

United Nations Global Compact: Annual progress report against the Ten Principles

Communication on Progress by Redefine Properties Limited
for period 01 September 2022 to 31 August 2023

Statement of Continued Support by the Chief Executive Officer, Andrew König

28 February 2024

To our stakeholders:

I am proud to confirm that Redefine Properties Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, corporate culture, and daily operations. We remain committed to sharing this information with our stakeholders through our primary channels of communication.

Yours sincerely,

Andrew König
Chief Executive Officer
Email: investorenquiries@redefine.co.za

The following section provides a brief overview of our progress against each of the Ten Principles during the period under review, in accordance with applicable South African legislation. The measurements have been contextualized in our description of actions taken to promote each of the Ten Principles.

Please refer to our ESG report for further information, which is accessible using the following link: [ESG Report](#)

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

- 1.1 We remain committed to our corporate responsibility to respect human rights, in line with the UN Guiding Principles on Business and Human Rights. This includes respecting the fundamental rights to which every person is entitled in the South African Bill of Rights, including freedom of security of the person, religion, belief and opinion, expression, association, movement and residence, trade, occupation and profession. Steps are taken to observe the Bill of Rights in all aspects of our operations. Our commitment to human rights goes beyond issues of legal liability and enforcement.
- 1.2 We are committed to implementing internationally agreed principles on human rights in accordance with the UN Guiding Principles on Human Rights, by avoiding infringing on the human rights of others and addressing undesirable human rights impacts which involve the Company.
- 1.3 All representatives who sit on our internal Employment Equity Committee have received extensive training in employment equity and diversity through the South African Labour Guide.
- 1.4 To further diversity, equity and inclusion within the Company, we have appointed two internal gender equality ambassadors, both of whom are currently occupying existing roles, who have both completed the Target Gender Equality accelerator programme through the UN Global Compact.
- 1.5 Our employees are encouraged to use the processes set out in our internal formal grievance procedure, Human Rights Policy and Code of Business Conduct should they identify any potential or actual human rights violations.
- 1.6 Should any of our key stakeholders (including our employees, tenants, suppliers or members of the community) want to report a potential or actual abuse of human rights, they may also use the anonymous whistleblower hotline which is managed by an independent third party. Material issues thus reported are referred to the relevant department for internal investigation and management is required to report to the Social, Ethics and Transformation Committee on a quarterly basis regarding the progress made in addressing these concerns. Our human rights policy can be accessed on our website by using the following link: [Redefine Human Rights Policy](#)

Principle 2: Business should make sure they are not complicit in human rights abuses

- 2.1 Our Supplier Code of Conduct communicates that we may, at our discretion, conduct third party due diligences in selecting and monitoring the performance of our suppliers, which may include conducting human rights-related due diligence assessments. In attesting to the Code of Conduct, our suppliers are required to confirm their compliance herewith. For more information, please use the following link: **Supplier Code of Conduct**
- 2.2 Our Supplier Code of Conduct sets out our expectations of our suppliers, i.e. our suppliers must respect the rights, dignity and freedoms of their employees, treat them in a fair and ethical manner, and observe the UN Universal Declaration of Human Rights.
- 2.3 Our supplier sustainability audit is an online self-assessment questionnaire which we encourage each of our suppliers to complete on an annual basis. This allows us to monitor our suppliers' commitment to our Supplier Code of Conduct and enables them to gauge their own sustainability performance.
- 2.4 The supplier sustainability audit includes human rights-related questions which are based on the minimum requirements set out in the Supplier Code of Conduct.

Labour

Principle 3: Business should uphold the freedom of association and the effective recognition of the rights to collective bargaining

- 3.1 We support each employee's right to freedom of association and their right to form or join a trade union.
- 3.2 Our Supplier Code of Conduct requires our suppliers to guarantee that the rights of their employees to freedom of expression, association and collective bargaining are respected and that all applicable laws relating to these rights are observed. This is further affirmed by each supplier in the sustainability self-assessment questionnaire referred to above. Many of our supply chain partners are members of highly regulated industries in their own rights that have a strong trade union or bargaining council presence. Please refer to our **Supplier Code of Conduct** for more information.

Principle 4: Business should uphold the elimination of all forms of forced and compulsory labour

- 4.1 All our employees sign duly executed employment contracts with us. Each employee is afforded protections under South African labour law and benefit from our employee value proposition. Our employees are made aware of their rights and processes regarding termination of employment and are free to resign at any time; they are required to serve a notice period that is set out in their employment contract and appropriate to their seniority.

- 4.2 We observe the principles of the International Labour Organization (ILO), particularly regarding decent work. We ensure that any external recruitment agencies that we use are reputable and recognised.
- 4.3 We take steps to ensure that our employees operate in a safe and healthy working environment and we do not force our employees to work under unsafe conditions. We provide the technology needed for employees to work from home should it be necessary.
- 4.4 We have robust online learning capabilities and proven communication systems to support the ongoing training and development of employees.
- 4.5 Our Human Capital function is responsible for managing labour standards throughout the Company and reports to the Executive Committee and the Social, Ethics and Transformation Committee regarding the setting and application of these standards.
- 4.6 The Remuneration Committee observes the principles of equal pay for work of equal value when setting and implementing the remuneration policy, with the support of management. We comply with the Employment Equity Act and the relevant regulations regarding the reporting and management of any income differentials between people doing work that is the same or substantially the same, or work that is of equal value. We also invest in transformation by improving diversity of race and gender at all levels within our organization; our efforts in this regard are also guided by our Impact Framework.
- 4.7 All job profiles and grading align with an internationally recognized job grading system.

Principle 5: Business should uphold the effective abolition of child labour

- 5.1 We apply all South African laws as well as the principles of the ILO regarding the prohibition of the use of child labour. Our human rights approach reinforces our commitment in this regard. We do not use child labour in any of our operations, as all potential recruits must be 18 or older to be considered for a role in the organisation.
- 5.2 In terms of our Supplier Code of Conduct, suppliers are required to ensure that they do not engage in forced labour and that they prohibit the trafficking of persons, which means that all workers are employed on a voluntary basis free from any threat of violence or criminal penalty, and restrictions on freedom of movement. Suppliers must also create a safe and healthy workplace environment and ensure that they avoid exploitative recruiting and hiring practices. They must also comply fully with the prohibition of the use of child labour in line with local laws and the ILO Minimum Age Convention.

Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation

- 6.1 Ensuring a diverse and inclusive workplace is more than just a legal and moral obligation and Redefine accepts inclusivity as an essential component of remaining competitive in the market. The Code of Business Conduct and Employment Equity policy state that we do not tolerate discrimination, harassment, intimidation, bullying, unlawful retaliation or offensive behaviour of any kind, including on grounds of race, national origin, ethnicity, religion, gender, age, disability, veteran status, sexual orientation or any other legally protected characteristic. Our diversity and

inclusion policy can be accessed on our website by following the following link: [Diversity and Inclusion Policy](#)

- 6.2 The Human Capital function reports to the Social, Ethics and Transformation Committee regarding the state of our employee relationships (in accordance with the Companies Regulations, 2011). This includes staff complements and movements, employment equity as well as training and development, including the identification of strategic training needs.
- 6.3 Where we acquire businesses, those employees are integrated into our operations and their labour rights are observed.
- 6.4 Some of our employees (particularly retail center managers and facilities managers) are responsible for properties that are at risk of public unrest. If the conditions in those areas or properties turns violent, we require them to stay away from the premises unless absolutely necessary, and where they go in person, to be supported by private security contractors and police wherever possible.
- 6.5 Our building managers and facilities managers are responsible for implementing health and safety protocols in the buildings that we manage. Our tenant engagement plans include awareness of health and safety protocols and ESG-related information.
- 6.6 Each building has an emergency response plan and procedural document which is kept in the on-site health and safety file, which applies when there is a crisis or in the case of public unrest.
- 6.7 Our health and safety practices are audited externally by independent third-party company, to ensure that all properties comply with the requirements of the Occupational Health and Safety Act, 1993 and best practice.
- 6.8 Our Learnership Programme offers applicants the opportunity to gain valuable work experience at Redefine for one year while earning a salary. Please refer to our [Employee Report](#) for further details.
- 6.9 We are committed to making financial resources available for employee training and development. Our annual training target is to ensure that 80% of our workforce attends a minimum of one training event per year. Personal development plans and career paths are mapped in consultation with our employees, with each employee being encouraged to take accountability for identifying opportunities and initiating career development conversations.
- 6.10 Staff wellness remains a top priority. Wellness campaigns around physical and mental wellbeing are conducted via webinars via our wellness partner, Kaelo and are open to all staff members. All staff are encouraged to attend the annual wellbeing day coordinated through Discovery Health, which allows for their health and wellbeing to be assessed individually by a professional wellness specialist.
- 6.11 An employee engagement survey was conducted during the period to gauge the engagement levels of all staff members. The results of the survey are disclosed within our public reporting.

Environment

Principle 7: Business should support a precautionary approach to environmental challenges

- 7.1 We have adopted a set of environmental targets for reductions in energy consumption and water withdrawal, using FY19 as a baseline. We have aligned our carbon emissions reduction targets to internationally recognized standards to align and measure our achievements against best practice in order to manage climate-related risks. We are also taking steps to obtain further Green Star and Net Zero Carbon certifications for our assets in order to establish a portfolio-wide baseline of sustainability.
- 7.2 Continuous acquisitions and disposals of assets affect the absolute carbon footprint of the Company and thus the achievement of absolute environmental targets, which is why we have included certain relative targets measured on a like for like basis.
- 7.3 Water risks including both flooding and droughts remain a major concern and we have mapped the risk profile of our properties based on their location, using the WRI Aqueduct Water Risk Atlas. In turn, our asset-level water saving awareness initiatives are targeted to reduce our reliance on a constrained national water supply.
- 7.4 We have assessed and detected areas where our properties are adjacent to vulnerable communities whose access to water may be compromised. Our Socio-economic Development interventions take into account adequate responses to the water risks faced by these communities, as well as the availability of groundwater sources. These remain part of a multi-pronged response to water scarcity where the properties and communities are exposed to extreme baseline water stress.
- 7.5 Several internal training webcasts relating to ESG are held on a regular basis for all staff members, and targeted training of various departments within the business around pertinent ESG topics (e.g. facilities management training on ESG) are being implemented to ensure that all staff members are aware of the impact they have on Redefine's ability to achieve our ESG strategy.
- 7.6 During FY23 61% of employees attended at least one environmentally focused training session. 94% of employees attended at least one ESG-related training session, including governance-related training interventions.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

- 8.1 Our ability to be environmentally resilient has been identified as one of our top ten risks from an enterprise risk management perspective. As part of the mitigating actions related to this risk, management makes submissions to the Social, Ethics and Transformation Committee regarding the management of our carbon footprint and greenhouse gas emissions. To improve awareness and expertise on climate risk, the Company relies on several internal environmental experts.

- 8.2 Our Climate Risk Framework allows us to identify, quantify and manage transition and physical climate-related risks in the business. We aim to align the Framework with the International Sustainability Standards Board (ISSB) IFRS S2: Climate-related Disclosure in due course.
- 8.3 We have adopted metrics to precisely measure our efforts to reduce Scope 1 and 2 emissions per square metre of gross lettable area (GLA) against a FY19 baseline. These are milestone targets that will prompt meaningful action to reduce our environmental footprint in the short term and have been calculated in accordance with Science Based Target Initiative methodologies. These targets are directly linked to our contribution towards the achievement of the UN SDGs, and the energy and water-related targets are linked to our sustainability-linked finance facilities.
- 8.4 Our annual carbon footprint follows the Greenhouse Gas Protocol (GHGP), which includes emissions from operations that are under our direct operational control. Our GHG inventory was developed in accordance with the GHGP Corporate Accounting and Reporting Standard, following the ISO 14064-3 International Standard for GHG verification principles. From FY23 we have expanded the categories included in our Scope 3 emissions to make our carbon footprint more comprehensive.
- 8.5 We continue to benchmark the environmental performance of our properties and strive to increase the number of Green Star SA certifications in our portfolio. We currently have 186 active Green Star SA certifications.
- 8.6 We have achieved three Net Zero Carbon Level 3 – Building and Operational Carbon certifications. We plan to expand the number of Net Zero certifications within our portfolio over the next few years, subject to business requirements.
- 8.7 In addition to the internal awareness and training programmes mentioned above, we have also provided several opportunities to our employees to participate in the UN Global Compact programmes available to us as signatories, which gives them direct exposure to material, tools and leading market practice regarding climate resilience.
- 8.8 Professional development sessions have been held at a Board level regarding ESG trends, focusing on the future of the energy market in South Africa.
- 8.9 Our Supplier Code of Conduct encourages our suppliers to understand and monitor their environmental performance and if requested, report back to us regarding their progress in this regard. Please refer to section 2 above for further information.
- 8.10 We make use of well-known disclosure standards within our ESG Report that help investors understand our ESG strategy and compare our performance to that of our peers. We have also publicly committed to further aligning ourselves to ISSB IFRS S1 and S2 reporting during FY24. Redefine Properties was awarded second place in the 2023 Ernst & Young Excellence in Integrated Reporting Awards as an affirmation of the quality of our reporting.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

- 9.1 Our energy strategy is aimed at implementing alternative and/or renewable energy technologies and reducing the consumption of several energy-intensive buildings.

- 9.2 Lighting systems are being retrofitted with efficient lighting technology, and we are assessing the viability of installing more energy and water-efficient HVAC facilities.
- 9.3 Our installed solar PV capacity at year end was 35MWp and solar energy generation through renewable energy from existing and new plants reduced our energy consumption by 42 440 856kWh and equates to a saving of 42 865tCO₂e. The plants currently under construction will add 21.18MWp further capacity. We are investigating the feasibility of other sources of renewable energy, including offsite renewable energy (where regulations permit us to wheel renewable energy from one site to another).
- 9.4 From a water management perspective, we continue to install various technologies such as smart water meters, online monitoring and leak detection, smart shutoff valves and sensors in bathrooms in our properties to reduce water consumption. We have begun implementing smart building technologies and changes to our building management systems to allow for better efficiency and monitoring.
- 9.5 We had installed 1 106 water saving toilets within 23 of our highest water consuming properties at year-end and are continuing to install additional units within the portfolio. Each toilet uses 1.5 litres of water per flush compared to the average of 9 litres of water per flush.
- 9.6 We have expanded our internally managed waste to 41% of our properties under our operational control. As part of our strategy, which is aligned with our net zero waste pathways, we have adopted a phased rollout of recycling initiatives that helps us optimise resources while underscoring our commitment to sustainability.
- 9.7 We disclose our carbon emission data in, inter alia, our integrated reporting suite and various voluntary international benchmarking platforms such as the S&P Global Corporate Sustainability Assessment, GRESB and CDP Climate and Water respectively.
- 9.8 For new construction and major renovation projects, green building principles are incorporated into our development activity.

Anti-Corruption

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

- 10.1 Our Code of Business Conduct, together with our Fraud and Anti-Corruption Policy which gives effect to the OECD recommendations regarding corruption, reflect our commitment to uphold the highest ethical standards in every aspect of our business. At a Board level, the Audit Committee and Risk, Compliance and Technology Committee review the Company's procedures for detecting and preventing fraud and bribery and receive reports of non-compliance.
- 10.2 The Board sets the tone for ethical leadership and the Executive Committee is responsible for promoting ethical behaviour within the Company. The Chief Financial Officer, Head of Risk and

Compliance, Chief Sustainability Officer, and Company Secretary are available to offer ethics-related advice to employees.

- 10.3 Enterprise risk management, information technology and data governance protection systems are operational throughout the business.
- 10.4 We communicate our ethics policies internally through training, periodic newsletters, emailers and desk pop-ups. Should there be any ethics-related concerns, our key stakeholders are encouraged to follow our grievance procedures and/or our anonymous whistleblower mechanism.
- 10.5 Our Legal function conducts internal training and workshops on new legislation and the impact thereof for the business.
- 10.6 Our Risk and Compliance function conducts quarterly sessions with the heads of our various business units who provide input on the strategic and operational risks associated with their areas of responsibility.
- 10.7 A risk strategy workshop is conducted annually by the Board; in turn, the risk framework is incorporated into the Company strategy.
- 10.8 Ethics-related risks are addressed through our enterprise risk management framework, and we take mitigating actions to ensure that we maintain a strong ethical governance structure.
- 10.9 Part of our safeguards against fraud and corruption include managing actual and potential conflicts of interest. At a Board level, directors are required to timeously inform the Board of any conflicts, or potential conflicts, of interest that they have in relation to particular items of business or other directorships, in accordance with the Companies Act, 2008.
- 10.10 There is a separate formal conflict of interest policy for employees which is supported by a standard operating procedure. Employees must complete a prescribed declaration form and submit it annually, regardless of whether they have a conflict to declare or not and reminders are incorporated mid-year in our bi-weekly staff newsletter.
- 10.11 Our gift declaration policy ensures that all gifts given and received must be declared to the Human Capital department via an online system, and if the gift is worth more than a pre-determined quantum, permission is required before the employee may accept it. Our Human Capital department send an annual reminder to employees to complete their gift declarations (particularly during the festive season).
- 10.12 In terms of the Supplier Code of Conduct, each supplier is required to report all direct and indirect conflicts of interest that may arise that relate to their business dealing with Redefine.
- 10.13 Our property management team observes our anti-bribery and corruption protocols when engaging with our tenants, prospective tenants and suppliers.
- 10.14 All staff members, when onboarded, receive comprehensive two-day induction training, which includes Redefine's Code of Business Conduct and ethics policies.
- 10.15 The company achieve an 88th percentile advanced ethical maturity score from the Ethics Institute during the employee-level 2023 Ethics Risk Survey.

Below are several key highlights achieved during FY23.

Key Achievements during FY23

- 11.1 26 New Green Star South African Existing Building Ratings and 25 recertifications, bringing our total Green Star certifications to 186
- 11.2 Three buildings rated Net Zero Carbon Level 2: Building and Occupant Emissions (measured)
- 11.3 17% increase in our installed solar PV capacity
- 11.4 8.82% of our energy consumption supplied by solar energy
- 11.5 6.5% reduction in water withdrawn from municipal and borehole sources
- 11.6 Level 1 BEE (Black Economic Empowerment) contributor
- 11.7 80.9% of internal promotions were to African, Coloured and Indian (ACI) employees
- 11.8 50% of our executive team was female
- 11.9 We achieved an 88th percentile overall ethical culture ranking in terms of our ethics risk survey
- 11.10 We achieved an 80% internal organization health metric score

We trust the above information provides you with an overview of our continued commitment to, and support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.