forecasting

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

PRINCIPLE 8: The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties — **continued**

NOM Nomination and governance committee

Composition and meeting procedures

At all times during the financial year, the committee comprised three independent non-executive directors. The chairperson and members of the committee were elected by the board, and all members were suitably qualified and had the necessary expertise required to discharge their responsibilities.

The committee met on four occasions, with meetings scheduled in line with the company's financial reporting cycle. The committee also held *ad hoc* meetings to consider the appointments of Diane Radley and Ntobeko Nyawo.

In addition to its mandate, the committee operates in terms of the company's director appointment policy that guides the formal, transparent, fair and consistent conduct of the nomination and election process of members to the board. It similarly complies with all relevant legislation, regulation and governance codes.

The composition of the committee and the attendance of meetings by its members during FY2020 are set out below:

Sipho M Pityana (Chairperson)

Attendance: 100% 4/4 meetings

May 2019

Amanda Dambuza

Attendance: 100% 4/4 meetings

October 2019

Ntombi Langa-Royds

Attendance: 100% 4/4 meetings

November 2018

■ Appointed

Bridgitte Mathews was appointed as an additional member of the committee with effect from 1 September 2020.

Regular invitees

- CEO
- FD
- Head of human resources
- Head of ESG

Mindful governance in 2020

The committee focused its attention on the following areas during the year:

- Ensured ongoing board renewal and refreshment, which resulted in the identification of suitable directors to fill previously identified skills gaps and bring new perspectives to the board. In doing so, the committee recommended the appointment of Diane Radley as an independent non-executive director, bolstering the board's property-related skills
- The recruitment, nomination and appointment of the new FD, Ntobeko Nyawo, following Leon Kok's transition into the role of COO pursuant to David Rice's retirement
- Oversaw the FY2020 board self-evaluation process, externally facilitated by Ernst & Young
- Reviewed board and committee composition, with a specific focus on ensuring diversity of skills and expertise
- Monitored succession planning for board members and senior executives
- Monitored corporate governance matters, including monitoring of related-party transactions, conflicts of interest and directors' dealings in company securities, as well as the implementation of King IV

The committee spent its time as follows:

Board and committee composition	Appointment of new FD	Succession planning	Corporate governance matters
30%	35%	20%	15%

Value preservation in 2021

While the committee will continue to operate within its terms of reference and ensure that meetings address all regular matters reserved for its consideration, the following additional key activities are expected to receive the committee's attention during 2021:

- Overseeing the formal induction of Ntobeko Nyawo as the newly appointed FD and the seamless transition of Leon Kok into the role of COO
- Enhancing director onboarding and continuous professional development programmes for non-executive directors
- Refreshing the group governance framework and harmonising committee structures to ensure optimal board performance
- Overseeing the refreshment of internal governance and organisational structures to further embed ERM and compliance governance practices
- Overseeing the development of board committee action plans in response to the results of the FY2020 board evaluation, and monitoring the implementation thereof
- Continuing to monitor conflicts of interest, related-party transactions and director independence

RC Remuneration committee

The remuneration committees' report, detailing, among others, the committee's composition and meeting procedures, as well as the way in which it fully discharged its responsibilities during FY2020, is set out on **pages 122-123**.

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

Governing structures and delegation

Evaluation of the performance of the board

PRINCIPLE 9: The board ensures that the evaluation of its own performance and that of its committees, its chair and its individual members supports continued improvement in its performance and effectiveness

Board evaluation

The board and committee self-evaluation process allows for annual assessment of the board's practices and the opportunity to identify areas for improvement. The nomination and governance committee approves the annual board evaluation process, which is formally conducted every second year in accordance with the recommendations in King IV. The assessment process includes an appraisal of the chairperson of the board, committee chairpersons, CEO and FD.

In 2020, the board self-evaluation was independently facilitated by Ernst & Young. **For more information on this process, see page 23 of our IR.**

Opportunity to grow value

The board has committed to actively engage with the recommendations resulting from the FY2020 board evaluation with the intention of affirming best practices, identifying where challenges lie, and reinforcing and supporting continuous improvement of composition, processes and relationships. The evaluation outcomes will be used to build leadership capability, enhance director induction and onboarding programmes, and remove obstacles to better performance.

Appointment and delegation to management

PRINCIPLE 10: The board ensures that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities

CEO appointment and role

The current CEO, appointed by the board in 2014, is responsible for leading the implementation and execution of Redefine's approved strategy, policy and operational planning, and serves as the main link between management and the board. The board formally evaluates his performance against agreed performance metrics and targets on an annual basis. The CEO does not currently sit on the boards of any other listed companies, other than EPP N.V, in which Redefine has a large holding. If necessary, additional professional positions can be approved by the board, following due consideration of possible time constraints and/or conflicts of interest.

Delegation to management

The board delegates authority to executive management, via the CEO, to manage, direct, control and coordinate Redefine's day-to-day business activities and affairs, subject to statutory limits and other limitations set out in our delegation of authority framework. The delegation is reviewed annually in consultation with the finance function and the investment committee to ensure that limits remain appropriate, taking into account the size of the company and our specific operational context.

The company secretary monitors the effective implementation of the delegated authority and confirmed that, during FY2020, executive management acted in accordance with the authority delegated to it by the board.

The board considers the talent management, development and succession planning of the executive management team to ensure continuity of leadership. Succession plans are reviewed periodically by the nomination and governance committee and provide for succession in emergency situations and over the longer term.

Company secretary

Bronwyn Baker is the appointed company secretary. Her primary responsibilities are to:

1	PROVIDE	counsel and guidance on individual and collective powers and duties, and on matters relating to governance, legal compliance, and ethics
2	RENDER	ongoing support and resources to enable directors to improve and refresh their skills, knowledge and understanding of the company, as well as proposed changes to laws and regulations applicable to the company
3	COLLATE AND DISTRIBUTE	relevant information to ensure that all directors have full and timely access to the information that assists them with the effective execution of their duties and obligations
4	INDUCT	new directors on their fiduciary and statutory duties and responsibilities
5	ASSIST	the nomination and governance committee with the annual evaluation of the effectiveness of the board
6	FACILITATE	professional and skills training, access to information and independent advisors, as and when required by the board

In compliance with paragraph 3.84(j) of the JSE Listings Requirements, the nomination and governance committee conducts an annual evaluation of the company secretary on behalf of the board. The results of the evaluation in 2020 confirmed that the company secretary demonstrates the requisite level of knowledge and experience to execute her duties. The board is also comfortable that she maintains an arm's length relationship with individual directors, and confirms that she is neither a director nor a public officer of the company or any of its subsidiaries.

Governance functional areas

Risk governance

PRINCIPLE 11: The board governs risk in a way that supports the company in setting and achieving its strategic objectives

The board ensures that risk management is embedded in key decision-making processes and that such processes incorporate and consider strategy, governance, compliance and performance. For the board, risk management involves achieving an appropriate balance between realising opportunities for gain, while minimising the potential adverse impacts of these risks. Risk is carefully managed across the organisation to effectively and proactively identify, assess, quantify and mitigate risk events, while capitalising on opportunities, providing all stakeholders with reasonable assurance that Redefine's strategic objectives will be achieved. As part of the risk assessment process, risks are assessed in the short, medium and long term.

The board approves Redefine's top strategic risks and financial risk appetite and tolerance levels, and ensures that risks are managed in compliance with these levels. To support the board in ensuring effective risk management oversight, and in compliance with the ERM policy and framework, risk assessment, quantification and assurance processes have been specifically delegated to the risk, compliance and technology committee, while the remaining board committees are responsible for ensuring the effective monitoring of those strategic risks that fall within their scope. Responsibility for implementing and executing effective risk management has been delegated to management.

We regularly monitor key developments in our internal and external environment, and monitor 'top-of-mind' or emerging issues to increase the probability of anticipating unpredictable risks. Actions are similarly implemented to strengthen business continuity and crisis management arrangements throughout the business.

Opportunity to grow value

While we have adopted an ERM approach, we need to ensure that this is standardised across the organisation and embedded into all organisational activities. Similarly, our combined assurance approach must be embedded and matured across all lines of defense. This will be an area of focus for the risk, compliance and technology committee in 2021.

Our risk activities and responsibilities are set out hereunder:

	Risk governance	Risk assessment	Risk monitoring and reporting	Risk quantification	Risk assurance	Risk orientation and awareness	Risk response
Board	☑	☑	☑				☑
Chairperson of each board committee	☑		☑				☑
Risk, compliance and technology committee	☑	☑	☑	☑	☑		☑
Audit committee	☑		☑				☑
Head of risk and compliance	☑		☑		☑	☑	
Executive management	☑	☑	☑	☑	☑	☑	☑
Senior operational management		☑	☑	☑	☑	☑	☑
Internal audit					☑		

For more information regarding our top-of-mind risks and opportunities, please refer to our IR.

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

Information and technology governance

PRINCIPLE 12: The board governs technology and information in a way that supports the company setting and achieving its strategic objectives

The board has mandated the risk, compliance and technology committee to provide oversight over IT governance. As such, this committee oversees the implementation and review of all relevant IT governance mandates, policies, processes and control frameworks, while ensuring compliance with the standards adopted by Redefine. It similarly confirms that processes are in place to ensure timely, relevant, accurate and accessible reporting, communication and data storage.

To assist the risk, compliance and technology committee in discharging its duties relating to IT governance, the committee has, in turn, mandated Redefine's IT steering committee with executive oversight of IT governance. The steering committee ensures that the IT strategy supports our goals and objectives. The steering committee is responsible for the implementation of, and measurement against the IT governance framework and other related initiatives, in conjunction with other existing oversight bodies. It ensures that technology is fit-for-purpose, is appropriately prioritised, and adds value commensurate with the cost of the technology. During FY2020, the IT steering committee met quarterly.

External and internal auditors perform assessments of IT-related controls as part of their audits, and all significant findings are reported to the audit committee, as well as to the risk, compliance and technology committee and the board, as necessary. Measures to ensure compliance with all relevant laws, information security practices and the protection of personal information are in place.

Opportunity to grow value

We continue to embed IT governance standards throughout our organisation and ensure that we align our IT services and infrastructure with both the current and future needs, while maintaining an adequate, effective and agile level of IT operational management. Considerable progress has been made during the year, particularly in light of the changes required to respond to the pandemic. This will however remain a strategic priority for the Risk, compliance and technology committee and will require ongoing focus and attention.

Compliance governance

PRINCIPLE 13: The board governs compliance with applicable laws, and adopted non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen

The board, with the assistance of the risk, compliance and technology committee and the social, ethics and transformation committee, ensures we comply with applicable laws, regulations, codes and standards. This includes codes such as the principles of the UNGC and the ILO, and the recommendations of the OECD.

Compliance systems and processes are in place to mitigate the risk of non-compliance with laws in relevant jurisdictions, and to ensure appropriate responses to changes and developments in the regulatory environment. The risk, compliance and technology committee receive regular reports on compliance matters and oversees Redefine's compliance programme, while our risk and compliance functions are responsible for monitoring compliance therewith. The arrangements for compliance are set out in various company-wide policies.

Redefine annually submits a REIT compliance declaration and annual compliance certificate to the JSE, confirming our compliance with the JSE Listings Requirements. We received no material penalties, sanctions or fines for contraventions of or non-compliance with regulatory obligations during the period under review.

Opportunity to grow value

While compliance controls are currently in place, we need to ensure that these controls are standardised across the organisation, form an integral part of business processes and are reviewed periodically to assess the overall effectiveness of our compliance programme. This will continue to be an area of focus for the risk, compliance and technology committee in 2021, through the enhanced implementation of our compliance framework and methodology.

Remuneration governance

PRINCIPLE 14: The board ensures that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

Through the remuneration committee, the board ensures that Redefine's remuneration is appropriately designed, fair and market-related, to drive and retain high-calibre employees who contribute positively to our strategic objectives. The board believes that remuneration supports Redefine's employment philosophy of attracting self-starting, skilled employees who subscribe to Redefine's values and our culture of enterprise and innovation.

Our remuneration policy governs all components of remuneration, and its desired outcomes include:

1. **Alignment to the company's strategy to support the achievement of goals and objectives**
2. **Enhanced internal fairness through consistent remuneration decision-making**
3. **Appropriate and responsible remuneration decisions**
4. **An enhanced employer of choice profile**
5. **Alignment with our desired corporate culture**

The remuneration committee annually conducts a rigorous examination of internal pay levels to ensure that they are aligned to the principle of equal pay for work of equal value and, if not, to identify and address any unjustifiable remuneration disparities.

As part of our commitment to fair and responsible remuneration, and to narrowing the internal wage gap, Redefine has a company-wide long-term staff incentive scheme in place for all employees. We also have a comprehensive malus and clawback policy as a risk adjustment mechanism for variable pay. Our remuneration report shows a strong link between pay and performance, and over the years, we have taken solid steps to ensure that executive salary increases are fairly moderate when compared to increases across the organisation.

Our remuneration policy and the implementation report are tabled annually for separate non-binding advisory votes by shareholders. Should either of the resolutions be voted against by 25% or more of the voting rights exercised, the board will engage with shareholders to address legitimate and reasonable objections and concerns. Feedback from such an engagement will be published in our remuneration report.

The full remuneration policy document is available on pages 116-143.

Opportunity to grow value

The Remco is in the process of considering the executive remuneration variable pay structure holistically to ensure that it remains suitable in the current environment, and aligned to Redefine's forward-looking strategy. This review will take into account shareholder feedback on our existing policy and will seek to ensure that our policy is aligned to our remuneration principles and philosophy, aligning executive pay outcomes to performance outcomes in a manner that is fair yet motivating to executives.

Applied | Partially applied | Not applied yet

Corporate **governance**

CONTINUED

Assurance

PRINCIPLE 15: The board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the company's external reports

Assurance

We use the four-lines-of-assurance approach to optimise our risk and assurance efforts. Assurance includes executive and senior management monitoring and oversight, internal audit and external assurance providers.

Internal control

The audit committee reviews the reports of the internal and external auditors in respect of audits conducted on the internal control environment, takes note of any matters arising from these audits, and considers the appropriateness of the responses received from management. During 2020, with the exception of minor control breaches, nothing was brought to the attention of the audit committee that would suggest a material breakdown of any internal control system. Accordingly, the committee is satisfied that Redefine's internal financial control environment continues to function effectively.

Internal audit

The audit committee is functionally responsible for Redefine's internal audit function and receives detailed reports on the progress of the function on a quarterly basis. During 2020, the internal audit function provided a written assessment regarding Redefine's system of internal controls and confirmed that, based on the results of the work undertaken, these were adequate and effective.

The audit committee satisfied itself that the function is independent and has the necessary resources, standing and authority to discharge its duties. Furthermore, the committee confirmed that, in executing the 2020 plan, there were no impairments to the objectivity, independence and scope of the internal audit function, which remained effective in carrying out its mandate.

Opportunity to grow value

Although current assurance activities provide sufficient coverage of the company's risk universe, these require a concerted and coordinated approach. To this end, the board has recently adopted a revised combined assurance framework and plan, with the aim of integrating and coordinating the assurance provided by internal and external assurance providers on risk areas facing the company.

The framework and plan will enable an efficient and holistic approach to risk management and assurance activities across the organisation that, when taken as a whole, will provide a level of assurance that further supports the integrity of information produced for reporting and decision-making.

The Towers, *Foreshore*

Stakeholder relationships

Stakeholders

PRINCIPLE 16: In the execution of its governance role and responsibilities, the board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time

We differentiate ourselves through a dedicated people-centric approach to business, focusing on excellence in the context of relationships. This culture is nurtured internally and extended externally in the way in which we engage with and add value to the lives of our stakeholders. The board invests in understanding stakeholders' views and needs, recognising that the quality of these relationships determines our continued success.

Stakeholder engagement strategies

The board, through the social, ethics and transformation committee, approves Redefine's stakeholder engagement strategies, systems and processes, which enable management to understand and respond to stakeholders' legitimate concerns, form collaborative partnerships to find solutions to collective challenges, and to drive development in the communities in which we operate. The board recognises that integrating stakeholder engagement is fundamental to ensuring effective operations and delivering on our growth mandate.

Identification of material stakeholders and management of stakeholder risk

To effectively engage with stakeholders, our material stakeholder groups were identified according to their levels of influence on us, our impact on them and the level to which we collaborate, involve or consult with them. Furthermore, stakeholder concerns are prioritised as part of our risk management activities.

The board identified our key stakeholders and stakeholder goals:

Key stakeholders and goals

Investors and funders	Employees	Tenants	Property brokers	Suppliers	Communities
Source of sustained growth in total returns	Employer of choice	Differentiated provider of relevant space	Preferred business partner	Source of business opportunity and growth	Responsible community participant

Stakeholder engagement and communication

Stakeholder engagement and communication are managed proactively, and driven through various channels and platforms, formal and informal, targeting all of Redefine's key stakeholders. Tenant complaints are taken seriously and dealt with timeously through a centralised call centre. The board believes that relationships support Redefine's ability to create value. By establishing good lines of communication with our various stakeholders and maintaining a constructive relationship with them, we enhance the business's sustainability by being better able to identify and address risks and opportunities.

For more information regarding how our key stakeholders were identified, and for details regarding the measurement of the quality of material stakeholder relationships, concerns raised by such stakeholders and our responses thereto, please refer to the IR.

Shareholder relationships

The board ensures that Redefine encourages proactive engagement with shareholders, including engagement at the company's AGM. All directors are available at the AGM in order to respond to shareholders' queries on how the board executed its governance duties.

In the interest of protecting minority shareholders, Redefine practises the principle of "equality of disclosure" and ensures that all shareholders receive information equally. Major shareholders do not have privileged access to information that is unavailable to minority shareholders.

All issued shares are of the same class, each of which ranks *pari passu* in respect of all rights, and entitles the holder to vote on any matter to be decided by the shareholders of the company, and to one vote in respect of each share held.

5 Remuneration report

> **Robust remuneration practices are a critical link in our value chain – ensuring there is alignment between our strategic goals, stakeholder interests and the actions of our employees."**
>
> *Redefine Properties*

Our remuneration practices are designed to attract and retain high-calibre talent, reward our people who live our values, and motivate them to deliver on our strategic objectives.

18 The Boulevard, *Westville*

Remuneration report **2020**

Hazeldean Retail Square, *Silverlakes*

Part 1: Background statement

Letter from the chairperson of the remuneration committee (Remco) to shareholders

Dear shareholders

I am pleased to present Redefine's remuneration report for the 2020 financial year (FY2020). The 2020 calendar year has been an incredibly challenging year for all our stakeholders, and we appreciate the sacrifices that our investors and funders have made in the best interests of the company. Our executives have worked tirelessly to ensure the sustainability of our company, our board has continued to set the strategic direction for the company in order to focus on post-COVID-19 recovery, and our employees have continued to service our tenants and other key stakeholders. Despite the overwhelming challenges facing the industry and nation at large, we continue to believe that appropriately designed, fair and market-related remuneration will drive and retain high-calibre employees to contribute positively to Redefine's strategic objectives. Our remuneration framework is designed to support the company's goal of attracting and retaining top talent – those driven individuals who are passionate about upholding Redefine's values and pursuing innovative ways of creating sustained value for all our stakeholders. Our score of 92% in the employee engagement survey demonstrates that our employees understand our continued commitment to an exceptional employee value proposition, excellence in professional development and opportunities for career advancement, along with our commitment to and integration of diversity and inclusion into our people practices, further supported by our certification as a top employer by the Top Employers Institute.

A key objective of this report is to describe how we implemented our remuneration policy throughout the organisation. The report shows a strong link between pay and performance, and the company has taken precautionary steps to ensure that executive salary increases in respect of FY2020 (effective 1 September 2019) were justifiable, and were carefully considered against average increases for all employees below executive level.

There are also clear links between the overall company strategy, specifically our strategic objectives, and the company's remuneration policy, in particular the variable pay performance conditions.

Context – preserving value in a complex and challenging environment

We are operating in an environment defined by volatility and uncertainty, which has been exacerbated by the COVID-19 pandemic. Locally, we are faced with compounding socio-economic challenges, including ageing infrastructure, social inequality and limited economic development. Challenges are rife in our global context too, where growth has continued to weaken, and sluggish investment flow undermines the foundations for sustained growth.

In the prevailing climate of uncertainty, a long-term strategic focus that is tied to a strong sense of purpose, is key to driving our business forward. Moreover, real estate is a long-term asset class, which means that the decisions we make today will only deliver tangible outcomes in the years to come. We therefore need to continually balance short-term performance expectations against long-term objectives.

FY2020 remuneration outcomes – **key highlights**

- The COVID-19 pandemic significantly impacted our financial performance and, as a consequence, impacted the remuneration outcomes as follows:
  - No Short-term incentive (STI) bonus paid in respect of FY2020 to executives, as overall **STI score fell below 60%**
  - Total return of -18.8% was **below the target of 15.0%**
  - Growth in recurring distributable income per share (DIPS) **at -46.0%**
  - **Minimum shareholding requirements not met** as a result of the impact the pandemic had on the share price
  - Salary increases for FY2021 were only made for employees earning R200 000 per year or less, as part of our approach to **fair and responsible remuneration**
  - **No STI bonus paid** to employees in respect of FY2020
  - **No increase in non-executive director fees** proposed for FY2020
- Amended the 2017 long-term incentive plan (LTIP) performance conditions to **remove the 25% retention element in response to shareholder concerns raised**
- 2017 LTIP performance vesting outcomes ranged between **44.1% to 46.5%**
- **No employees were retrenched, and no salary cuts were implemented** in FY2020
- We have taken shareholder feedback on board, revised the total reward comparator group and **aligned the benchmark to test relative performance** to the SA Listed Property Index (SAPY)
- **No malus and clawback trigger events** arose in FY2020

Part 1: Background statement

CONTINUED

Our remuneration policy is designed to encourage the achievement of our group strategy, which is our roadmap towards achieving sustained value for all our stakeholders. The company remains a recognised leader in integrated reporting, and disclosure of remuneration in this report is designed to be fully transparent and easily understandable.

The Remco has also reviewed the potential outcomes of the existing Share Purchase Scheme (SPS) loans in the context of the share price which has been affected by market sentiment regarding the property sector, and recently COVID-19. In order to manage the unintended consequences of these developments on the outstanding loans, the Remco has proposed an amendment to the 2013 Executive Incentive Scheme rules to allow for the extension of the repayment period. The details are set out in part 2 of this report, as well as the notice of AGM.

At the beginning of FY2020, the Remco decided to amend the 2017 LTIP performance conditions to remove the 25% retention element in response to concerns raised by shareholders. This will similarly apply to the 2018 and 2019 LTIP performance conditions. More detail is set out in parts 2 and 3 of this report.

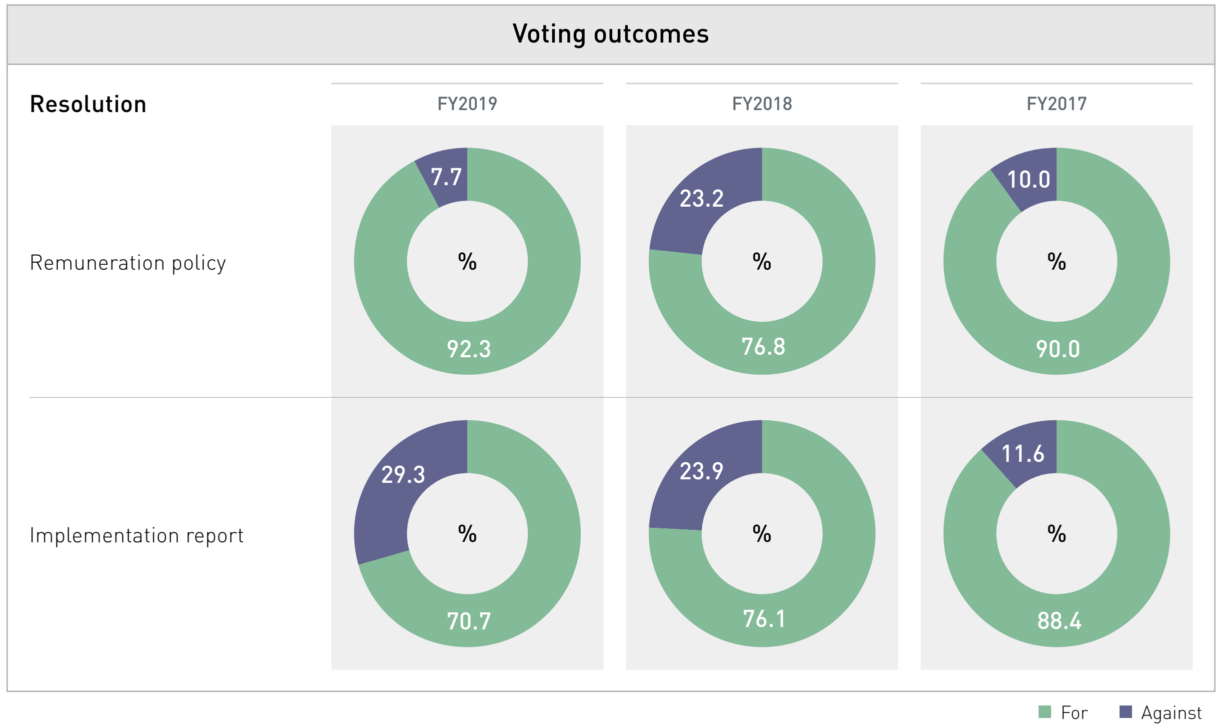
As in the previous year, we will put the remuneration policy (as set out in part 2) and the implementation of the remuneration policy (as set out in part 3) to two separate non-binding advisory votes at the 2020 AGM. We are grateful to our shareholders for their support we received at last year's AGM. We have proactively consulted our shareholders regarding the remuneration policy as we greatly value their feedback.

Due to the COVID-19 pandemic and the resulting uncertainty, we are not yet in a position to set meaningful short- and long-term performance conditions. Therefore part 2 of this report does not include FY2021 performance conditions for our STI and executive LTI schemes. Furthermore, no new LTI awards have been made to date.

The Remco is therefore in the process of considering the executive remuneration variable pay structure holistically to ensure that it remains suitable for the current environment, and aligned to Redefine's forward-looking strategy. This review will take into account shareholder feedback on our existing policy and will seek to ensure that our policy is aligned to our remuneration principles and philosophy, aligning executive pay outcomes to performance outcomes in a manner that is fair yet motivating to executives. To this end, we have inserted placeholders throughout the report to indicate which elements of the remuneration structure are currently under review. We look forward to engaging with our shareholders as we proceed with this review, to obtain further inputs and views throughout the design process.

Shareholder engagement

Redefine believes that ongoing, transparent engagement makes our business stronger – this enables us to sustain value for all of our stakeholders.



At the AGM held on 20 February 2020, 92.3% of the shareholders endorsed the remuneration policy and 70.7% of the shareholders endorsed the implementation report. We actively engaged with our key institutional shareholders before the AGM, in one-on-one meetings, to discuss the remuneration policy and its implementation. These meetings were held between 3-7 February 2020.

Further to the vote on the implementation report, and in line with King IV and our remuneration policy, a further invitation to engage was extended to our shareholders. None of our shareholders responded to our invitation, as we had proactively engaged with them prior to the meeting. We have disclosed a summary of the legitimate and reasonable shareholder comments regarding our remuneration framework, and our responses thereto, in the table below.

Shareholder comments	Remco responses
Increases proposed for non-executive director fees was questioned	As stated in part 2 of the report, non-executive fees are reviewed annually based on inflation and appropriate market benchmarks. In 2021, we will not be proposing any changes to non-executive director fees The difference in the fee structures between the chairpersons of the investment committee and audit committee are based on market benchmarks for the respective roles
The appropriateness of the company's total reward benchmarking comparator group was questioned	In light of the feedback received from our shareholders, the total reward comparator group was reviewed for its continued appropriateness and the revised comparator group is set out in part 2 of this report
The relevance of the relative performance benchmark was questioned	The SAPY will be used as the relative performance benchmark, to test variable pay performance conditions
More detail and specifics regarding ESG goals required	Our KPIs linked to ESG goals, as they applied in FY2020, are set out in part 2 of this report and should be read within the broader context of our ESG strategy, which is set out in the introductory section of the ESG report
Include REIT disclosure requirements in the financial disclosure	The SA REIT Association best practice recommendations (BPR) are effective for the reporting periods commencing on or after 1 January 2020. Redefine has however elected to early adopt the best practice recommendations in its FY2020 financial disclosures and will continue to do so
A significant *ex-gratia* retirement settlement was paid to former executive chairperson, Marc Wainer, in the form of waiving of his net outstanding debt under the SPS	The board's decision was made in an exceptional circumstance (as Marc was the founder of Redefine), and in recognition of his invaluable contribution to the company
Strategy around incentive payouts for retiring employees	We have included more detail in part 2 of the report regarding the Restricted Share Scheme (RSS) and Matching Share Scheme (MSS) vesting requirements in the event of retirement
Consistency in applying STI and LTI performance criteria in the future	We are reviewing our LTI and STI plans to ensure that they remain relevant. The Remco will only exercise its discretion in respect of STI and LTI performance conditions when there are truly exceptional circumstances that made the achievement thereof impossible and out of the control of the executives. The exercise of discretion will be appropriately applied and disclosed
The LTI and STI limits or caps on awards and vesting outcomes as it relates to the quantum and maximum vesting of the award was questioned	We have set out the STI formula, as it applied in FY2020, including the 200% limit, in part 2 of the report. The LTI score (out of 100) is applied to determine the number of shares that vest in participating executives. The LTI and STI limits, caps and vesting outcomes for 2021 are subject to review
The appropriateness of the MSS was questioned	The Remco is in the process of reviewing the executive remuneration structure holistically, including all executive LTI components, to ensure that it remains suitable for the current environment and aligned to Redefine's forward-looking strategy

Part 1: Background statement

CONTINUED

Activities of the Remco in FY2020

The Remco's activities for FY2020 were geared towards monitoring the achievement of Redefine's strategic objectives and responding to the effect of COVID-19 on the business (**Refer to our IR**).

Remuneration element	Key activities
TGP **Total guaranteed package (TGP), including benefits**	▫ Reviewed and approved the FY2020 increases for executives and staff ▫ Reviewed executives' total guaranteed remuneration for FY2021 in light of the impact of COVID-19 on the business, and awarded no increases ▫ Approved increases in TGP for FY2021 for employees earning less than R200 000 per annum
STI **Short-term incentives (STI)**	▫ Reviewed STI methodology and approved the FY2020 staff, management and executive bonus outcomes ▫ No STI was awarded for FY2020 as the minimum STI score of 60% was not achieved
LTI **Long-term incentives (LTI)**	▫ Reviewed and approved proposed awards to executives and employees under the RSS and Long-term Staff Incentive Scheme (SIS), respectively ▫ Reviewed and oversaw the implementation of the SIS ▫ Considered the vesting outcomes for David Rice's outstanding LTI awards in light of his early retirement ▫ Adjusted performance conditions for in-flight RSS and MSS awards
Comparator group	▫ Reviewed the relative performance benchmark ▫ Reviewed the total remuneration benchmarking comparator group further to shareholder feedback to ensure that the composition of the comparator group remains relevant and approved a new comparator group. **Refer to page 127 for details**
Vesting conditions for the MSS and RSS schemes	▫ Reviewed the vesting conditions for the RSS and MSS for executives ▫ Obtained independent assurance on the accuracy of the vesting calculations
Non-executive directors	▫ Reviewed and recommended FY2020 non-executive fee increases for approval at the February 2020 AGM ▫ Reviewed market practice regarding increases in non-executive directors' fees during the COVID-19 pandemic with the assistance of executive management and the independent remuneration advisor, and recommended no increases to non-executive fees for FY2021
Remuneration governance	▫ Reviewed the implementation of the remuneration policy and strategy ▫ Commenced with a detailed review of the remuneration policy and strategy to ensure that it remains fit for purpose ▫ Engaged with stakeholders regarding the remuneration policy and implementation thereof, respectively ▫ Considered and approved the annual work plan ▫ Reviewed and approved the 2020 remuneration report ▫ Oversaw the revision of the malus and clawback policy ▫ No malus and clawback trigger events arose in FY2020 ▫ Oversaw the appointment of the Remco advisor ▫ Monitored the achievement and continued maintenance of the minimum shareholding requirement (MSR) to support the direct alignment of management with shareholders

Areas of focus for 2021

The Remco will complete its review of the executive remuneration structure and discuss the remuneration policy with our institutional investors to ensure that we deliver maximum value to all stakeholders. The Remco will continue to proactively monitor the effects of COVID-19 on remuneration trends and how it affects the company's ability to attract and retain talent, as key talent will be needed to enable our post-COVID-19 recovery.

Remuneration advisors

During the year under review, we received guidance and market practice insights regarding our remuneration policy and practices from independent advisors, including PwC, Cliffe Dekker Hofmeyer and REMchannel®. The committee was satisfied that they were independent and objective.

Redefine further embarked on the process of appointing an independent standing advisor to the Remco. The tender process was completed towards the end of the financial year, whereafter we appointed PwC as our Remco advisor for a period of three years from FY2021 onwards. The appointment is subject to an annual performance review.

1. **Review of the remuneration policy and strategy**
2. **Review of the total reward comparator group and relative performance benchmark group**
3. **Assessment of remuneration practices to ensure fair and ethical pay**
4. **Reviewing the impact of COVID-19 on Redefine's ability to attract and motivate employees**

In conclusion

Under exceptionally challenging conditions, the Remco has rigorously debated each decision and at all times acted in the best interest of the company. The Remco is satisfied that the remuneration policy achieved its stated objectives for FY2020, however, in light of COVID-19 and the resulting disruption to the property sector, the remuneration policy is being reviewed to ensure it will achieve its stated objectives going forward. There was a continued focus on fair and responsible pay in the year under review, which will continue in FY2021. Accordingly, we welcome any comments that you may have on our report or any concerns regarding the remuneration policy or the implementation thereof. We look forward to our engagement with you and receiving your support on the resolutions for both the remuneration policy and implementation report at the AGM on 23 February 2021.

Yours sincerely

Bridgitte Mathews

Chairperson of Redefine's remuneration committee

90 Rivonia Road, *Sandton*

Part 2: The remuneration policy

Remuneration governance

The Remco operates independently from executive management. It provides oversight and makes decisions regarding remuneration-related matters within its mandate. Where relevant and required, the committee will make recommendations to the board for its consideration and final approval. The Remco is governed by its terms of reference, which are reviewed and amended as and when required, and approved by the board. The Remco meets four times a year, which meetings are scheduled in line with the company's financial reporting cycle. The committee schedules additional *ad hoc* meetings as needed, and its attendance record is set out in the adjacent table. In summary, the role and duties of the Remco are to:

- Advise the board in determining appropriate remuneration strategies
- Ensure that the link between performance and reward is maintained
- Oversee the development of remuneration instruments and policies
- Oversee the establishment of a remuneration policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration, and promotes the achievement of strategic objectives and encourages individual performance
- Ensure that the remuneration policy addresses company-wide remuneration and includes provision for the following:
    - Arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the company
    - The use of performance measures that support positive outcomes across the economic, social and environmental context in which the company operates, and the integrated reporting capitals that the company uses or affects
- Oversee the setting and administering of remuneration at all levels in the company
- Ensure that the remuneration policy and implementation report are put to two separate non-binding advisory votes at the AGM
- Ensure that the remuneration policy records the measures that the board commits to in the event that either the remuneration policy or the implementation report, or both, have been voted against by 25% or more of the shareholders at the AGM
- Ensure that the remuneration policy fairly and responsibly rewards executives, having regard to the performance of the company, the performance of the executive and prevailing remuneration trends in the market
- Review the outcomes of the implementation of the remuneration policy to determine whether the set objectives are being achieved
- Ensure that the mix of fixed and variable pay (in cash, shares and other elements) meets the company's needs and strategic objectives
- Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued
- Consider the results of the evaluation of the performance of the CEO and other executive directors, both as directors and as executives, in determining remuneration
- Select an appropriate comparator group when comparing remuneration levels
- Regularly review incentive schemes presented by management to ensure their continued contribution to shareholder value and that these are administered in terms of the relevant plan rules
- Advise on the fees of non-executive directors
- Oversee the preparation and recommendation to the board of the remuneration report to ensure that:
    - Remuneration is disclosed in three parts, namely a background statement, an overview of the remuneration policy and an implementation report
    - It is accurate, complete and transparent
    - It provides a clear explanation of how the remuneration policy has been implemented
    - It provides a sufficient level of disclosure as required in terms of King IV, or provides the rationale behind principles not applied by the company. Where the principles are not applied by the company, the Remco should review the rationale provided by the company and whether this is acceptable
    - It provides sufficient forward-looking information for shareholders to pass a special resolution in terms of section 66(9) of the Companies Act.

The composition of the committee and the attendance of meetings by its members during FY2020 are set out below:


Bridgitte Mathews
(Chairperson)


Ntombi Langa-Royds


Sipho M Pityana


Daisy Naidoo

Attendance	Bridgitte Mathews (Chairperson)	Ntombi Langa-Royds	Sipho M Pityana	Daisy Naidoo
Meetings	100% 4/4 meetings	100% 4/4 meetings	100% 4/4 meetings	100% 4/4 meetings
■ Date appointed	February 2017	November 2018	May 2019	October 2019

■ Date appointed

Regular invitees

- CEO
- FD
- Head of human resources
- Head of ESG

Invitees to Remco meetings have no vote and are not present when issues affecting their own remuneration are discussed.

In line with the recommendations of King IV, all members of the Remco are independent non-executive directors. The chairperson and members of the committee were elected by the board, and all members are suitably qualified and have the necessary expertise required to discharge their responsibilities. The Remco members do not decide on their own remuneration; instead, they request that executive management propose directors' fees and the fee structure (through independent advice and benchmarking). These fees are then tabled before the board and recommended to shareholders for approval by special resolution.

The Remco chairperson reports to the board following each Remco meeting, and attends the AGM to respond to questions from shareholders on the Remco's areas of responsibility. The activities of the Remco in FY2020 have been set out in part 1 of this report.

Redefine's remuneration philosophy

Remuneration is not a standalone management process, but is integrated into other management processes that are aligned to achieving the company's strategic objectives. The strategic principles included in the remuneration policy are aligned to the broader HR strategy which, in itself, supports the overall business strategy.

To reinforce a culture of enterprise and innovation, the targeted remuneration mix offered to key talent is deliberately weighted more heavily towards variable pay (STIs and LTIs) that is linked to the achievement of predetermined performance criteria. The performance criteria are selected and aligned to the company's strategic objectives, and the targets are set at levels that encourage high performance but avoid excessive risk-taking behaviour by executives. Financial rewards are complemented with non-financial rewards such as career development and training opportunities for individuals.

The desired outcomes from the company's remuneration policy include:

- Alignment to the company's strategy to support the achievement of goals and objectives
- Enhanced internal fairness through consistent remuneration decision-making
- Appropriate and responsible remuneration decisions
- Enhanced employer of choice profile
- Alignment with our desired corporate culture

Part 2: The remuneration policy
CONTINUED

Alignment of strategy, pay and performance

Our strategy is formulated considering our five strategic priorities through an integrated approach. Our remuneration structures are designed to assist us in measuring our performance against our strategic objectives through the use of relevant KPIs. These individual KPIs have additional elements of company financial performance, which have a direct influence on Redefine's cash flow and profitability, as well as behavioural competencies such as leadership, values, transformation and sustainability. **Refer to the alignment of remuneration to the strategy, in our IR.**

Remuneration structure and design

The remuneration policy is linked to sustainable value creation. The table below summarises the composition of total remuneration offered to all employees. The executive LTI scheme applies to executives and the long-term staff incentive scheme applies to employees below executive level. In the context of remuneration, 'executives' refers to executive directors and prescribed officers.

During 2021, we will review our remuneration structure and design holistically, taking into account our shareholder feedback and input, and our desired outcomes from the remuneration policy.

FIXED		VARIABLE		
TGP	Benefits (included in TGP)	STI scheme	Executive LTI scheme	Long-term staff incentive scheme

TGP

TGP is typically positioned at the median, with scarce and critical skills at the 75th percentile of the market, with the aim of remunerating fairly, maintaining staff engagement, and attracting and retaining top talent.

Objective	Performance period
▫ Core element that reflects market value of role, with increases linked to company and individual performance	▫ Reviewed annually in September (aligned to the company's financial year), based on company performance, consumer price index inflation, affordability and market surveys ▫ Average staff increases are taken into account when determining executive salary increases

Operation and delivery

- Increases are effective on 1 September each year
- Benchmarked against total reward comparator group
- Positioned at the 50th percentile

Benefits – Included in TGP

Benefits are positioned to attract and retain top talent.

Objective	Performance period
▫ To provide provident fund, death, disability and severe illness cover, and medical aid ▫ Benefits paid by the company: income continuation cover, funeral cover and administration costs	▫ Reviewed annually

Operation and delivery

- Included in total remuneration benchmarking exercises

The detail regarding the variable pay structures for executives and employees below executive level are set out in the sections that follow.

Purpose of the remuneration policy

The purpose of Redefine's remuneration policy is to govern all components of remuneration within the shareholder-approved remuneration framework and guiding principles. The policy sets out Redefine's approach to remuneration and is underpinned by the primary objective of promoting the achievement of the company's strategic objectives.

Fair and responsible remuneration

Internal equity

Our people are our most strategic asset – a key resource and strategic differentiator. Their knowledge, skills, attitude and innovation enables us to realise our vision of being the best South African REIT. Therefore, Redefine has taken proactive steps to prioritise the principle of fair and responsible remuneration across the company. Redefine conducts a rigorous examination of internal pay at various levels, including remuneration differentials based on gender and race, to ensure that they are aligned to the principle of equal pay for work of equal value and, if not, to identify and address any unjustifiable remuneration disparities. When determining remuneration and increases, the Remco considers proposed executive remuneration, and increase levels against affordability considerations and pay conditions for employees across the company. Variable remuneration is also subject to risk adjustments such as malus and clawback.

Career development

We believe that fair and responsible remuneration is based on the premise of a living wage and, in principle, the basis of improving the lives of employees within our organisation, not only through pay, but also through wider initiatives. In line with this principle is our commitment to career development and the professional advancement of our employees. We encourage their development through various career mapping and EVP initiatives (these are expanded on in the social section of this report and the human capital section of our IR report).

Clearwater Office Park, *Roodepoort*

Part 2: The remuneration policy

CONTINUED

Long-term staff incentive scheme

The purpose of the long-term staff incentive scheme, which is separate from the executive LTI scheme, is to attract, retain, motivate and reward employees on a basis which aligns company performance and individual efforts at junior employment levels, and align the interests of mid-tier and senior employees with those of the company's shareholders. It also creates wealth on an organisation-wide basis, and forms part of the company's efforts to manage its internal wage gap.

The allocation of new awards, in respect of FY2021, has been postponed pending the review of the remuneration structure.

Different instruments in terms of the scheme are used for different levels of staff, as illustrated below:

	1	2	3
AWARDS	Nil-cost option awards	Conditional awards	Cash bonus awards
PATERSON GRADES	E Lower to D Upper	D Lower to C Upper	C Lower to A

Awards are made to employees based on their job grade

Full-time employees (excluding executives), who have been employed for at least twelve months, will be eligible to participate in the scheme, within the parameters set out above.

Redefine's awards policy is to make annual allocations at the same time each year, thus avoiding the volatility of large irregular once-off awards. TGP is used to determine the quantum of the award which is capped and benchmarked to ensure the value is reasonable and market-related.

The awards under all three categories are subject to performance conditions and a three-year vesting period.

All awards are subject to continued employment.

1 Nil-cost option awards

The nil-cost option awards are made annually, based on a percentage of TGP. The rand value of the award is converted into shares. The value per share that vests is the full value of the underlying share (nil strike price), but the number of shares that will vest will depend on the extent to which the company financial performance measures set at award date and individual performance measures have been met. After vesting, participants will have a defined period during which to exercise the nil-cost option. Upon exercise of the nil-cost option, participants can elect to either receive a specified number of shares based on the number of nil-cost options exercised on the exercise date, or the cash equivalent to the value of the nil-cost options exercised on the exercise date. An additional number of shares (An additional 10% compounded annually, for a maximum of 5 years), or the cash equivalent, can be received if participants elect to postpone the settlement of the nil-cost options after vesting.

2 Conditional awards

The conditional awards are made annually, based on a percentage of TGP. The rand value of the award is converted into phantom shares. The value per share that vests is the full value of the underlying share, but the number of shares that will vest will depend on the extent to which the company financial performance and individual performance measures have been met. These awards are settled in cash.

3 Cash bonus awards

The cash bonus awards are made annually, based on a percentage of TGP. The vesting is subject to company financial performance and individual performance measures. These awards are settled in cash.

Composition of executive director remuneration

Remuneration of the executive directors and prescribed officers is structured taking cognisance of the short- and long-term objectives of the company, and is designed to support alignment with the company's overall business strategy and financial performance. The mix is aimed at ensuring an optimal balance of remuneration between guaranteed and both short- and long-term incentives.

Remuneration is monitored and reviewed on an ongoing basis by the Remco to ensure that the relative percentages of guaranteed and variable pay are market-related and aligned with the strategic objectives to create sustained value for all stakeholders.

Refer to **page 142** for the actual individual executive remuneration outcomes compared to below- and on-target earning potential for FY2020.

Benchmarking

The company typically conducts an annual market positioning exercise and participates in remuneration surveys (REMchannel®) to determine the market positioning at all levels in order to remain competitive. The TGP details are contained in the table on **page 124**.

In light of the impact of COVID-19, no external benchmarking exercise was conducted in the year under review. We will report on the outcomes of any external benchmarking during FY2021.

In the year under review, and taking on board the feedback received from shareholders during the pre-AGM engagement sessions, the Remco, with the assistance of PwC, reviewed the total reward comparator group to ensure its continued appropriateness. The new comparator group considers companies listed on the JSE (both South African and international) that operate within the financial services industry. The inclusion of international companies is considered appropriate as 25% of Redefine's property portfolio is based offshore.

The relative performance benchmark for variable pay performance conditions was reviewed and, after various discussions, the Remco approved the use of the SAPY for the testing of the achievement of relative performance conditions going forward.

2020 relative performance benchmark (for testing the achievement of variable pay relative performance conditions)	SAPY

2020 benchmark comparator group (for total reward)	2021 benchmark comparator group (for total reward)
Bid Corporation	Alexander Forbes Group Holdings
Clicks Group	Capital & Counties Properties*
Hyprop Investments	Coronation Fund Managers
Growthpoint Properties	Equites Property Fund
Liberty Holdings	Fortress REIT
MMI Holdings	Globe Trade Centre*
Mr Price Group	Growthpoint Properties
PSG Group	Hyprop Investments
Rand Merchant Investment Holdings	NEPI Rockcastle*
The Spar Group	PSG Group
Tiger Brands	PSG Konsult
Truworths International	Rand Merchant Investment Holdings
Woolworths Holdings	Resilient REIT
	Sirius Real Estate*
	Transaction Capital
	Vukile Property Fund

******International companies.*

Part 2: The remuneration policy

CONTINUED

Variable pay

The following section sets out the STI performance conditions for FY2020. As indicated in part 1 of this report, the Remco will review the STI mechanism and performance conditions during FY2021 to ensure their continued relevance, particularly taking into account the uncertainties and volatilities posed by COVID-19. The Remco will proactively engage with shareholders regarding the proposed changes to the STI. The finalised STI mechanism and performance measures will be reported back to the shareholders in the next year's remuneration report.

Please note the STI performance conditions and targets did not change during the year under review.

SHORT-TERM INCENTIVES

STI 2020 – Variable pay scheme performance conditions (under review for FY2021)

01-02 | Company financial performance **03-06** | Company non-financial performance **07** | Individual performance

01 Absolute DIPS, relative to budget

Growth in recurring DIPS, measured against the SAPY

Financial capital
Distributable income per share are an input into the total returns that we provide to our shareholders, which are measured in our LTI

02 Risk measures: reducing LTV

Financial and manufactured capital
Reducing our LTV to create a sustainable funding structure

03 Transformation

Human, and social and relationship capital
Our executives are incentivised to accelerate transformation across the company, in particular focusing on transforming our senior management team

04 Sustainability

Manufactured and natural capital
Our inclusion and position on the FTSE4Good Sustainability Index supports our commitment to being an environmentally and socially sustainable company

05 Ethical capital

Intellectual capital
Creating an ethical culture, including an ethical and effective leadership team, is essential to maintaining a profile as a responsible corporate citizen

06 Organisational health

Intellectual, and social and relationship capital
This performance measure focuses our efforts on managing our risk profile, as well as improving our internal control environment

07 Individual performance

Financial, manufactured, human, intellectual, natural, and social and relationship capitals
The individual performance indicators drive the execution of our short-term value creation strategies by deepening staff engagement and striving to cultivate and harness the power of each executive's passion and commitment. They also encourage members of executive management to ensure ongoing transformation and sustainable business practices

FC MC HC SRC IC NC Capitals affected

Should the overall STI score be less than 60%, no STI will be payable (Remco will not exercise its discretion to waive this rule in the event of underperformance).

STI 2020 – Performance conditions and targets (under review for FY2021) continued

Company financial performance

KPIs	Measurement scale	Vesting	Weighting
Absolute DIPS, relative to budget TARGET: market guidance on DIPS	**Target achieved**		25%
	No – below market guidance	0.0%	
	Yes – achieved market guidance	25.0%	
	Available stretch		
	Between 0.10%-1.0% better than market guidance	27.5%	
	Above 1.1% better than market guidance	30.0%	
Growth in recurring DIPS, measured against the SAPY TARGET: equal to comparator group	**Target achieved**		25%
	No – below comparator group	0.0%	
	Yes – equal to comparator group	25.0%	
	Available stretch		
	Between 0.10%-1.0% better than comparator group	27.5%	
	Above 1.1% better than comparator group	30.0%	
Risk measures: reducing LTV TARGET: 40%	**Target achieved**		10%
	No – below target	0.0%	
	Yes – achieved target	10.0%	
	Available stretch		
	LTV between 38.0%-39.9%	11.0%	
	LTV between 36.0%-37.9%	12.0%	

Company non-financial performance (ESG-related goals)

KPIs	Measurement scale	Vesting	Weighting
Transformation TARGET: Accelerate transformation at senior management level Sustainability TARGET: Maintain inclusion in the sustainability index Ethical capital TARGET: Achieve a B rating on ethics survey Organisational health TARGET: Maintain metric which include risk, governance, internal controls, nformation and communications technology (ICT) systems and audit findings	Based on demonstrable progress against targets across each element which carry an equal weighting	20.0%	20%

Individual performance

KPIs	Measurement scale	Vesting	Weighting
Delivery on personal targets	Each executive has specific KPIs linked to short-term value creation indicators	Target [@]	20%

@ Based on achievement of targets set in individual scorecard

STI SCORE 100%*

The quantum of the STI score (based on the achievement of performance metrics) is capped at 100%.
The overall quantum of the STI payment for executives is capped at 200% of TGP.

STIs for executives will be calculated based on the following formula:

TGP × 200% × STI SCORE % = TOTAL STI

50%	50%
Current Paid in cash as bonus	**Deferred#** Paid in restricted shares Vesting in equal tranches over three years

The 200% component of the STI formula should be considered in conjunction with the bonus deferral mechanism (for greater shareholder alignment) and MSRs. The MSR is explained in more detail on **page 133**. The STI is fully linked to performance, and it lapses in its entirety if the overall STI score is less than 60%. Furthermore, the targets for the STI are demanding and relevant to Redefine's short-term performance objectives.

The Remco may apply reasonable judgement to review the STI outcomes and to moderate any payments to avoid unexpected or unjustifiable outcomes.

Part 2: The remuneration policy

CONTINUED

Bonus deferral

The deferral mechanism for executives in which 50% of the STI bonus payment (irrespective of the quantum thereof) is deferred and converted into restricted shares which vest over three years at the end of each year following the award is also being reviewed. As performance is measured on the way in, the deferral is only subject to an employment condition during the vesting period. The executives do not earn dividends on the restricted shares during the vesting period.

The high deferral percentage of STIs into shares increases the alignment between shareholders and management. It also introduces a longer vesting horizon, as 50% of each executive's STI vests over a three-year period.

Deferred shares for executives retiring under the STI will be subject to accelerated vesting, while STI awards in the year of retirement will be subject to pro-rated payment, taking into account the number of months served and the extent to which performance conditions have been met.

EXECUTIVE LONG-TERM INCENTIVES

Introduction

The following section sets out the LTI mechanism and performance conditions for the executive LTIs.

The Remco is of the view that the 25% retention element of the LTI, which remained in effect for in-flight awards, was inappropriate even though it no longer applies to prospective RSS awards. Similarly, the performance conditions relating to the individual element of the LTI performance conditions that applied for awards made between 1 September 2017 and 31 August 2019 were no longer considered appropriate. Therefore, the Remco will apply the FY2020 LTI performance conditions and weightings to all in-flight awards made during the period 1 September 2017 to 31 August 2019. Given the significant change to the FY2020 STI non-financial and individual performance conditions, these have been measured over one year i.e. 1 September 2019 – 31 August 2020. Thereafter, the vesting calculations for the 2018 LTI award to be performed in FY2021 will be the average of the STI score (i.e. STI non-financial and individual performance) for FY2020 and FY2021. The vesting calculation for the 2019 LTI award to performed in FY2022 will be the average of the STI score for FY2020, FY2021 and FY2022. For more information on how this approach has been applied to the awards that vested on 31 August 2020, **please refer to part 3 of this report.**

Delivery of shares under LTI schemes

The Remco resolved to settle shares issued in terms of the LTI schemes by buying them on the market, thus avoiding dilution.

The aggregate number of shares at any one time that may be allocated under all the LTI plans may not exceed 200 000 000 shares, which represented approximately 7.5% of the number of issued shares as at the date of approval of the LTI plans by shareholders, and 3.5% of the number of issued shares as at 31 August 2020. This dilution limit is lower than the general dilution limit among most JSE-listed companies, which ranges from 5% to 10% of issued share capital due to the increase in shares in issue since the date of approval of the LTI plans. The limit excludes shares allocated by way of awards in terms of the LTI plans, which have been forfeited by participants. These limits will be adjusted proportionately in the event of a sub-division or consolidation of shares.

Performance conditions and executive LTI allocation levels

Redefine's award policy is to make annual allocations at the same time each year, thus avoiding the volatility of large irregular once-off awards. The allocation of new LTI awards in respect of FY2021 have been postponed pending the review of the remuneration structure.

LTI allocations will be subject to performance conditions. Furthermore, the company does not support the retesting of performance conditions for any of its LTI schemes. The performance criteria and vesting levels for the LTI schemes (specifically the RSS and MSS) are set out in the table on **page 132**.

The participants, who are eligible members of executive management, are invited on an annual basis to participate in Redefine's LTI plans, based on each employee's role, as well as company and individual performance.

Retiring employees

Effective FY2019, final awards under the MSS are made to participating executives in the year in which they turn sixty two years of age. In this year, relevant executives would be given a final opportunity to elect to use a percentage of their after-tax bonus to purchase shares in the MSS.

Similarly final awards under the RSS are made to participating executives in the year in which they turn sixty two years of age. At retirement, the Remco would be required to assess whether the awards should vest, in line with the plan rules. All awards are prorated for time and performance, and the achievement of the performance conditions that apply to other participating executives will be tested as at the date of retirement.

Share Purchase Scheme (SPS)

Under the SPS, participants are awarded the opportunity to acquire Redefine shares by way of an interest-bearing loan (JIBAR plus 200bps) granted by the company. Its rationale is to enhance executive and shareholder alignment through achieving and encouraging direct ownership by executives of Redefine shares. The intention was for the SPS to act as a 'management buy-in' plan and exposes participants to real financial risk of share price growth and the repayment of the full loan for purchase of the shares (even in instances where the share price decreases from the purchase date). Therefore, there are no vesting conditions. The scheme applies to executives. No further awards (last award made in December 2015) will be made under the SPS. **For relevant details about the plan, refer to note 10, Loans receivable, of our AFS**.

Due to a combination of unforeseeable circumstances, a sluggish economy and negative investor sentiment regarding the property sector, including COVID-19, the current share price is significantly lower than it was when the loans were made to the participating employees. Therefore, in order to give the share price enough time to recover, the Remco has proposed that the outstanding loan must be repaid in full by the participating employee within three years of the date on which they terminate their employment, thus extending the current six-month period. Enforcing the scheme rules as they stand would be unduly onerous on the current participants in the scheme and would undermine the ability of the Remco to motivate and retain those participants. **Please refer to notice of the AGM for more details**.

LTI 2020 – Variable pay scheme performance conditions (under review for FY2021)

01 | Company financial performance 02 | Company non-financial performance 03 | Individual performance

01 **MSS and RSS: Absolute total return, measured over tangible NAV over three years**

Relative total return, measured against the SAPY

Financial capital
Drive the deployment of capital sourced from Redefine's equity and debt funders in order to deliver a return which is competitive when measured against peers

02 **ESG goals**

Financial, manufactured and natural capital
Investing in our company supports the achievement of the ESG-related investment mandates of our investors. When designing new buildings and refurbishing existing buildings, our executives take into account their environmental impact and resilience.
Our leaders also take proactive steps to reduce our carbon footprint in line with international standards

03 **Delivery on executive personal targets linked to long-term stakeholder goals**

Financial, manufactured, human, intellectual, natural, and social and relationship capitals
Executives are driven to achieve the following stakeholder goals: source of sustained growth in total returns, employer of choice, differentiated provider of relevant space, preferred business partner, and responsible community participant

FC MC HC SRC IC NC Capitals affected

Part 2: The remuneration policy

CONTINUED

LTI 2020 – Performance conditions and targets (under review for FY2021)

The LTI performance conditions for FY2020 are set out below:

KPIs	Measurement scale	RSS vesting	MSS vesting	Weighting
Company financial performance				
▫ Absolute total return, measured over tangible NAV (TNAV) over three years, calculated as: [(Year-on-year change in RDF TNAV per share + DIPS for the year) / RDF opening TNAV] X100 = Total return %. TARGET: 15%	**Target achieved**			50%
	No – below target	0.0%	0.0%	
	Yes – achieved target	50.0%	50.0%	
	Available stretch			
	Between 0.1%-3.0% better than target	55.0%	55.0%	
	Above 3.1% better than target	60.0%	60.0%	
▫ Relative total return, measured against the relative performance benchmark group over three years ▫ The variable pay comparator group for testing the achievement of the relative performance conditions is the SAPY	**Target achieved**			20%
	No – below comparator group	0.0%	0.0%	
	Yes – equal to comparator group	20.0%	20.0%	
	Available stretch			
	Between 0.1%-0.5% better than comparator group	22.0%	22.0%	
	Above 0.6% better than comparator group	24.0%	24.0%	
Company non-financial performance				
▫ ESG goals. TARGET: Maintain ESG ratings	Based on demonstrable progress against ESG targets	10.0%	10.0%	10%
Individual performance				
▫ Delivery on personal targets	Each executive has specific KPIs linked to long-term stakeholder goals	Based on the achievement of non-financial targets set in the individual scorecard**		20%
LTI SCORE				100%*

LTIs for executives will be calculated based on the following formula:

NUMBER OF SHARES AWARDED ✕ LTI SCORE % = TOTAL SHARES VESTED

The total LTI score is capped at 100%.
***** The three-year average score is used.***

Minimum Shareholding Requirements

The MSR policy for executives is intended to encourage executives to build or to increase their shareholding in Redefine through the incentive plans and to become personally invested in the company. This increases executive ownership and 'skin in the game', and encourages alignment between management and shareholders.

The salient features are as follows:

- Executives are required to hold shares equal in value to at least 200% of their TGP, which must be accumulated over five years from the later of the introduction of the MSR policy (i.e. from 1 September 2015) or the appointment of the executive
- The executive must maintain the target shareholding throughout his/her tenure with the company
- Shares in Redefine must be held outright, and unvested awards will not count towards this requirement
- Executives may satisfy the MSR by purchasing shares in Redefine using their after-tax bonuses or by retaining shares that have already vested under the deferred STI scheme and the LTI incentive scheme
- Executives may elect to subject their unvested share awards to an additional holding period (after the performance and employment conditions have been met), during which they cannot trade with the shares. These shares will count towards meeting the MSR target
- Executives will not be entitled to a larger-than-normal (market benchmark) STI or LTI award in any year to assist them in meeting their MSR
- Executives may be required to hold the shares pledged towards the MSR in a separate account

Please note that when assessing compliance with the MSR, the Remco will take into account unforseeable circumstances that may render it impractical to achieve the MSR by the due date.

Refer to page 142-143 for the MSR test as at 31 August 2020.

Malus and clawback

Malus

On or before the vesting date of an award, the Remco may reduce the quantum of a variable pay award in whole or in part after an actual risk event (trigger event) occurs which, in the judgement of the Remco, had arisen during the relevant vesting or financial period.

In the event of early termination of employment during the vesting period of an award, the Remco will consider whether a trigger event arose between the award date and the date of termination of employment.

Clawback

The Remco may apply clawback and take steps to recover a variable pay award that have vested in a participant (on a pre-tax basis) as a consequence of a trigger event which, in the judgement of the Remco, arose within the three years preceding, or during the clawback period. The clawback period will run for three years from the payment or vesting date of the awards.

In the event of a breach of duties by a participant, Redefine reserves the right to pursue any remedies available to it in terms of the clawback policy, as well as common and statutory law.

For LTIs, the clawback policy makes provision for the implementation of certain methods of recovery in the event that the participant disposes of the shares after the vesting date but before the clawback period ends, as well as in the event that the shares are retained throughout the clawback period.

Redefine's revised malus and clawback policy applies to any variable pay awards (excluding the SPS) made from 1 September 2020 onwards. Decisions made by the Remco regarding the application of malus and/or clawback are final and binding.

The summarised trigger events for malus and clawback include:

- Actions or conduct (including omissions) which, in the reasonable opinion of the Remco, amount to grounds for termination of employment for (gross) misconduct or negligence, dishonesty or fraud
- The discovery of a material misstatement or inaccurate calculations resulting in a restatement or amendment of the audited AFS
- The discovery that the assessment of any performance metric or criteria in respect of an award was based on error, or inaccurate or misleading information
- Events or behaviour (including inaction) of the participant, or the existence of events attributable to a participant which have led (in part or wholly) to the censure of any group company by a regulatory authority (e.g. the Competition Commission) or have had a significant detrimental impact on the reputation of Redefine according to the board
- The discovery that any information used in the decision to grant an award or determine the quantum thereof was erroneous, or inaccurate or misleading

Part 2: The remuneration policy

CONTINUED

Executive director service contracts

Executive directors are on standard employment contracts, with three-month notice periods. They will also be subject to the company's rotation policy for executive directors (expanded on in the corporate governance section of this report). While the normal retirement age is 65, the company's retirement policy makes provision for extending the working relationship between the executive and the company beyond the normal retirement age. There are no contractual arrangements for balloon payments or other special severance payments or loss of office payments on termination of employment for underperformance. For early termination, there is no automatic entitlement to bonuses or share-based payments, and any bonus payments made on early termination are at the Remco's discretion. There are no restraints of trade on executive directors.

While there is no automatic entitlement to a payment in the event of a change of control, LTIs will vest in accordance with the approved share plan rules. The vesting outcomes for early termination of employment are summarised below.

Reason for termination	RSS and MSS
Resignation, dismissal or abscondment	All RSS and MSS awards will be forfeited and lapse immediately on the date of termination of employment
Death, retrenchment, retirement, ill-health, injury or disability, the employer company ceasing to be a member of the group or the undertaking in which the participant is transferred outside of the group, or other terminations and exceptional circumstances as determined by the Remco	A *pro rata* portion of the award shall vest on the date of termination of employment and reflect the total number of months served since the award date, and the extent to which any performance conditions have been met

Buy-out awards

Redefine may make buy-out awards to new executives and key employees. The awards will be made subject to a three-year vesting period. The fair value of the buy-out award will be equal to that of the award forfeited.

The award will also be subject to forfeiture should the employee leave the company during the vesting period.

External appointments

Executive directors may not serve as non-executive directors in other companies without the express approval of the board.

Non-executive director fee policy

Non-executive director fees are reviewed annually, based on inflation, market benchmarks following research into trends in non-executive director remuneration among companies of a similar size, and complexity. The fees recognise the responsibilities borne by the director throughout the year and not only during meetings. The fees comprise an annual fee as tabulated in part 3 of this report. Fees are benchmarked at the median of the market.

The fee proposals endorsed by the board are proposed at the AGM for shareholder approval, by special resolution, prior to payment for the following financial year. Proposed non-executive director fees are set out on **page 135**. Non-executive directors are paid in cash. There are no international directors on the board. Non-executive directors do not receive consulting fees nor do they get *ad hoc* fees for additional meetings. Non-executive directors are paid an annual board fee, and a separate annual fee for the committees that they sit on.

In addition, non-executive directors are reimbursed for travel expenses on official business, where necessary, as well as other direct business-related expenses.

The board is of the view that the current fee structure of an annual fee rather than a retainer and meeting attendance fee, is more appropriate for the board and the committees in light of the workload and responsibilities of the members. Non-executive directors do not participate in the company's variable pay plans in order to avoid any potential conflict of interest and to maintain their independence.

None of the non-executive directors have a contract of employment with the company. Their appointments are made in terms of the company's MOI and are confirmed initially at the first AGM of shareholders following their appointment, and thereafter at a minimum of three-year intervals.

Non-executive directors' proposed fees

In terms of sections 66(8) and 66(9) of the Companies Act, the Remco recommended that the company remunerate its non-executive directors for their services as directors and/or pay any fees related thereto as detailed in the following table. The proposed remuneration excludes VAT, which will be added by the directors in accordance with current VAT legislation, where applicable.

Committee and role	FY2020 fees excl. VAT	Proposed FY2021 fees excl. VAT	Proposed % increase in FY2020 fees
Independent non-executive chairperson	1 248 000	1 248 000	–
Lead independent director	631 760	631 760	–
Non-executive director	455 800	455 800	–
Audit committee chairperson	280 000	280 000	–
Audit committee member	152 000	152 000	–
Risk, compliance and technology committee chairperson	230 000	230 000	–
Risk, compliance and technology committee member	110 000	110 000	–
Remuneration committee chairperson	212 000	212 000	–
Remuneration committee member	106 000	106 000	–
Nomination committee chairperson	130 000	130 000	–
Nomination committee member	72 000	72 000	–
Social, ethics and transformation committee chairperson	212 000	212 000	–
Social, ethics and transformation committee member	106 000	106 000	–
Investment committee chairperson	212 000	212 000	–
Investment committee member	106 000	106 000	–

The 2021 non-executive directors' fees will remain unchanged from 2020. The fees will be tabled for approval by shareholders in accordance with the Companies Act and King IV at the group's AGM to be held on 23 February 2021. Refer to shareholders' special resolution 1 in the notice of AGM.

Shareholder engagement and voting

In line with King IV, the company will table its remuneration policy and implementation report for two separate non-binding advisory votes by shareholders at the AGM. In the event that 25% or more of the shareholders vote against either resolution (or both), the Remco will engage with the dissenting shareholders to ascertain their concerns with the company's remuneration framework.

The Remco may engage with shareholders, using one or more of the following methods:

- Emails, telephone calls with individual shareholders (where one-on-one meetings are not feasible), in-person and virtual meetings and other methods of communication to the relevant contact persons at the shareholders, after the AGM concerned (and throughout the financial year), regarding the reasons for the dissenting votes, and
- Responses to shareholder queries explaining, in more detail, the elements of the remuneration policy that caused concern. Where appropriate, the board may resolve to amend certain elements of the remuneration policy to align the policy to market norms

The Remco may take steps to address the valid and reasonable concerns raised by dissenting shareholders and disclose the full shareholder engagement process, responses and resolutions in part 1 of the remuneration report for the following financial year.

The remuneration policy contained in this section is subject to a non-binding advisory vote by shareholders at the AGM dated 23 February 2021.

Part 3: Implementation of the remuneration policy

Executive directors' and prescribed officers' remuneration

Adherence to the remuneration policy

The Remco monitored the implementation of the remuneration policy in FY2020. No adjustment were made to STI performance conditions or targets for the year under review. Performance conditions that applied for awards made in November 2017 were no longer considered appropriate. Therefore, the Remco applied the FY2020 LTI performance conditions and weightings to the awards and in doing so, eliminated the 25% retention element.

Fair and responsible remuneration

Redefine is committed to addressing the internal wage gap. In this regard, when determining average executive remuneration increase levels, we have taken into account the average increase levels for middle management and general employees.

Overall, salaries increased by 6% on a like-for-like basis compared to FY2019. Redefine recognises that the employees at the lower levels in the organisation, in particular, are more vulnerable to economic hardship. As a responsible employer, and in order to assist these employees, Redefine increased salaries, effective September 2019 (for FY2020), for junior staff by an average of 6.3% (FY2019: 8%), senior and mid-level staff on average by 6% (FY2019: 7%), and executives by 6% (FY2019: 6%), respectively.

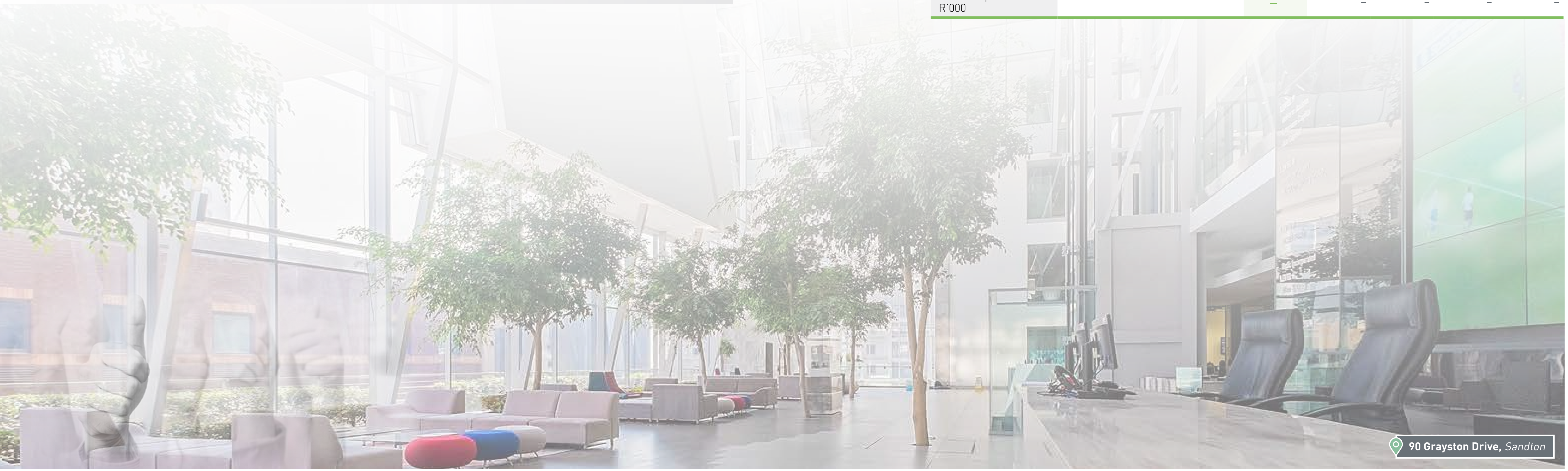
In addition to the salary increases, the long-term staff incentive scheme further assists in reducing the internal wage gap and gradually creates wealth for our more junior staff.

The decision was taken that no salary increases will be awarded effective 1 September 2020, for FY2021, to employees, including executives, except for employees earning below R200 000 per annum. These employees would receive the greater of a fixed sum increase or a 5% increase in their TGP.

We believe that this step supports our commitment to sustain the business by managing expenses under our control, while at the same time protecting the livelihoods of our employees and to provide relief to our more vulnerable employees in these uncertain times.

STI 2020 – Variable pay performance outcomes

			Executive			
			AJ König	**LC Kok**	**DH Rice**	**MJ Ruttell**
TGP R'000			5 302	4 071	4 684	2 680
Company financial performance	Absolute DIPS, relative to budget **Outcome: Below market guidance**	**25%**	–	–	–	–
Company financial performance	Growth in recurring DIPS, measured against the variable pay comparator group **Outcome: Below comparator group**	**25%**	–	–	–	–
Company financial performance	Risk measures, including reducing risk LTV **Outcome: Did not achieve target**	**10%**	–	–	–	–
Company non-financial performance	Transformation, sustainability, ethical capital, organisational health metric	**20%**	16.1%	14.1%	16.1%	16.1%
Individual performance	Delivery of personal targets	**20%**	15.5%	13.0%	10.8%	12.8%
STI score		**100%**	31.6%	27.1%	26.9%	28.9%
Adjusted STI score	Due to overall performance score falling below 60%	**0.0%**	0.0%	0.0%	0.0%	0.0%
Cash bonus R'000		–	–	–	–	–
Deferred portion R'000		–	–	–	–	–


90 Grayston Drive, *Sandton*

Part 3: Implementation of the remuneration policy

CONTINUED

Rules

Actual Company financial, non-financial and individual performance are measured against the scorecard, set out below:

1. Should the overall STI score be less than 60%, no STI will be payable
2. The STI for executives is calculated based on the the following formula: TGP x 200% x STI score = total STI
3. 50% of the total STI is payable in cash and 50% is deferred into RSS that vest in equal tranches over three years
4. The targets set out in the scorecard translate into a STI score capped at 100%

KPA: Key performance area

KPI: Key performance indicator

RSS: Restricted share scheme

STI 2020 – Variable pay performance outcomes

The scorecards below shows the STI outcomes of each executive against performance conditions

AJ KÖNIG / LC KOK / DH RICE / MJ RUTTELL

A: Company Financial performance	KPA	Weighting 60%	KPI	Rating scale 1	2	3	4	5	Rating	Weighted Score
	Absolute DIPS growth	25%	Absolute DIPS growth relative to budget (budget = market guidance)	-2%	-1.00%	0.00%	1.00%	2%	1.00	0.00
	Recurring DIPS	25%	Growth in recurring DIPS measured against the variable pay comparator group	-2%	-1.00%	0.00%	1.00%	2%	1.00	0.00
	Risk measures	10%	Reduce LTV	44.00%	42.00%	40.00%	38.00%	36.00%	1.00	0.00

AJ KÖNIG

Total rating (out of 5): 1.58

STI score (A + B + C): 31.6%

KPA	B: Company Non-financial performance (Weighting 20%)				C: Individual performance:* (Weighting 20%)				
	Transformation	Sustainability	Ethical capital	Organisational health	Employer of choice	Provider of relevant space	Provider of relevant space	Preferred business partner	Responsible community participant
Weighting	5%	5%	5%	5%	5%	2.5%	2.5%	5%	5%
KPI	Accelerate transformation at senior management level	Inclusion in FTSE4Good sustainability index	Ethics survey score	Maintain metric which include risk, governance, internal controls, ICT systems, audit findings	Employee engagement score	Implementation of a tenant experience management programme	Leverage of year-on-year ***Innovation Challenge***	B-BBEE score	Leverage of year-on-year ***Mentorship*** and ***Challenge Convention*** investment
Rating scale 1		Not included in index	D		-10%	Not implemented		Level 7 and below	
2			C		-5%			Level 6	
3	Demonstrate performance		B	Demonstrate performance	Benchmark achieved		Demonstrate performance	Level 5	Programme implemented
4			A		5%			Level 4	
5		Maintained index inclusion	AA - AAA		10%			Level 3	
Rating	4.00	5.00	4.00	3.08	5.00	3.00	2.00	5.00	3.00
Weighted score	0.20	0.25	0.20	0.15	0.25	0.08	0.05	0.25	0.15

LC KOK

Total rating (out of 5): 1.35

STI score (A + B + C): 27.1%

					Source of sustained growth	Source of sustained growth	Employer of choice	Prefered business partner
Weighting	5%	5%	5%	5%	5%	5%	5%	5%
KPI	Accelerate transformation at senior management level	Implement green funding strategy	Ethics survey score	Maintain metric which include risk, governance, internal controls, ICT systems, audit findings	Working capital management	Moodys credit rating	Employee engagement score	Leverage procurement efficiencies to achieve savings
Rating scale 1			D		Working capital R2 billion	Downgraded	-10%	1%
2			C		Working capital R0		-5%	1.5%
3	Demonstrate performance	Demonstrate performance	B	Demonstrate performance	Maintained negative working capital R2 billion		Benchmark achived	2%
4			A		Maintained negative working capital R3 billion		5%	2.5%
5		Maintained index inclusion	AA - AAA		Maintained negative working capital R4 billion	Maintained investment grade credit rating	10%	3%
Rating	4.00	3.00	4.00	3.08	3.00	0.00	5.00	5.00
Weighted score	0.20	0.15	0.20	0.15	0.15	0.00	0.25	0.25

DH RICE

Total rating (out of 5): 1.34

STI score (A + B + C): 26.9%

KPA	B: Company non-financial performance (Weighting 20%)				C: Individual performance:* (Weighting 20%)					
	Transformation	Sustainability	Ethical Capital	Organisational Health	Source of sustained growth	Employer of choice	Provider of relevant space	Preferred business partner	Preferred business partner	Responsible community participant
Weighting	5%	5%	5%	5%	4%	4%	4%	2%	2%	4%
KPI	Accelerate transformation at senior management level	Inclusion in FTSE4Good sustainability index	Ethics survey score	Maintain metric which include risk, governance, internal controls, ICT systems, audit findings	Net operating income margin	Employee engagement score	Tenant Retention	Vacancy	Improve ESD score	Health and safety score
Rating scale 1		Not included in index	D		-1%	-1%	-1%	-1%	-1%	Non-compliance
2			C		-0.5%	-5%	-1%	-1%	0%	
3	Demonstrate performance		B	Demonstrate performance	Maintained margin	Benchmark achieved	Maintained margin	Maintained level	Maintained score	
4			A		0.5%	5%	1%	1%	2%	
5		Maintained index inclusion	AA - AAA		Non compliance					Adhered to minimum legislative requirements
Rating	4.00	5.00	4.00	3.08	0.00	5.00	2.00	0.00	3.00	5.00
Weighted score	0.20	0.25	0.20	0.15	0.00	0.20	0.08	0.00	0.06	0.20

MJ RUTTELL

Total rating (out of 5): 1.44

STI score (A + B + C): 28.9%

					Source of sustained growth	Employer of choice	Provider of relevant space	Provider of relevant space	Preferred business partner	Responsible community participant
Weighting	5%	5%	5%	5%	4%	4%	2%	2%	4%	4%
KPI	Accelerate transformation at senior management level	Inclusion in FTSE4Good sustainability index	Ethics survey score	Maintain metric which include risk, governance, internal controls, ICT systems, audit findings	Develop for capital uplift	Employee engagement score	Development to specification	Development to timeline	Development spend contribution to B-BBEE score	Development activity to support climate resilience (Greenstar)
Rating scale 1		Not included in index	D		4%	-10%	80%^	80%&		
2			C		4.5%	-5%	85%^	85%&		
3	Demonstrate performance		B	Demonstrate performance	5%	Benchmark achieved	90%^	90%&	Demonstrate performance	Demonstrate performance
4			A		5.5%	5%	95%^	95%&		
5		Maintained index inclusion	AA - AAA		6%	10%	100%^	100%&		
Rating	4.00	5.00	4.00	3.08	0.00	5.00	3.00	3.00	5.00	3.00
Weighted score	0.20	0.25	0.20	0.15	0.00	0.20	0.06	0.06	0.20	0.12

^ Percentage of project delivered to specification

& Percentage of project met agreed timeline

*Delivery on specific individual targets are linked to Redefine's value creation indicators.

Part 3: Implementation of the remuneration policy

CONTINUED

LTI 2020 – Unvested awards

The table below illustrates on an individual executive level the value of LTIs allocated, settled and forfeited, and the current value of shares not yet settled.

Scheme	Financial year granted	01-Sep-19	Allocated in the year	Forfeited	Vested	31-Aug-20	Closing share price 31 August 2020	Total estimated Value
AJ KÖNIG								
RSS	2017/18/19	1 245 611	333 975	(5 475)	(359 525)	1 214 586	2.47	**3 000 027**
MSS	2017/18/19	1 349 370	–	(31 775)	(411 595)	906 000	2.47	**2 237 820**
Deferred STI	2017/2019	554 989	–	–	(265 602)	289 387	2.47	**714 786**
LC KOK								
RSS	2017/18/19	903 964	288 750	(1 935)	(246 065)	944 714	2.47	**2 333 444**
MSS	2017/18/19	1 039 476	–	(17 366)	(291 259)	730 851	2.47	**1 805 202**
Deferred STI	2017/2019	442 024	–	–	(209 235)	232 789	2.47	**574 989**
DH RICE								
RSS	2017/18/19	992 636	–	(6 115)	(260 885)	725 636	2.47	**1 792 321**
MSS	2017/18/19	855 915	–	(34 338)	(358 242)	463 335	2.47	**1 144 437**
Deferred STI	2017/2019	496 469	–	–	(234 148)	262 321	2.47	**647 933**
MJ RUTTEL								
RSS	2017/18/19	586 386	162 211	(3 000)	(160 000)	585 597	2.47	**1 446 425**
MSS	2017/18/19	208 281	–	(2 700)	(31 701)	173 880	2.47	**429 484**
Deferred STI	2017/2019	281 120	–	–	(133 473)	147 647	2.47	**364 688**

The table below relates to the November 2017 awards. Please note that for the RSS and MSS awards, the performance conditions set out below are those that were approved for FY2020 and have been applied retrospectively in respect of the relevant vesting period. Performance has been measured from 1 September 2017 – 31 August 2020, except for the individual performance component which was measured from 1 September 2019 to 31 August 2020. The 25% retention component has been removed for the 2017 RSS award.

LTI – RSS awarded in 2017, vesting in 2020

			Executive			
		Weighting	**AJ König**	**LC Kok**	**DH Rice****	**MJ Ruttell**
Company financial performance	Absolute total return measured over NTAV (3-year average)	**50%**	16.7%	16.7%	16.7%	16.7%
	Relative total return (3-year average)	**20%**	8.0%	8.0%	8.0%	8.0%
Company non-financial performance		**10%**	6.0%	6.0%	6.0%	6.0%
Individual performance		**20%**	15.8%	13.6%	13.4%	14.4%
2020 LTI score		**100%**	46.5%	44.3%	44.1%	45.1%
Adjusted 2020 LTI score*		**100%**	46.5%	44.3%	44.1%	45.1%
Award available for vesting		–	446 530	306 780	534 006	201 917
Shares vested November 2020		–	**207 487**	**135 678**	**235 532**	**91 078**

LTI – MSS awarded in 2017, vesting in 2020

			Executive			
		Weighting	**AJ König**	**LC Kok**	**DH Rice****	**MJ Ruttell**
Company financial performance	Absolute total return measured over NTAV (3-year average)	**50%**	16.7%	16.7%	16.7%	16.7%
	Relative total return (3-year average)	**20%**	8.0%	8.0%	8.0%	8.0%
Company non-financial performance		**10%**	6.0%	6.0%	6.0%	6.0%
Individual performance		**20%**	15.8%	13.6%	13.4%	14.4%
2020 LTI score		**100%**	46.5%	44.3%	44.1%	45.1%
Adjusted 2020 LTI score*		**100%**	46.5%	44.3%	44.1%	45.1%
Award available for vesting		–	431 238	303 789	381 381	173 880
Shares matched and vested November 2020		–	**200 381**	**134 355**	**168 214**	**78 431**

Given the significant changes to the FY2020 STI non-financial and individual performance conditions used for the individual element of the LTI, these have been measured over one year, i.e. 1 September 2019 – 31 August 2020. The company non-financial performance (B) and individual performance (C) on page 138-139 have been used to determine a score out of 20%, as indicated below.

LTI 2020 – Variable pay performance outcomes

Individual performance	Vesting	
	RSS scheme	**MSS scheme**
Weighting	**20%**	**20%**
AJ König	15.8	15.8
LC Kok	13.6	13.6
DH Rice **	13.4	13.4
MJ Ruttell	14.4	14.4

**Limited to 100%.*
***Prorated vesting on retirement for time and performance.*

STI – Deferred portion under the RSS

Executive	STI award 2017 third tranche*	STI award 2018 second tranche	STI award 2019 first tranche*	Shares vested November 2020
AJ König	–	144 694	–	**144 694**
LC Kok	–	116 395	–	**116 395**
DH Rice**	–	262 320	–	**262 320**
MJ Ruttell	–	73 823	–	**73 823**

** No STI bonus was earned.*
*** Accelerated vesting on retirement.*

LTI – Share Purchase Scheme (SPS)

In terms of the SPS, the executives were able to purchase Redefine shares by way of loan from the company. The loan bears an interest rate of JIBAR plus 200 basis points and is secured by the shares purchased under this scheme. This is not considered remuneration as the directors pay Redefine a market-related interest rate and bear real financial risk. No further awards will be made under the SPS, and the last award was made in December 2015.

Number of shares purchased under the SPS

Executive	August 2019	Acquired	Disposed	August 2020
AJ König	3 339 143	–	–	**3 339 143**
LC Kok	1 200 000	–	–	**1 200 000**
DH Rice	800 000	–	–	**800 000**
MJ Ruttell	–	–	–	**–**

All shares held by executive directors under the SPS are pledged as security against the outstanding loans. No other shares held by executive or non-executive directors are encumbered.

Part 3: Implementation of the remuneration policy

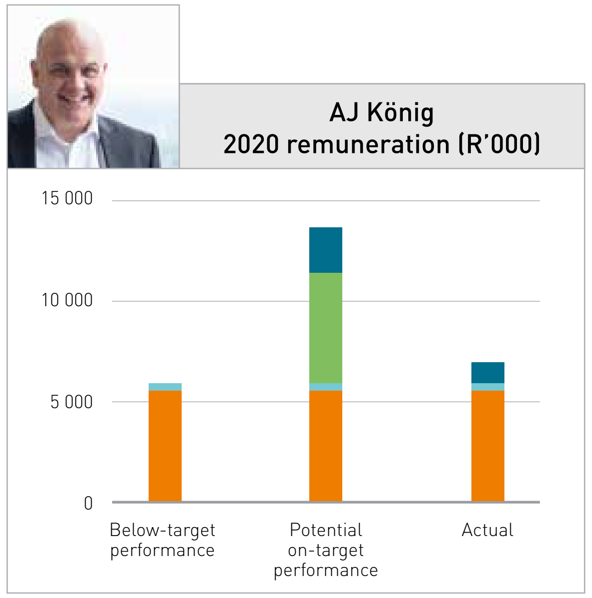
CONTINUED

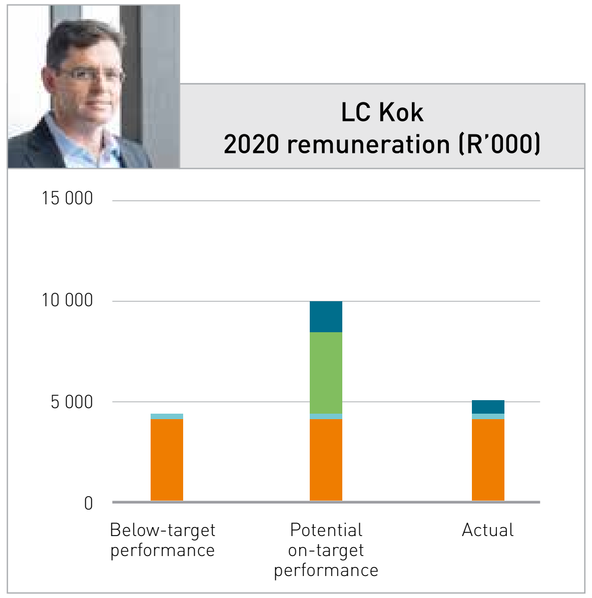
Approved LTI dilution limits

The board has resolved that the company settles the LTI awards made in terms of the LTI scheme by buying shares in the market, thus no shares were issued to settle any LTI obligation.

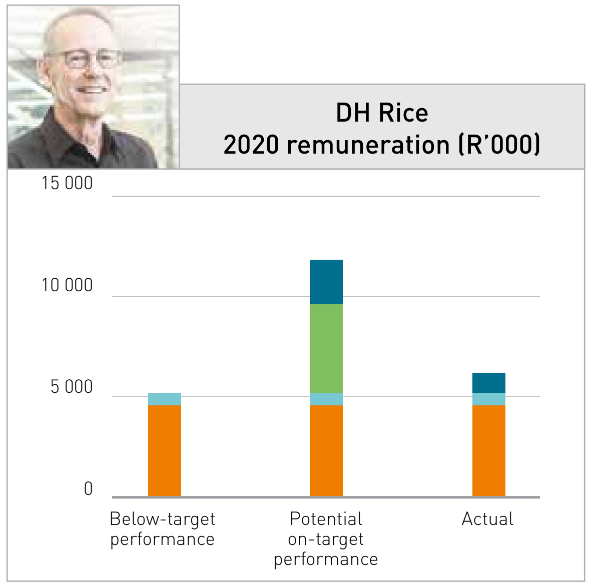
Total remuneration outcomes

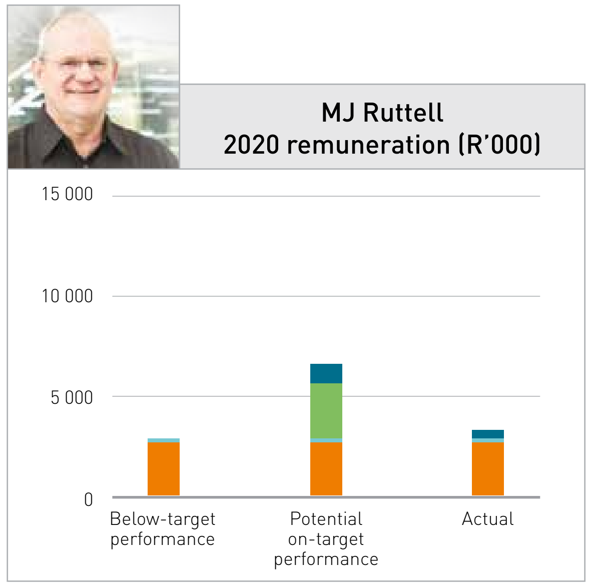
The graphs below reflect the earnings potential compared to the actual remuneration outcomes for the executive directors, relating to performance in FY2020.





■ TGP ■ Deferred STI ■ Cash STI ■ LTI





■ TGP ■ Deferred STI ■ Cash STI ■ LTI

Minimum shareholding requirement

The table that follows sets out compliance with the MSR as at 31 August 2020. Due to the impact of COVID-19 on Redefine's share price, none of the executives have met their MSR targets – it should be noted that the executives have increased the number of shares they held since the previous review of progress made towards meeting the MSR targets, through the vesting of deferred and LTI awards.

Minimum shareholding requirement (continued)

Executive		Target	Compliance (target achieved)
AJ König	170%	200%	NO
LC Kok	154%	200%	NO
DH Rice*	N/A	200%	NO
MJ Ruttell	146%	200%	NO

* Retired 31 August 2020.

Executive remuneration

The table below provides an analysis of remuneration received in FY2020 (compared to FY2019), presented as the total remuneration of executives.

Executive			Short-term	Long-term	Post-employment	
Figures in R'000	Salary and allowances	Bonuses and performance-related payments#	Other benefits and payments	Share schemes#	Retirement benefits	Total
FY2020						
AJ König	4 510	–	150	8 449	689	**13 798**
LC Kok	3 362	–	223	6 084	529	**10 198**
DH Rice*	4 036	–	158	4 326	496	**9 016**
MJ Ruttell*	2 687	–	–	2 650	–	**5 337**
	14 595	**–**	**531**	**21 509**	**1 714**	**38 349**
FY2019						
AJ König	4 293	4 202	130	7 880	600	**17 105**
LC Kok	3 200	3 380	201	5 726	461	**12 968**
DH Rice*	3 695	3 809	222	6 978	415	**15 119**
MJ Ruttell*	2 492	2 144	–	2 712	–	**7 348**
	13 680	**13 535**	**553**	**23 296**	**1 476**	**52 540**

 # Long- and short-term incentive schemes paid in a financial year relate to the company and individual performance outcomes of the previous financial year. No STIs were paid in respect of FY2019.
** DH Rice and MJ Ruttell form part of the executive committee and meet the definition of a 'prescribed officer' in terms of the Companies Act.*

Non-executive directors' fees

The table below shows the fees paid to non-executive directors in FY2020. Please note that these fees were deemed to be VAT exclusive.

Non-executive director	Fees paid in FY2020
A Dambuza	744
B Mathews	1 102
D Naidoo	872
D Radley#	–
H Mehta##	76
L Sennelo	944
M Barkhuysen	562
N Langa-Royds	846
SM Pityana	1 696

 # D Radley was appointed to the board in July 2020.
H Mehta resigned from the board in November 2019 and from subcommittees in October 2019.

Non-executive directors' fees are paid quarterly in arrears. The performance of directors is assessed by the chairperson of the nominations and governance committee on an ongoing basis and by way of an annual board assessment.

Approval

This remuneration report was approved by the Remco of Redefine on 28 December 2020.
The implementation report in this section is subject to a non-binding advisory vote by shareholders at the AGM dated 23 February 2021.

6 ESG scorecard

> **Integrating ESG into all aspects of our business is an ongoing journey, and one that we're proud to report on."**
>
> *Redefine Properties*

Reporting to our stakeholders, timeously and transparently, on our ESG journey, is a critical part of building trust. While we are proud of the progress made to date, we know that there is still much work to be done. Our ESG scorecard is designed to help stakeholders understand the progress made, and answer some frequently asked questions regarding our approach to ESG.

Blue Route Mall, *Tokai*

Self-assessment

Our ESG scorecard is designed to help stakeholders find the relevant information relating to our performance, with cross-references to various additional information and reports provided, where applicable.

Redefine is now a signatory to the UNGC and, as such, will report on the progress made towards achieving the Ten Principles in 2021. We request that stakeholders **refer to our website, www.redefine.co.za, for more information.**

Environmental matters

	Commitment to good environmental practices	Notes
	Compliance with local environmental laws	
1	Does the company comply with all relevant local environmental laws, standards and regulations?	Redefine complies with all relevant local environmental laws, standards and regulations.
	Risk management	
2	Does the company assess the environmental risks arising from its operations? What processes are in place? Please elaborate, e.g. a risk plan that identifies the risk and mitigates it.	An ERM framework is applied consistently across all business units and incorporates the identification and assessment of risks at both an asset and company level. These include any environmental risks arising from the company's operations and risk management procedures. A review of all risks identified, and possible new risks, is carried out annually, with quarterly updates. After risk identification, a rating table is developed which determines each risk's potential impacts and the likelihood of occurrence. Mitigating factors are similarly identified in relation to identified risks. Our Green Star SA strategy further ensures that we review the environmental and social risks of our green-certified buildings, which enhances building longevity and resilience. We have also taken steps to incorporate the TCFD into our climate resilience framework. This will further guide and inform our climate-related risk management approach, focusing on the four core elements as referred to in the framework: ▫ Governance ▫ Strategy ▫ Risk management ▫ Targets and metrics **For more information, please refer to our ESG.**
	Emissions	
3	Does the company take action to reduce GHG emissions? If yes, how does the company offset carbon emissions?	Redefine has a rolling year-on-year target to reduce Scope 1 and 2 emissions per square meter (GLA) by 5%. Continuous property acquisitions and disposals affect the absolute footprint of the company. Therefore, the intensity target of metric tonnes CO^{2}e per square meter (GLA) is used, as this ensures that the target can be better tracked year on year. Please note, this does not include scope 3 emissions and out-of-scope (non-Kyoto) emissions. Our Scope 1 and 2 emissions per square meter (GLA) reduced by 2% from 2019 to 2020. Our total Scope 1 emissions did not change from 2020; however, our total Scope 2 emissions reduced by 6%. This reduction is largely as a result of lockdown. Electricity consumption contribute significantly to Redefine's overall carbon footprint. Emissions associated with electricity use (Scope 2 and 3) reduced with 19% from 2019 to 2020, largely as a result of reduced consumption affected by the national lockdown, reducing demand for electricity in the portfolio. Benchmarking our 2020 performance against 2019 is therefore not recommended, and we further expect our carbon emissions to increase in 2021. While Redefine does not offset its emissions, it does take a proactive approach to reducing its GHG emissions, with a focus on: ▫ Reducing consumption and the cost of energy from the national grid ▫ Reducing consumption of energy in our common areas (under our direct control) ▫ Assisting our tenants in reducing energy consumption and cost **For more information, please refer to our ESG.**
	Does the company disclose carbon emissions?	Redefine discloses carbon emissions in, *inter alia*, its IR, ESG and various other benchmarking platforms – including GRESB, CDP and SAM CSA. **For more information, please refer to our carbon footprint reporting (GHG emissions) disclosure in the natural capital and environmental sections in our IR and ESG.**

	Commitment to good environmental practices	Notes
	Energy consumption	
4	Has the company planned or taken any measures to reduce or optimise its energy consumption? If yes, explain.	Redefine is continually refining its energy strategy in line with best practice and business requirements. The cost and continuity of electricity supply are financial drivers promoting investment in energy-efficiency projects. The energy strategy has the initial aim of implementing alternative and/or renewable energy sources and reducing the consumption of several energy-intensive buildings. Lighting systems are being retrofitted with efficient lighting technology, and solar PV plants are being installed to provide renewable energy. During 2020, we increased our renewable energy capacity to 25 913 kWp. We also achieved a combined energy reduction through efficiency and renewable projects of 33 379 MWh. We have also included accounting metrics as set out in the SASB Real Estate Standard to report on our energy consumption and enable comparative performance benchmarking with other REITs. **For more information, please refer to the natural capital and environmental sections in our IR and ESG.**
	Water stewardship	
5	Has the company planned or taken any measures to reduce or optimise its water consumption? If yes, explain.	Redefine reports on water consumption as part of its annual carbon footprint assessment. Water consumption is tracked through the bulk check water meter readings or water consumption readings provided by municipalities. Using a like-for-like comparison on properties in the portfolio in 2019 and 2020, our water footprint has been reduced by 16% (2019: 9%), achieving our 5% reduction year-on-year target. However, the 16% reduction is largely driven by reduced water consumption at our properties as a result of lockdown. To therefore meaningfully measure our achievement of a 5% reduction target in 2020 is not possible. Redefine will continue to install more water meters at its key and other water-intensive properties, and continues to implement water-efficiency, recycling and security projects, where feasible. Our progress in 2020 was muted. We are considering different approaches to setting water reduction targets. In 2019, we measured groundwater extraction sources such as boreholes, since we have increased our water security efforts through these initiatives. Our total water withdrawal from groundwater sources amounted to 86 554 kl (2019:73 557 kl). We have also included accounting metrics as set out in the SASB Real Estate Standard to report on our water consumption and enable comparative performance benchmarking with other REITs. **For more information, please refer to the natural capital and environmental sections in our IR and ESG.**
	Waste management and recycling	
6	Has the company planned or taken any measures to reduce or optimise its waste consumption? If yes, explain.	Redefine conducted its fourth full waste footprint during 2020 for inclusion in its carbon footprint. The waste footprint provides a platform to track and inform waste-to-landfill reduction targets. Waste management and removal services are still mainly conducted by municipalities; however, we managed to increase external waste management efforts to cover 39% of our total GLA (2019: 30%). Redefine strives to further reduce the impact that external environmental factors, such as waste proliferation, have on business operations. The company has consequently identified material issues that require continuous attention, and implemented 'adaptation' or 'mitigation' strategies to reduce the risk of these material environmental concerns. 2020 marks the first year in which we have expanded our waste reporting to include reporting for our waste streams for all recycled waste. We continuously review waste management improvement opportunities, where financially viable, and remain primarily dependent on tenant behaviour and activities. **For more information, please refer to the natural capital and environmental sections in our IR and ESG.**

Self-assessment

CONTINUED

Green building

#	Commitment to good environmental practices	Notes
7	Does the company measure the environmental performance of its individual properties?	We have developed an integrated approach to evaluate and optimise the environmental performance of our properties holistically. We continue to benchmark the performance of our properties and strive to increase the number of Green Star SA certifications in our portfolio. We have obtained 101 Green Star SA certifications, covering 57% of our total office GLA to date. We also aim for all new office buildings to be minimum 4-star Green Star SA-certified. For new construction and major renovation projects throughout our portfolio, the following key considerations are incorporated into our project management strategy and approach: ▫ Biodiversity and habitat ▫ Climate/climate change adaptation ▫ Energy consumption/management ▫ Environmental attributes of building materials ▫ GHG emissions/management ▫ Green Building certifications ▫ Building safety ▫ Health and wellbeing ▫ Location and transportation ▫ Resilience ▫ Supply chain ▫ Water consumption/management We have included accounting metrics, as set out in the SASB Real Estate Standard, to report on our energy consumption and enable comparative performance benchmarking with other REITs. **For more information, please refer to the natural capital and environmental sections in our IR and ESG.**
	Does the company measure, track and communicate progress in incorporating sustainability principles into business practices, including reporting against global operating standards?	Redefine measures, tracks and communicates progress in incorporating sustainability principles into business practices, and reports against global disclosure frameworks, including CDP (climate change and water security), GRESB and SAM CSA. The company is on the sustainability committee of the South African Property Owners Association, and we are members of the GBCSA. Ilse Swanepoel (head of utilities) was the non-executive chair of the GBCSA in 2020 and continues to service on the board.
	Do the company's vision, policies and strategies include the 'triple bottom line' of sustainable development?	Redefine integrates the principles of the triple bottom line (people, planet and profit) and good governance into its business activities, vision, policies and strategies. **For more information, please refer to our IR and ESG.**
	Do the company's vision, policies and strategies include sustainability targets and indicators (economic, environmental and social)?	Redefine's vision, policies and strategies include sustainability targets and indicators. **For more information, please refer to our ESG.**
	Does the company work with suppliers to improve environmental performance, extending responsibility up the product chain and down the supply chain?	We have introduced a supplier code of conduct which clarifies that we expect our suppliers to manage their environmental impacts. We undertake to familiarise ourselves with the environmental practices of our supply chain and/or other companies from which we source significant inputs, and continuously monitor compliance with these practices.

Social

#	Labour and working conditions	Notes
	Decent work	
1	Does the company respect and uphold human rights?	We subscribe to the principles of the ILO, uphold and commit to the ten principles set out in the UNGC, and we support the observance of human rights as set out in the Universal Declaration of Human Rights. **For more information, please refer to our ESG.**
	Collective bargaining and freedom of association	
2	Does the company promote the freedom of association?	Redefine promotes the freedom of association and the abolition of forced labour. 0.4% of employees belong to trade unions, and no working days were lost to strike and lockouts in 2020. As a business, we strive to ensure a safe and healthy work environment for all employees – where discrimination, in all of its forms, is prohibited. We also commit to complying with the letter and the spirit of our legal obligations in redressing historic issues of inequality in SA.
	Compliance with local laws	
3	Does the company comply with all relevant local labour laws, standards and regulations? If not, then state the ones with which it is non-compliant?	Redefine complies with all relevant local labour laws, standards and regulations.
	Minimum wage	
4	Does the company adhere to local and/or industry minimum wage standards? If not, then state why?	We comply and adhere to minimum wage determinations. **For details on our remuneration practices, refer to the remuneration report in our ESG.**
	Discrimination	
5	Does the company have a non-discriminatory policy with respect to gender, race, colour, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, and HIV status? If yes, then please provide a copy.	We have a non-discriminatory policy in place. **For additional information, please refer to the human capital section in our IR.**
	Does the workforce appear to be representative of the local population with respect to gender, race, etc.?	**For a detailed breakdown of employment equity statistics, refer to the employee section in our ESG.**
	Human resources	
6	Does the company have a human resource policy which informs workers of their rights and conditions of employment?	We have numerous human resources policies which inform workers of their rights and conditions of employment. This information is contained in our internal human resources policy and procedure document, and is available to employees on our intranet.
	Are proper contracts in place for all staff, including temporary and seasonal workers?	All our employees, including temporary and contract workers, have contracts in place, setting out their rights and responsibilities in relation to Redefine.
	Stakeholder engagement	
7	Does the company have a mechanism for two-way communication with stakeholders, in a proactive, early-stage and transparent manner, to ensure effective communication of information about uncertainties and potential risks and to deal with related enquiries and complaints?	Stakeholder engagement and communication is proactively managed and driven through various channels and across platforms, targeting all of Redefine's key stakeholders. Community complaints are taken seriously and dealt with through a centralised call centre. These complaints are dealt with timeously and effectively through evolving business processes. **For more information, please refer to our social and relationship capital section in our IR and ESG.**

Self-assessment

CONTINUED

	Labour and working conditions	Notes

Supply chain

8	Is the company aware of the labour practices of its sub-contractors and/or other companies from which it sources significant inputs?	We undertake to familiarise ourselves with the labour practices of our sub-contractors and/or other companies from which we source significant inputs, and continuously monitor compliance with these practices. Our supplier code of conduct covers issues including, *inter alia*, ILO conventions and working conditions, and we encourage replication of our labour practices down the supply chain.

Compliance with local laws

9	Does the company comply with all relevant local health and safety laws, standards and regulations? If not, then state why.	We comply with all relevant local health and safety laws and standards, and we have processes in place to monitor our compliance with the OHS Act.

Community health and safety

10	Are there any health and safety risks for local communities or consumers associated with the company's operations or products?	When undertaking a new or redevelopment, and/or where significant construction is taking place, appropriate precautions are taken to ensure that any potential health and safety risks that might arise are limited to the extent possible. **Our health and safety approach is set out on page 66 of this report.**

Supply chain

11	Is the company aware of the health and safety practices of its sub-contractors and/or other companies from which it sources significant inputs?	As part of the general health and safety processes within the company, all service providers are required to sign an OHS Act section 37(2) Agreement, wherein they agree to adhere to all relevant health and safety regulations and use all machinery and plant in accordance with the provisions of the said Act.

Local communities

12	What risks have been identified as a result of the company's activities for local communities and other stakeholders? Please elaborate if there are any.	In line with our ERM framework, our risk management team has determined that no significant risks have been identified as a result of our activities for local communities and other stakeholders.
	If there is any significant impact, has the company conducted a social impact assessment and followed up on its findings and recommendations with mitigating measures?	Not applicable.
	Is there a procedure for managing community complaints?	Stakeholder engagement and communication is proactively managed and driven through various channels and across platforms, targeting all of the company's key stakeholders. Community complaints are taken seriously and dealt with through a centralised call centre. These complaints are dealt with timeously and effectively, through evolving business processes. **For more information, please refer to our IR and ESG reports.**

Relocation

13	Are people being moved as a result of the company's new or expanded operations?	No people have been relocated as a result of Redefine's new or expanded operations.

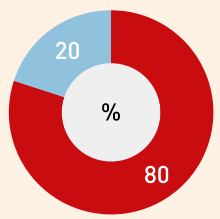
Governance

	Corporate governance structures and processes	Notes

Corporate governance policies and constitutional documents

1	Does the company have a corporate governance code and/or policies?	Redefine has a formal code of business conduct, among other governance and ethics-related policies. The policies are central to our growth and sustainability and are designed to entrench a culture of intolerance towards unethical conduct, fraud and corruption. The policies address the key ethical risks of the company. They include grievance mechanisms, as well as a whistle-blowing policy that offers several anonymous and secure avenues for reporting unethical conduct.
	Does the company's MOI contain provisions dealing with, *inter alia*: the protection of shareholder rights/interests and the equitable treatment of shareholders; information disclosure and transparency of the company's activities; and the distribution of authority between the board and executive bodies?	Redefine's MOI includes provisions on the protection of shareholder rights and the equitable treatment of shareholders, and similarly details the distribution of authority between shareholders, directors and executive bodies. In addition, various minority shareholder protection mechanisms are in place in accordance with the Companies Act and the JSE Listings Requirements. We practice the principle of 'equality of disclosure', which ensures that all shareholders receive material financial and non-financial information equally. Major shareholders do not have privileged access to information that is unavailable to minority shareholders. Details regarding our activities are transparently disclosed in the IR and other external reports, ensuring that all stakeholders are able to make informed assessments of the company's performance.
	Does the company have a designated officer responsible for ensuring compliance with the company's corporate governance policies?	The FD, head of risk and compliance and the company secretary are responsible for ensuring compliance with the company's corporate governance policies. The head of ESG maintains a policy register to manage consistency of approach in determining internal policies. **For more information on the board's compliance governance processes, see page 112 of this report.**

Board and committee composition*

2	What is the split of board members who are non-executive directors versus executive directors? How many non-executive directors are independent?	Currently, the majority of the company's board members are **non-executive directors**:  Independent non-executive directors Executive directors All non-executive directors are independent. **For more information regarding the composition and diversity of the board, see pages 96-97 of this report.**
	Does the board have an independent non-executive director as chairperson?	Sipho M Pityana, an independent non-executive chairperson, leads the board in the objective and effective discharge of its governance role and responsibilities. Bridgitte Mathews, the lead independent director, strengthens the independence of the board and leads in the absence of the chair. The role of the chairperson is distinct and separate from that of the CEO, and the separation of responsibilities is designed to ensure that no single person has unfettered decision-making powers, and that appropriate balances of power and authority exist on the board.
	Is the chairperson of the board a majority shareholder?	The chairperson of the board is not a shareholder of Redefine.
	Is the FD of the company a director?	In accordance with the board charter, the company's FD is a director of the board and a member of the company's executive committee.

* *Details above reflect the composition of the board as at the date of this report.*

Self-assessment

CONTINUED

	Corporate governance structures and processes	Notes
	Board and committee composition* (continued)	
3	Does the company have board sub-committees with independent non-executive members?	Redefine has the following board sub-committees, all of which comprise of independent non-executive directors: ▫ Audit committee ▫ Risk, compliance and technology committee ▫ Remuneration committee ▫ Nomination and governance committee ▫ Social, ethics and transformation committee ▫ Investment committee **For more information regarding the composition and activities of the sub-committees, see pages 98-109 of this report.**
3	Is the audit committee chaired by an independent non-executive director? What is the composition of the audit committee?	For the duration of FY2020, the audit committee comprised three independent non-executive directors, all of whom satisfied the requirements of section 94(4) of the Companies Act. Bridgitte Mathews, the company's lead independent director, chaired the committee until 14 October 2019, whereafter Daisy Naidoo took over the position. Diane Radley was appointed to the committee with effect from 1 September 2020, and similarly satisfies the requirements set out above. As a collective, and having regard to the size and circumstances of the group, the committee is adequately skilled, and all members possess the appropriate financial and related qualifications, skills, financial expertise and experience to discharge their responsibilities.
	Board appointment process	
4	Describe the process to appoint directors. Are all appointments done through a formal process?	In terms of Redefine's MOI, the board must comprise at least four directors, to be elected by shareholders as contemplated in section 68 of the Companies Act. All directors are elected by an ordinary resolution of shareholders at the company's AGM. The board similarly has authority to appoint any person as a director, either to fill a casual vacancy or as an addition to the board, provided that such directors are elected by shareholders at the next AGM. Directors are appointed in line with our formal and transparent appointment of directors' policy and are proposed to the board by the nomination and governance committee on the basis of their skills, knowledge and experience, and considering Redefine's strategy and future needs. Director appointments promote the achievement of the board's desired diversity and governance outcomes over time.
4	Is there a re-election process for directors?	Any new director, appointed by the board during the year, is required to retire at the next AGM, and may be re-elected by shareholders. One-third of all directors retire on a rotational basis and make themselves available for re-election at the AGM, if eligible. The board, through its nomination and governance committee, provides shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring director is proposed, as to which directors are eligible for re-election, taking into account that director's past performance and contribution. All shareholders have the right to nominate directors.

** Details above reflect the composition of the board as at the date of this report.*

	Corporate governance structures and processes	Notes
	Roles and responsibilities of the board and its committees	
5	Is the role of the board defined in relation to management, particularly with respect to the following: ▫ Setting the strategy and vision of the company ▫ Selection of the CEO and senior management ▫ Risk management, oversight of internal controls, external audit and preparation of financial statements ▫ Major capex and large-value transactions	The roles of the board and of executive management are defined in the board charter. The board's primary governance role and responsibilities include: ▫ steering and setting strategic direction (including in relation to risk governance) ▫ approving policy and planning ▫ oversight and monitoring ▫ ensuring accountability The board appoints the CEO and is responsible for ensuring role clarity and the effective exercise of authority and responsibilities. During 2020, the board's role in relation to risk management was delegated to the risk, compliance and technology committee, while oversight of internal controls, external audit and the preparation of financial statements was delegated to the audit committee. Such delegation is done in accordance with detailed mandates and although delegated, the board retains effective control over, and responsibility for, such duties. Major capex and large-value transactions are dealt with and monitored in accordance with the company's delegation of authority framework, the detail of which is set out on **page 99 of this report.**
5	Does the board set the company's risk profile and periodically review the company's risk management system and process?	The board ensures that risk management is embedded into key decision-making processes and that such processes incorporate and consider strategy, governance, compliance and performance. The board approves Redefine's top strategic risks and financial risk appetite and tolerance levels, and ensures that risks are managed in compliance with same. To support the board in ensuring effective risk management oversight, and in compliance with the ERM policy and framework, risk assessment, quantification and assurance processes have been specifically delegated to the risk, compliance and technology committee, while the remaining board committees are responsible for ensuring the effective monitoring of those strategic risks that fall within their mandates. Responsibility for implementing and executing effective risk management has been delegated to management. Redefine regularly monitors key developments in its internal and external environment, and monitors 'top-of-mind' or emerging issues to increase the probability of anticipating unpredictable risks. **For more information regarding our risk activities and responsibilities, see pages 36-43 of our IR.**
5	Does the board ensure that the company complies with applicable laws and considers adherence to non-binding rules?	The board subscribes to full compliance with applicable laws and regulations in the jurisdictions within which it operates. Oversight of compliance risk management is delegated to the risk, compliance and technology committee, who receive quarterly reports on the status of compliance within the company, significant areas of non-compliance, as well as feedback on interaction with regulators. During 2020, Redefine was fully compliant with the requirements of the Companies Act, the Companies Act Regulations and the JSE Listings Requirements.
5	Do the shareholders approve the company's remuneration policy or is it an independent remuneration committee?	Redefine's remuneration policy and implementation report are approved by the board, on the recommendation of our independent remuneration committee and then put to shareholders to pass non-binding advisory votes thereon at the AGM. **More information regarding our remuneration policy and the role of the remuneration committee can be found on pages 122-136 of this report.**
5	Does the board/audit committee review key elements of the company's financial statements?	The audit committee and the board review key elements of Redefine's financial statements. During the course of these reviews, the committee and the board: ▫ Ensure that the financial statements are prepared in accordance with IFRS and in compliance with the provisions of the Companies Act and the JSE Listings Requirements ▫ Consider the appropriateness of the accounting policies and the disclosures made therein ▫ Complete a detailed review of the going concern assumption, confirming that it is appropriate in the preparation of the financial statements **More information regarding our audit committee can be found in our AFS.**

Self-assessment

CONTINUED

Corporate governance structures and processes		Notes
Annual Audit		
6	Does the company have an internal audit function? Is the company subject to an annual external audit? How long have the existing auditors been in engagement?	Redefine has an in-house internal audit function and is subject to an annual external audit. PricewaterhouseCoopers (PwC) replaced KPMG as our external auditors with effect from the conclusion of the 2018 year-end audit. PwC has therefore been our external auditors for two financial years.
	Is there a rotation in partners?	Audit partners rotate every five years. Mr John Bennett has been Redefine's external audit partner since 2019 and, subject to the approval of shareholders in February 2021, will lead the FY2021 external audit.
Board and company performance		
7	Is the evaluation of the board, its committees and the individual directors and chairperson performed every year?	The nomination and governance committee is responsible for the annual assessment of the board's performance and the appropriateness and effectiveness of the board, its committees, individual directors and governance procedures. The assessment process includes an appraisal of the chairperson of the board, committee chairs, CEO and FD and is formally conducted every second year as recommended in King IV. In 2020, the board evaluation was conducted externally. **The high-level outcomes of the evaluation are contained on page 23 of our IR.**
	Have there been any material transactions, involving conflicts of interest with directors, in the past 24 months?	There have been no material transactions involving conflicts of interest with directors in the past 24 months. **All related-party transactions are however fully disclosed in our AFS.** In terms of our policy, directors are required to timeously inform the board of conflicts, or potential conflicts, of interest that they may have in relation to particular items of business or other directorships. Comprehensive registers are maintained of individual directors' interests in and outside the company and these are updated annually and noted by the board at each board meeting. Where there are conflicts of interest or potential conflicts, these are minuted and the affected director/s recused from the relevant debate and/or resolution.
	Has the company had to report to any regulator, exchange or the South African Revenue Service (SARS) on any reportable irregularity in the past 24 months?	Redefine has not had to report to any regulator or exchange, nor to SARS, on any reportable irregularity in the past 24 months.
	Has there been negative media coverage about the company or its staff / management / board in the last 24 months?	There has been no negative media coverage about the company or its staff / management / board in the last 24 months.

Definitions

AFS	Annual financial statements
AGM	Annual general meeting
B-BBEE	Broad-based black economic empowerment
B4SA	Business for South Africa
board	Board of directors
capex	Capital expenditure
CDP	Formerly the Carbon Disclosure Project
CEO	Chief executive officer
CO^2e	Carbon dioxide equivalent
Companies Act	Companies Act No 71 of 2008 (as amended)
COO	Chief operating officer
COVID-19	Coronavirus disease 2019
CSI	Corporate social investment
DIPS	Distributable income per share
DJSI	Dow Jones Sustainability Index
ERM	Enterprise risk management
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
EVP	Employee value proposition
EWP	Employee wellness programme
FD	Financial director
FY	Financial year
GBCSA	Green Building Council South Africa
GHG	Greenhouse gas
GLA	Gross lettable area
GRESB	Formerly the Global Real Estate Sustainability Benchmark
HVAC	Heating, ventilation and air-conditioning
ICT	Information and communications technology
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
International <IR> Framework	The International Integrated Reporting Council's International Integrated Reporting Framework
IT	Information technology
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
King IV	King IV Report on Corporate Governance for South Africa 2016
kl	kilolitre
KPA	Key performance area
KPI	Key performance indicator
kWh	Kilowatt hour
LED	Light-emitting diode
LGBTIQA+	Lesbian, gay, bisexual, transgender, gender diverse, intersex, queer, asexual and questioning
LTI	Long-term incentive
LTV	Loan-to-value
MOI	Memorandum of Incorporation
MSCI	Morgan Stanley Capital International
MSR	Minimum shareholding requirement
MSS	Matching Share Scheme
MWh	Megawatt hour
MWp	Megawatt peak
NAV	Net asset value
NGO	Non-governmental organisation
NPO	Non-profit organisation
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational health and safety
PIG	Property Industry Group
POPIA	Protection of Personal Information Act
PV	Photovoltaic
Redefine	Redefine Properties Limited
REIT	Real Estate Investment Trust
RI	Rainfall intensity
Remco	Remuneration committee
RSS	Restricted Share Scheme
SA	South Africa

Definitions

CONTINUED

SA REIT	SA REIT Association
SAM CSA	SAM Corporate Sustainability Assessment
SAPOA	South African Property Owners Association
SAPY	SA Listed Property Index
SARS	South African Revenue Service
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SENS	Stock Exchange News Service
SER	Supplier engagement rating
SET committee	Social, ethics and transformation committee
SIS	Staff incentive scheme
SME	Small to medium enterprise

SMME	Small, medium and micro enterprise
SPS	Share Purchase Scheme
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Tonnes of carbon dioxide equivalent
TGP	Total guaranteed package
TNAV	Tangible net asset value
UN	United Nations
UNGC	United Nations Global Compact
VAT	Value-added tax
VOC	Volatile organic compounds

Notes

Notes

COVID-19 disclaimer

Redefine supports all COVID-19 health protocols, including the wearing of masks, sanitising of hands, and social distancing practices. Should, in any example of our marketing/advertising material, a person be depicted without a mask or touching another person's hands, this should be considered in light of the fact that the person is simply portraying a scenario which may not necessarily be during a state of lockdown, and that Redefine's support of, and adherence to, all COVID-19 health protocols at all times remains.

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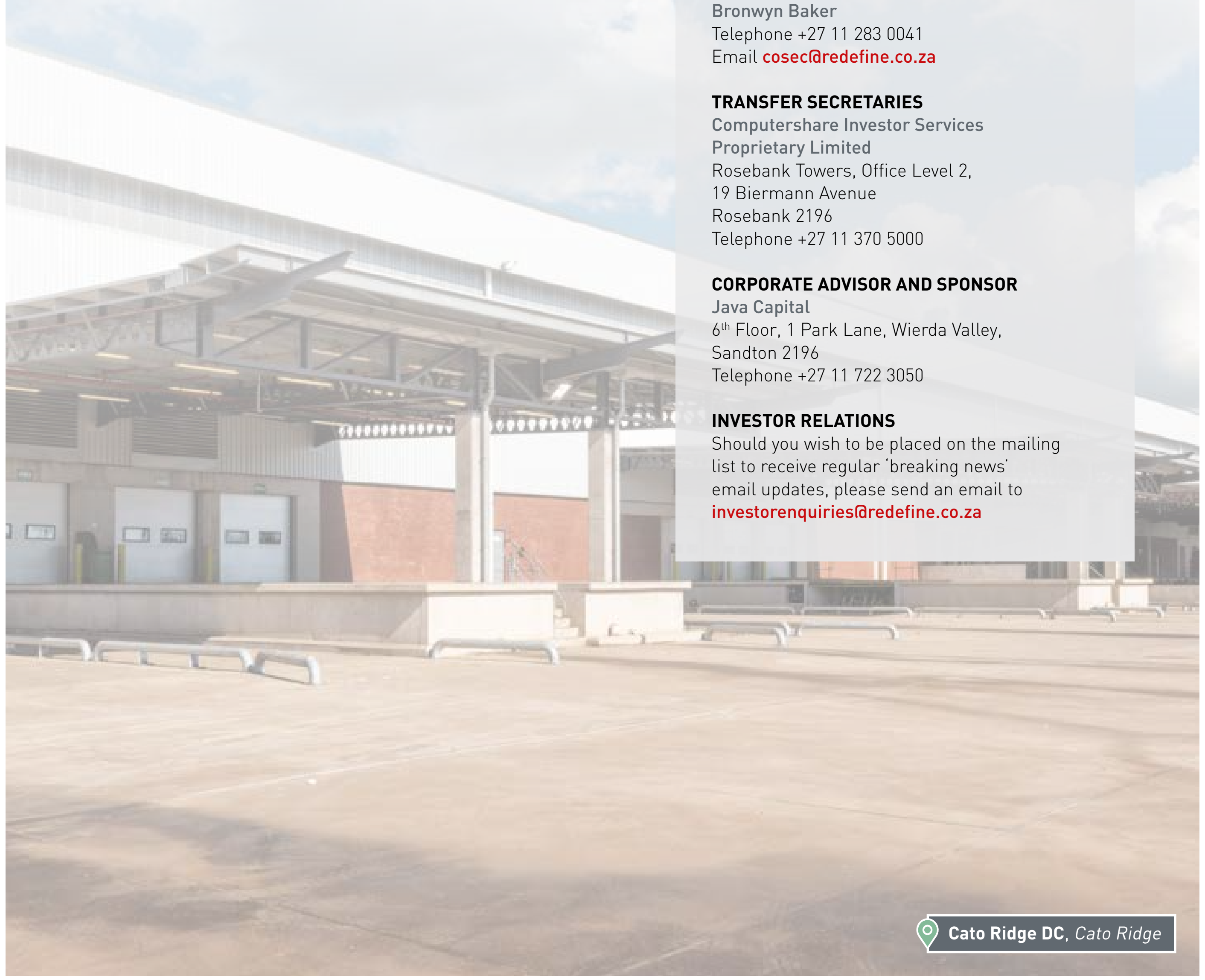

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