2021 Environmental, social and governance report

Sustaining BEYOND

ReDefine Properties
We’re not landlords. We’re people.
Welcome to our 2021 ESG report

This ESG report is our opportunity to share our ESG positioning, commitments and journey with our stakeholders, as well as how we are transforming our business to ensure we remain relevant beyond where we are today – delivering value and being a force for good in the communities we serve.

We believe that a post-pandemic recovery will go hand in hand with sustainable business practices. We continue to look beyond our current challenges to position our business for the future we want to create, as we strive to deliver the smartest and most sustainable spaces the world has ever known.

INTEGRATED THINKING

drives our integrated reporting

Sustained value creation does not happen in isolation. Our approach to embedding integrated thinking in our organisation is continuous and value based. It means understanding the relationship between the capitals that we use or affect and the potential trade-offs inherent in our strategic choices. We strive to report transparently, reflecting the value we create, preserve and erode. By understanding how these elements interact, we are better able to deliver sustained value for all stakeholders in the short, medium and long term.

For an understanding of our integrated approach to business and value creation, refer to page 5.

Our reporting suite

Redefine Properties Limited (Redefine) is committed to reporting openly and honestly to our broad range of stakeholders. Our reporting suite is available on our website, www.redefine.co.za.

Our reporting suite is in compliance with and has applied the following frameworks:

- The International Integrated Reporting (IR) Framework
- The Companies Act, No 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements
- King II Report on Corporate Governance™ for South Africa 2016 (King II™) (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)

INTEGRATED THINKING

Our approach to embedding integrated thinking in our organisation is continuous and value based.

We are listed on the JSE

We actively manage a diversified property asset platform with a value of R72.9 billion comprising local and international property assets

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

Our theme

Sustaining BEYOND

Beyond context... Beyond our constraints... Lies opportunity for those bold enough to Look beyond.

COVID-19 has shown us that we are all connected, and our ability to create value is inextricably linked to the sustainability of the stakeholders we serve. That’s why we’re committed to looking beyond where we are today to the future we want to create.

Our long-term strategy is designed to move beyond incremental progress to transformative change – harnessing the power of our business to deliver on our purpose and create a more inclusive, equitable and sustainable world.

Our reporting suite

Redefine Properties Limited (Redefine) is committed to reporting openly and honestly to our broad range of stakeholders. Our reporting suite is available on our website, www.redefine.co.za.

Our reporting suite is in compliance with and has applied the following frameworks:

- The International Integrated Reporting (IR) Framework
- The Companies Act, No 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements
- King II Report on Corporate Governance™ for South Africa 2016 (King II™) (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)

INTEGRATED THINKING

Our approach to embedding integrated thinking in our organisation is continuous and value based.

We are listed on the JSE

We actively manage a diversified property asset platform with a value of R72.9 billion comprising local and international property assets

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

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
Boundary and scope

We focus exclusively on information about our South African operations as they account for 83% of our property asset platform. Non-financial information relates to our South African operations due to their materiality and the degree of management control exercised.

The board is ultimately responsible for the report, which is prepared under the supervision of senior management and is subject to a rigorous internal and external assurance process. The reporting process, collation of the data and drafting of the report, are managed by the head of ESG prior to submission to the SET committee. The committee reviews its content and the collation process, relying on the assurance provided on some of the various reporting elements. The committee recommended the report for board approval.

We primarily report on our progress for Redefine’s financial year from 1 September 2020 to 31 August 2021 (FY2021).

Our ESG reporting boundary covers the impact of our operations on the following as well as its impact on our operations.

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
<th>Stakeholder engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page 19</td>
<td>Page 49</td>
<td>Page 97</td>
<td>Page 55</td>
</tr>
</tbody>
</table>

Financial reporting boundary
Aligns with our financial statements reporting boundary and includes
Subsidiaries | Associates | Joint ventures

Our ESG reporting boundary covers the impact of our operations on the following as well as its impact on our operations.
Our integrated approach to business and value creation

To achieve our purpose, we must have a robust business model and a responsive and progressive strategy. This requires more than a business-as-usual approach – it requires an integrated approach to value creation.

Our approach to business is driven from a place of purpose.

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

MOONSHOT In this decade, to deliver the smartest and most sustainable spaces the world has ever known.

Our vision is to be the best South African REIT

CREATING VALUE

Value for us means meeting our stakeholder goals

INTEGRATED THINKING is central to how we make strategic choices. It drives our value creation and informs our integrated reporting.

We assess our context

Operating context
Global trends and issues such as COVID-19, geopolitical events, socio-economic challenges arising from where we operate, and emerging and existing megatrends determine the environment that informs our value creation process.

Stakeholder relationships
Our extensive engagement strategies enable us to prioritise what each key stakeholder values most and what value Redefine strives to create from each relationship in return.

Risks and opportunities
Our business model is the primary lens through which we analyse our operating environment, stakeholder relationships, and resource dependency. From this universe, we derive our top-of-mind risks and opportunities that are updated throughout the year.

We consider our material matters

We take an integrated approach to identify matters that could influence our ability to create value in the short, medium and long term. These matters inform our strategy to manage the risks and maximise the opportunities that present themselves. Collectively, these are grouped into five themes that represent the megatrends we need to consider in our operating context.

Materiality themes

Materiality

Strategy

ESG

Risks

We integrate our strategy into our business model

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

Strategic priorities

Invest strategically
Optimise capital
Engage talent

Business model
We seek to actively manage our activities and their impacts to ensure we enhance the positive and minimise the negative outcomes of our business model, thereby sustaining value for all our stakeholders.

Throughout this report, we have highlighted the relevant UN SDGs to which the content relates by using an icon alongside.

We're not landlords – We’re people

Property is our commodity and people are our business.

Building a quality, diversified property portfolio, both locally and abroad

We actively manage a diversified local property asset platform comprising retail, office and industrial properties, complemented by retail and logistics property investments in Poland. We allocate capital where we believe the best market opportunities lie and reduce risk by diversifying our portfolio sectorally and geographically.

We strive to create from each relationship in return.

what each key stakeholder values most and what value Redefine strives to create from each relationship in return.

Our extensive engagement strategies enable us to prioritise our top-of-mind risks and opportunities that are updated throughout the year.

It informs our strategic decisions and operations – ensuring our choices align with our values and strategic objectives to enable long-term value creation, while ensuring transparency and accountability for our actions.

ESG is at the heart of our value creation

ESG extends to every aspect of what we do, as it ensures our long-term business resilience and creates sustainable stakeholder ecosystems.

SUSTAINABLE VALUE

We aim to deliver broader societal and environmental value through our commitment to the United Nations Sustainable Development Goals (UN SDGs)

Throughout this report, we have highlighted the relevant UN SDGs to which the content relates by using an icon alongside.

Redefine’s primary UN SDGs

Redefine’s secondary UN SDGs

Our primary goal is to grow and improve cash flow

Our mission is to create sustained value for all our stakeholders

Stakeholder goals

We are fair and consistent
We are honest and caring
We show integrity
We place people at the heart of everything we do
We show respect
We earn trust
We grow together
We are preferred business partner
We are reliable source of returns on debt funding
We are provider of safe and innovative shopping experience
We are source of business opportunity and growth
We are responsible community participant
We are provider of differentiated and relevant space
We are employer of choice
We are partner of choice
We are source of sustained growth in total returns
We are provider of sustainable growth

We pursue innovation
We embrace change
We are the best South African REIT

We strive to be the best

In this decade, to deliver the smartest and most sustainable spaces the world has ever known.

Redefine’s secondary UN SDGs

Sustainable Development Goals (UN SDGs)
We aim to become an ESG leader in the South African real estate sector.
## ESG highlights

### Environment

<table>
<thead>
<tr>
<th>Carbon footprint*</th>
<th>Energy efficiency</th>
<th>Renewable energy*</th>
</tr>
</thead>
<tbody>
<tr>
<td>13% reduction in Scope 1 and 2 emissions</td>
<td>6.25% reduction in consumption of grid-supplied energy</td>
<td>2% increase in installed capacity 26.3 MWh</td>
</tr>
</tbody>
</table>

### Water*

- 10% reduction in water withdrawn from municipal and groundwater (borehole) sources
- Municipal: 2 292 ML (2020: 2 535 ML) 70% 30%

### Waste

- Potential composting facility at Centurion Mall.
- 123 Green Star SA certifications (2020: 101)

### Green buildings

- No additional waste management initiatives implemented during FY2021
- We received 24 Existing Building Performance (EBP) certifications - the largest bulk Green Star EBP certification from a commercial property owner to date, representing a major milestone for green property owners in South Africa

### Highlights and achievements

- SASB and TCFD elements have been incorporated into our reporting journey
- We continue to install various technologies, such as online monitoring and leak detection, smart shut-off valves and sensors in bathrooms, to reduce water consumption
- We received 24 Existing Building Performance (EBP) certifications - the largest bulk Green Star EBP certification from a commercial property owner to date, representing a major milestone for green property owners in South Africa

*Aligned to the pre-agreed targets in Redefine’s sustainability-linked bond, which will be measured from 31 August 2022 onwards

### Governance

- Completed our 2020/21 externally facilitated board evaluation to further strengthen governance
- First in the EY Excellence in Integrated Reporting Awards 2021
- Undertook 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.
- The board approved measurable, business-related targets to map Redefine’s specific contribution to and progress against the relevant UN SDGs

### Social

<table>
<thead>
<tr>
<th>Communities</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>R195 772 small, medium and micro-enterprises (SMMEs) investment (2020: R900 000)</td>
<td>Permanent employee turnover</td>
</tr>
<tr>
<td>85% of promotions were African, Coloured and Indian (ACI) employees (2020: 74%)</td>
<td>57% female employees</td>
</tr>
</tbody>
</table>
| R6.0 million direct investment in training | Employment status ratio | 95.3% permanent (2020: 90.4%)
| 85% | R1.3 million youth development investment (2020: R1.3 million) | 9.7% temporary (2020: 9.4%) |
| R128 training interventions | |
| R865 841 non-profit organisation (NPO) investment (2020: R400 000) | 9.6% learning interventions | Focus on youth education and training (2020: 9.9%) |
| 18 672 employee hours invested in training (2020: 13 172) | |
| R11.4 million total training investment (2020: R11.1 million) | |

### Highlights and achievements

- Renewed emphasis on respecting human rights and promoting diversity and inclusion
- Participated in the United Nations Global Compact’s (UNGC) Young SIDS Innovator Programme, target Gender Equality Programme, and Climate Ambition Accelerator Programme
- No job losses due to COVID-19
- Certified as a top employer for the sixth consecutive year
- Refreshed remuneration framework and policies

### 2021 at a glance

- Achieved an 88% percentile overall ethical culture ranking from the ethics risk survey
- All directors attended 100% of the meetings of the board and the committees on which they served in 2021
- New strategy and moonshot vision approved
- Maintained a diverse and balanced board to support value creation
  - 30% executive directors
  - 70% independent non-executive directors
- Average age 54 years
- 80% younger than 60 years
- Achieved both gender and racial diversity targets
- 96.22% approval of our remuneration policy
- 96.87% approval of our implementation report at the AGM held on 23 February 2021
- Completed the implementation report at the AGM held on 23 February 2021
- Undertook an ethics risk survey and further promotes ethical behaviour
- Began to incorporate ESG factors into our due diligence process for acquisitions and disposals
Our approach to ESG

What ESG means to Redefine

To achieve our purpose, we think beyond brick and mortar. We are committed to transforming our business model, decarbonising our value chain, increasing transparency and supporting the development of robust ESG reporting frameworks and standards.

This is a strategic and moral imperative. We aim to move beyond incremental progress to transformative change – unlocking business value, building resilience and enabling long-term growth.

Our assets are physical and immovable, which make them vulnerable to any environmental and socio-economic factors that affect the area or region in which they are located. As such, we have long incorporated ESG factors in our business processes. The ongoing COVID-19 pandemic and the unfortunate civil unrest experienced in 2021 further emphasised the importance of embedding ESG considerations into our business strategy. We choose to find opportunities among these challenges and have shaped our business approach to integrate corporate citizenship principles.

We have accelerated our quest to embed ESG into every aspect of what we do.

ESG provides an opportunity to future-proof our business and increase our resilience

To ensure that we create and preserve sustained value for all our stakeholders, and actively contribute to a more sustainable operating environment, we embed ESG factors into every aspect of our business.

Our ESG strategy

Governing our ESG strategy

The social, ethics and transformation (SET) committee approves and oversees the implementation and progress of our ESG strategy.

In 2021, the committee reviewed and approved the ESG strategy and implementation framework, including:

- The UN SDG targets and monitoring framework
- ESG areas of responsibility framework, both for the board and
- Key component policies of the ESG strategy, e.g. code of business conduct and ethics management plan
- The investment committee (IC) considers ESG considerations in investment proposals tabled before it and oversees the company’s responsible investment journey.
- The risk, compliance and technology committee (RCT) overviews the integration of ESG-related risks within the company’s enterprise-wide risk management framework.
- The remuneration committee (Remco) approves and monitors the performance of any ESG-related key performance indicators (KPIs) for members of executive management, in conjunction with the SET committee.
- The audit committee (AC) oversees the levels of assurance applied to ESG-related information (together with the SET committee), including the information put forward in the integrated reporting suite.
- The nomination and governance committee (Nom) oversees the application of good governance principles within the company, including promoting employment equity in the company’s succession plan.

Approach

We adopt a coordinated approach to sustainability through our ESG strategy. The strategy allows us to identify pressing socio-economic issues and make progress towards addressing them through our core business activities. It covers all the properties over which we have operational control and promotes applicable practices across our value chain.

The objectives of the strategy are to:

- Ensure that ESG forms an integral part of our day-to-day business operations and decision-making processes throughout the life cycle of our properties.
- Pursue opportunities to solve societal challenges through business innovation and collaboration
- Promote the creation of sustainable partnerships not only within our value chain but also across the real estate industry and public sector

Our strategy guides the following core activities of the ESG strategy

Key themes

Our commitment to the UNGCC and the UN SDGs

Our sustainability reporting approach, which we aim to align with

- SAI/SFP Real Estate and Infrastructure Standard
- TCFD principles for effective climate risk disclosure

Our approach to responsible investment and sustainable finance

Benchmarking our progress by participating in annual sustainability indices and benchmarks, which include

- CDP Climate Change and Water Security Questionnaires
- GJSI/S&P Global Corporate Sustainability Assessment (CSA)
- Global Real Estate Sustainability Benchmark (GRESB)
- FTSE4Good Emerging Markets Index

Looking beyond

Embedding ESG is a continuous process. We have started the process by working on developing a methodology to calculate the return on investment for our primary sustainability initiatives. We will also work on developing a net zero pathway during FY2022, starting with a feasibility assessment of all buildings within our operational control in our South African portfolio.

Committing to the UNGC and UN SDGs

Our commitment to the UNGC and UN SDGs means that we are dedicated to playing our role in addressing ESG concerns

Our ESG strategy seeks to tackle the issues addressed by our primary and secondary UN SDGs deemed of critical importance to sustainable growth. To deliver this, our ESG strategy will incorporate suitably stretching targets and allocate areas of responsibility within the business.

Our formal commitment to the UNGC provides us with access to resources and allows us to participate in several UNGC programmes through the South African Global Compact network. This network fosters learning, reporting, networking, partnerships and advocacy to advance sustainability, understanding and performance. As the first South African REIT to be a signatory, we are hopeful for broader industry uptake in order to drive a coordinated property industry response and greater impact on the achievement of the UN SDGs.

We submit an annual communication on progress against the 10 Global Compact principles and, where appropriate, support the achievement of UN goals through partnerships with other organisations or stakeholders.

Our annual communication on progress can be viewed on the [ethical-score] website.

Our actions to achieve the UN SDGs

To achieve progress against the UN SDGs, measures and targets need to be in place. To this end, we have developed a KPA framework informed by best practice and explicitly aligned to our ESG-related priorities and identified UN SDGs. These have been independently reviewed, and they are aligned to those of other international real estate companies.
Our approach to ESG
CONTINUED

We recognise that ESG must be embedded at each stage of the investment life cycle of our properties. As such, we are developing an enterprise approach to responsible investment to ensure that each asset management decision, from development or acquisition through to disposal or demolition, considers ESG factors.

Responsible investment approach

We have a dynamic approach to capital management. In an environment of scarce and costly capital, we evaluate the prospective returns of each capital deployment opportunity to determine our capital allocation. Supporting our business activities are the choices we make about sourcing, deploying, managing and, at times, recycling our manufactured capital and, in line with our investment strategy to generate sustained cash flow.

Environment

Enriching ESG at each stage of the development and management of our buildings increases their appeal, efficiency and long-term sustainability. The following areas are being established and embedded into our business, in line with our environmental management system, climate change policy (including science-based targets) and risk management strategy:

- Developing and managing green buildings in line with Green Council SA guidelines
- Implementing green leasing and green tenant guidelines, including water resource and waste management with various technologies (e.g., monitoring, leak detection and smart shut-off valves)
- Increasing renewable energy generation and reducing grid-supplied energy consumption through energy management and efficiency initiatives (such as solar photo voltaics (PV) projects and sensors)
- Ensuring suitable sanitation and hygiene at our buildings
- Ensuring that responsible water and waste management takes place, with the goal of reducing consumption

Life cycle approach

Ensure that life cycle assessments are conducted on our properties to optimise their performance and long-term sustainability.

Measurement method

- Development of life cycle metrics per sector that optimise the reusability of our assets, once they reach the end of their life cycle
- Note: this programme will only be initiated in FY2022

Property life cycle

The activities that grow our property portfolio value are underpinned by support services that enable the business to function in a manner that creates value in the short, medium and long term.

We assess the performance of our acquired assets against environmental sustainability measures.

- We will conduct a biodiversity due diligence process in our disposals
- We assess the ability of the building to be converted from one use to another during the development phase
- More sophisticated criteria, including site-use re-evaluation criteria, are being developed

Social

Our social impact is guided by our approach of connecting stakeholder needs to social impacts. This increases the relevance of the properties we manage and develop as well as our role in the social context in which we operate. Our key social initiatives, programmes and goals include:

- Delivering corporate social investment (CSI) initiatives and community engagement
- Strengthening to raise sustainability awareness among stakeholders
- Promoting human rights and decent working conditions, which includes supporting women-owned businesses and other vulnerable groups
- Taking steps to ensure equal pay for work of equal value
- Investing in our employees through our learnership programme and skills development
- Upgrading facilities and infrastructure for socio-economic development
- Implementing a health, safety and well-being strategy for our key stakeholders
- Improving our broad-based black economic empowerment (BBBEE) contributor level
- Benchmarking our employee engagement against peers
- Implementing our supplier code of conduct that incorporates ESG factors
- Creating a pipeline of future suppliers, tenants and employees through our social investments and enterprise and supplier development (ESD) programmes
- Human rights and community impact assessments will be performed in respect of property transactions, where appropriate, in future

Governance

The IC oversees the incorporation and monitoring of ESG-related risks and opportunities, as they appear throughout the asset life cycle, into the enterprise risk management (ERM) framework.

- The IC oversees the internal controls and scope of external assurance applied to non-financial reporting, including the information contained in the integrated reporting suite
- The IC ensures that any ESG-related key performance indicators (KPIs) are aligned to the company’s long-term ESG strategy and draw the incorporation of ESG into each aspect of the asset life cycle

Our board oversees our responsible corporate citizenship with the CEO ensuring that our business conduct is ethical and properly governed by focusing on (among others):

- Social and economic development
- Ethical conduct
- Sustainability
- Stakeholder engagement
- ESG across our value chain

Our measurement criteria for our life cycle approach in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2025.

Life cycle approach

- We conduct human rights and community impact due diligence assessments
- We appoint a community liaison officer for each development
- We allow community members to collect leftover building materials once the development is complete
- Contractors receive on-site health and safety training and briefings
- We strive to raise sustainability awareness among stakeholders
- We promote human rights and decent working conditions, which includes supporting women-owned businesses and other vulnerable groups
- We take steps to ensure equal pay for work of equal value
- We invest in our employees through our learnership programme and skills development
- We upgrade facilities and infrastructure for socio-economic development
- We implement a health, safety and well-being strategy for our key stakeholders
- We improve our broad-based black economic empowerment (BBBEE) contributor level
- We benchmark our employee engagement against peers
- We implement our supplier code of conduct that incorporates ESG factors
- We create a pipeline of future suppliers, tenants and employees through our social investments and enterprise and supplier development (ESD) programmes
- We ensure that human rights and community impact assessments will be performed in respect of property transactions, where appropriate, in future

Benchmarking our progress against our peers

We benchmark our performance against our peers – nationally and internationally – to inform our strategy and adopt international sustainability best practices across our organisation. For more detail on our performance in terms of Dow Jones Sustainability Index (DJSI), GRESB and the FTSE4Good Emerging Markets Index, please refer to our website.

Our measurement criteria for our life cycle approach in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2025.

Life cycle approach

- We conduct human rights and community impact due diligence assessments
- We appoint a community liaison officer for each development
- We allow community members to collect leftover building materials once the development is complete
- Contractors receive on-site health and safety training and briefings
- We conduct human rights and community impact due diligence assessments
- We appoint a community liaison officer for each development
- We allow community members to collect leftover building materials once the development is complete
- Contractors receive on-site health and safety training and briefings
- We strive to raise sustainability awareness among stakeholders
- We promote human rights and decent working conditions, which includes supporting women-owned businesses and other vulnerable groups
- We take steps to ensure equal pay for work of equal value
- We invest in our employees through our learnership programme and skills development
- We upgrade facilities and infrastructure for socio-economic development
- We implement a health, safety and well-being strategy for our key stakeholders
- We improve our broad-based black economic empowerment (BBBEE) contributor level
- We benchmark our employee engagement against peers
- We implement our supplier code of conduct that incorporates ESG factors
- We create a pipeline of future suppliers, tenants and employees through our social investments and enterprise and supplier development (ESD) programmes
- We ensure that human rights and community impact assessments will be performed in respect of property transactions, where appropriate, in future

Benchmarking our progress against our peers

We benchmark our performance against our peers – nationally and internationally – to inform our strategy and adopt international sustainability best practices across our organisation. For more detail on our performance in terms of Dow Jones Sustainability Index (DJSI), GRESB and the FTSE4Good Emerging Markets Index, please refer to our website.
Our approach to ESG

CONTINUED

ESG KPAs

The following section sets out the main ESG-related targets against which we will gauge our progress during FY2022. We based the targets on the primary and secondary UN SDGs selected by the company, as approved by the board, to the extent that these are objectively measurable. We have split the suggested KPAs into short term (measurable over a 12-month period) and long term (measurable over a three-year period). The tables below set out the suggested short-term ESG-related KPAs for the company. Where feasible, these have been associated with measurable performance targets (which will be measured on a sliding scale in order to gauge where we have outperformed). For others, which require the company to first gather data (as they have not been measured previously) to gauge the progress made thus far, the KPAs are set out below and the appropriate measurement method will be developed during FY2022.

By way of clarification, each of the UN SDGs has a set of global targets, and we have grouped our business-related targets to the global targets. Therefore, references to numbered targets under each UN SDG (e.g. UN SDG 6.1) refers to the global target to which the Redefine goal will contribute. If the company commits to different UN SDGs before 2030, the KPAs will be reconsidered to incorporate any changes to the UN SDGs to which the company has committed itself.

These KPAs are not all reflected in the 2022 remuneration-related KPAs. However, to the extent to which we have incorporated ESG-related KPAs into the revised remuneration framework, these reflect the priorities in these targets and are directly correlated to the achievement of the UN SDGs.

Goal: Inclusion in the DJSI Emerging Markets Index

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>Measurement</td>
</tr>
<tr>
<td>Inclusion in the DJSI Emerging Markets Index</td>
<td>Level of company sustainability score above minimum total sustainability score for index inclusion</td>
</tr>
<tr>
<td>Goal</td>
<td>Measurement</td>
</tr>
<tr>
<td>6.4 Life cycle indicator</td>
<td>Megalitres of water withdrawn in South African operations (year-on-year target reduction) using an FY2019 baseline</td>
</tr>
<tr>
<td>Goal</td>
<td>Measurement</td>
</tr>
<tr>
<td>3.2 Caregiver support programme</td>
<td>Increase generation of renewable energy throughout the portfolio</td>
</tr>
<tr>
<td>Goal</td>
<td>Measurement</td>
</tr>
<tr>
<td>3.2 Caregiver support programme</td>
<td>Increase installed capacity (MWp)</td>
</tr>
</tbody>
</table>

Environmental KPAs

CONTINUED

9.4 Innovation of better products and services

Increase spend on research and development to create or upgrade products or infrastructure or introduce fit-for-purpose services in a changing operating environment

Expenditure on research and development as a proportion of turnover during the reporting period

Target: 5% increase in expenditure

12.2 Waste reduction

Effectiveness of waste management initiatives to reduce the company's waste footprint across the portfolio

Estimated amount of waste reductions achieved as a result of our internal waste management initiatives across the portfolio, calculated as a reduction in waste to landfill (by metric tonne), using FY2020 as a baseline

Target: 300 tonnes (10% reduction in waste to landfill)

13.1 TCFD implementation

Identify and address risks and opportunities posed by climate change that could generate substantive changes in operations, revenue or expenditure, including:

- Describing the risk or opportunity and its classification as either physical, regulatory or other
- Describing the impact associated with the risk or opportunity
- Financial implications of the risk or opportunity before action is taken
- Methods used to manage the risk or opportunity
- Costs of actions taken to manage the risk or opportunity

Complete a climate risk management report aligned with the TCFD framework and incorporate remedial action to address climate risks and take opportunities on our net zero pathway

Target: Measurement criteria will be developed during FY2022

Social KPAs

CONTINUED

3.2 Caregiver support programme

Providing decent working conditions that enable employees who are also parents to fulfil their roles as caregivers

Gauge the needs of caregiver employees through internal employee surveys. Depending on the results, management may investigate partnering with childcare facilities close to our regional offices to offer lower rates to our employees

Target: Measurement criteria will be developed during FY2022
### Our approach to ESG

#### Social

<table>
<thead>
<tr>
<th>Goal</th>
<th>Measurement</th>
</tr>
</thead>
</table>
| 4.1 Promoting equity and equality | Percentage of tertiary qualifications completed by designated groups\(^1\) within Redefine, funded by our bursary programme  
Target: Measurement criteria will be developed during FY2022 |
| 4.2 Sustainability awareness | Percentage of employees who receive training on sustainability in the real estate sector and on how we can contribute to sustainable business practices  
Target: 80% |
| 4.7 Sustainability awareness | Increasing awareness of sustainability among employees through policies, training and awareness |

#### SDG 5.6 Retention of employees taking parental leave

<table>
<thead>
<tr>
<th>Goal</th>
<th>Measurement</th>
</tr>
</thead>
</table>
| Implementing measures to retain caregiver employees, particularly employees that take parental leave in line with its internal policies | Return to work and retention rate of employees that took parental leave, by gender, expressed as a percentage  
Target: Measurement criteria will be developed during FY2022 |

#### SDG 8.1 BBBEE scorecard

<table>
<thead>
<tr>
<th>Goal</th>
<th>Measurement</th>
</tr>
</thead>
</table>
| Improve our BBBEE contributor level | Improvement in the Company’s BBBEE contributor level on an annual basis after external BBBEE verification.  
Target: Level 3 |
| 8.3 Ownership and employment equity | Contribute to employment and wealth generation through achievement of ownership and economic- and representation-related targets, particularly for underrepresented social groups  
Target: Measurement criteria will be developed during FY2022 |

#### SDG 10.1 Living wage

<table>
<thead>
<tr>
<th>Goal</th>
<th>Measurement</th>
</tr>
</thead>
</table>
| Paying at least a living wage to employees that (as far as possible) protects their purchasing power after inflation | Calculate a living wage that would be appropriate in the cities where most of our employees are located, based on the cost of living and other relevant factors (e.g. national minimum wage levels), and measure the percentage of employees earning above this level. This exercise can be done in consultation with the Living Wage Foundation  
This programme will only be initiated in FY2022  
Target: Measurement criteria will be developed during FY2022 |

#### SDG 10.5 Anti-fraud and corrupt activities policy

<table>
<thead>
<tr>
<th>Goal</th>
<th>Measurement</th>
</tr>
</thead>
</table>
| Adhere to anti-fraud and corrupt activities policy | Percentage of employees who have completed anti-fraud and corrupt activities awareness training  
Target: Measurement criteria will be developed during FY2022 |

---

\(^1\)As defined in empowerment legislation
We assess our impact on the environment so that we may take meaningful action in areas that need improvement.
The environmental in ESG

Why it matters
Scarcity of natural resources and climate change continue to pose risks to businesses and broader society. Our environmental stewardship is therefore driven by a need to ensure our long-term business sustainability and by an ethical obligation to our broader society. Our commitment is further encouraged by the increasing demand for green and sustainability-linked bonds by asset owners and institutional investors, which require the inclusion of, and performance against, ESG metrics.

To deepen our understanding of, and minimise our impact on, the natural environment, we must acknowledge the part we play and keep our operations resilient to the face of environmental risks. Furthermore, we must consider how we can meet our stakeholders’ expectations of environmentally friendly and responsible spaces.

Macroeconomic context
COVID-19 has highlighted how connected we are to nature and showed us the devastating impact climate change can have on society, while emphasising the importance of addressing our environmental impact. In addition to changing climate conditions, water resources are continuously threatened by pollution, compounded by poor water quality, ineffective water and waste management, and multiple infrastructure failures and outages.

According to the report by the Intergovernmental Panel on Climate Change, released on 9 August 2021, many of the observed changes in the climate (such as increased GHGs and global warming) are attributable to human activity, and this must be addressed with the utmost urgency. If we fail to correct our collective behaviours, environmental concerns will remain for future generations and the effect on the climate will become irreversible.

The World Economic Forum flagged climate action failure and infectious diseases as being the highest impact risks of the next decade, and 2021 was the first year that several countries that are major carbon emitters refocused their efforts on climate change mitigation. Locally, the South African government reinforced its commitment to reducing its carbon footprint by updating its nationally determined contributions to reflect the country’s highest possible level of ambition. The ambition targets include, among others, multilateral indices and benchmarks.

In South Africa, electricity costs continue to increase amid supply constraints, which has significant implications for our business and tenants. Additionally, the country’s water resources remain at a level of concern due to recurring droughts, degrading infrastructure, waste and pollution. These challenges inform why we identify short- and long-term environmental priorities.

For us, environment comprises our key environmental focus areas driven by a stakeholder-inclusive approach.

Our approach
Understanding the impact of environmental change on our business and driving behaviour change
Page 23

Our environmental focus areas
Page 25

Climate change and resilience
Introduce a net zero pathway to guide our business’s approach to transitioning to a low-carbon economy, addressing energy, water and waste management *
Maintain and improve performance in terms of sustainability disclosure indices and benchmarks *
Introduce a climate change risk management framework to help us identify our most material climate change risk exposures and corresponding opportunities **

Carbon footprint
Improve the consistency and comparability of our environmental reporting **
Incorporate environmental considerations into tenant and supplier engagement **

Energy
Invest in renewable and energy-efficient solutions across the portfolio *
Focus on smart electricity and water meters, including effective ways of monitoring and improving asset-level energy and water efficiency *
Focus on improving the coverage of our green lease framework across the portfolio **

Water
Continue reviewing potential future-proofing opportunities that target strategic assets **
Focus on smart electricity and water meters, including effective ways of monitoring and improving asset-level energy and water efficiency *
Focus on improving the coverage of our green lease framework across the portfolio **

Waste
Continue reviewing potential future-proofing opportunities that target strategic assets **
Focus on improving the coverage of our green lease framework across the portfolio **

Green buildings
Continue pursuing long-term Green Star and other appropriate building certifications *
Continue focusing on tenant and customer health and well-being, including through other measures such as WELL Building certifications **

Biodiversity
Develop a biodiversity assessment framework

*Short-term priorities
**Medium- to long-term priorities
Our approach

Our environmental stewardship requires collective effort and responsibility from our stakeholders and from us.

Our environmental approach is guided by our ESG strategy, with individual strategies, policies and accountability across each of our key environmental focus areas – climate change and resilience, energy, water, waste, green buildings, 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.

Alignment with international best practice standards and frameworks

Aligned with our overarching ESG strategy, refer to page 9, we have made progress in our implementation of, and alignment with, TCFD and SASB. In addition to our journey to comply with the SASB Real Estate Standard, our performance in tenant engagement and portion of green leases or addenda by GLA directly affect our sustainability disclosure scores. Therefore, we agreed on a work plan for our green lease framework with our asset management teams in 2021. A task team will develop a shared benefit framework as part of our green lease framework to enable tenants to implement efficiency initiatives that benefit landlords and tenants. We plan to review and develop the shared benefit framework and approve the green lease frameworks (which will be tailored to each sector) in 2022. We will also formalise our approach to measuring, incentivising and improving tenants’ sustainability impact with training and progress tracking by GLA in the coming year. This will be a gradual process and may not be applied to all new leases and renewals in the next year.

Furthermore, we are introducing a tenant awareness campaign on sustainability in 2022, which will include awareness around responsible energy and water consumption, waste management, and hazardous materials.

SASB activity metrics

<table>
<thead>
<tr>
<th></th>
<th>Retail</th>
<th>Office</th>
<th>Industrial</th>
<th>Residential</th>
<th>Specialised/other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of assets</td>
<td>68</td>
<td>104</td>
<td>1 231 600</td>
<td>1 325 793</td>
<td>25</td>
</tr>
<tr>
<td>(IF-RE-000.A)</td>
<td>68</td>
<td>104</td>
<td>1 231 600</td>
<td>1 325 793</td>
<td>25</td>
</tr>
<tr>
<td>Leasable floor area (m²)</td>
<td>1 277 181</td>
<td>1 500 763</td>
<td>1 788 600</td>
<td>1 957 289</td>
<td>68</td>
</tr>
<tr>
<td>(IF-RE-000.B)</td>
<td>1 277 181</td>
<td>1 500 763</td>
<td>1 788 600</td>
<td>1 957 289</td>
<td>68</td>
</tr>
<tr>
<td>% Percentage of indirectly managed assets by floor area (IF-RE-000.C)</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Average occupancy rate (IF-RE-000.D)</td>
<td>81%</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Reporting boundaries

For more information on our reporting boundaries with regards to our annual carbon footprint assessment, which uses the operational control approach, and our ongoing alignment to SASB, refer to our website.

Please note that numbers reported using the SASB Real Estate Standard may vary from those using the operational control approach related to our carbon footprint reporting.
Our position on climate change

Our business activities in the built environment contribute to climate change through our energy usage, carbon emissions, water consumption, and waste footprint. Therefore, we believe that climate change should no longer be considered a low-probability business risk. We have a responsibility to deepen our understanding of climate change by defining how it impacts on our business and how our business contributes to climate change. To achieve this, we align our environmental disclosure to best practice frameworks and standards. This helps us identify and measure the financial impact of climate change-related risks on our ability to create value.

Climate change-related governance and environmental risk management

We are aligning our climate change-related governance and environmental risk management framework to the TCFD to ensure the board has oversight of potential climate change-related risks and opportunities.

Going forward, we will submit regular reports to the SET committee on how we manage climate-related risks. The SET committee will then report on critical climate change-related risks and opportunities to the board.

The board sets the group strategy, which includes ESG goals and targets. These goals are set out at the beginning of this section. We consider the potential impact of climate change (both transitional and physical risks) on the attractiveness and long-term physical resilience of our properties. The board and executive leadership continue identifying sustainability issues of significance to our financial performance. To this end, we have identified a potential environmental enterprise risk for consideration, namely the inability to be environmentally resilient. The RC will oversee the integration of the climate risk management into the company’s ERM framework. The Remco will review any climate-related metrics that are included in remuneration structures to ensure that they are aligned to the company’s climate risk management framework and associated targets (in consultation with the SET committee). The IC will consider the impact of investment proposals on the company’s climate risk and opportunity profile. The AC will note the assurance process for environmental reporting as part of the company’s combined assurance framework.

Our goal and target-setting process defines necessary governance frameworks to monitor and evaluate performance against set targets.

The growing appetite for sustainability-related funding presents an opportunity to align our funding model with our ESG goals. We made good progress in 2021 with the launch of our sustainability-linked bond, which links our cost of funding to pre-agreed sustainability performance targets, refer to page 61.

To better understand investors’ ESG-related concerns and priorities, we engage with them during our annual ESG roadshow and conduct surveys and questionnaires to gauge their expectations in this regard.

Building resilience against climate change risks

It has become a business imperative to safeguard our assets and investments against not only extreme weather and other catastrophic events but also the transitional risks and opportunities associated with the gradual move to a low-carbon economy.

We aim to improve our portfolio’s climate change resilience and align our related risk management processes with TCFD recommendations. To achieve this, Redefine designs buildings with long-term climate change risks in mind and explores opportunities to improve climate change resilience in our existing buildings. Our goal is to fully understand how and where our business and assets are vulnerable. We also encourage the development of real estate building codes and standards to meet the demand for climate change-resilient building design.

We believe that investing in a sound climate change resilience strategy will ensure that our capital investments are safeguarded and can create value. Green building practices form part of this strategy; a necessity for long-term value creation. Our ESG strategy includes this holistic green building approach, refer to pages 43 to 46, which addresses our primary and secondary impact areas and aligns with international green building best practices. Our climate change-related risk management processes will consider our properties’ lifecycle when assessing environmental impacts in future. Therefore, we ensure that, from initial acquisition or development to disposal, our management approach considers our environmental goals.

Enhancing our climate change resilience
Enhancing our climate change resilience CONTINUED

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

Redefine has clear responsibilities with regard to the assessment and management of climate-related issues. The ultimate responsibility for ESG performance rests with our CEO who is supported by senior management, including our head of ESG. Management reports specific climate change-related issues to the SET committee, including benchmark considerations, green building progress monitoring and climate change-related risks as part of the group-wide ERM framework.

How we manage climate change-related risks and opportunities

Our integrated process of identifying, assessing and managing climate change-related risks is outlined in our ERM framework and will align with the risks and opportunities defined by the TCFD, as we progress in its implementation.

Our sustainability risks will be assessed against our six value capitals to identify the most impactful risks. Each assessed risk is aligned to our key strategic objectives and categorised as strategic, operational or both. The likelihood and impact of each assessed risk will be measured against our internal business-relevant classification framework, which categorises and defines the impact and likelihood of each risk in relation to a specific value capital.

Mitigating environmental risk

Our ESG risk assessment conducted in 2020 identified overarching medium- and long-term risks that could inhibit our ability to create value for our stakeholders. As our TCFD integration matures, we will refine this assessment.

Our internal environmental risk identification process identifies the direct and indirect impacts of environmental risks. We are aligning these risks with the TCFD framework. In our first year, we assessed potential risks in terms of impact categories defined by the CDP. We are now strengthening our alignment with the TCFD by methodically determining financial impact values and associated costs to mitigate identified risks and address opportunities.

Risks | Potential financial impact* | Time horizon
--- | --- | ---
Policy and legals | | |
Carbon tax legislation | A | 
Small-scale embedded generation regulations | A | 
Water restrictions and punitive tariffs | A | 
Efficiency standards and building codes | C | E |
Technology | | |
Green buildings | C | B |
Alternative energy and water sources (batteries and grey water, among others) | E | 
Equipment replacement policies | E | 
Standby power supply | E | 
Market | | |
Demand for greener and healthier spaces | D | E |
Increased cost of building materials | E | 
Reputation | | |
Diminished attractiveness of REITs as an asset class | A | E |
Increased stakeholder concern | E | A |

*Aligned to CDP categories
Enhancing our climate change resilience

Mitigating environmental risk

We believe that in taking steps to manage our climate risks, we will identify key opportunities that will form a key part of our overall climate mitigation strategy. The identification of key opportunities will include (inter alia) understanding where in the value chain the opportunities occur, the type of opportunity, and the potential financial impact thereof. As has been done with our climate risks, these will include the time horizon of each opportunity as well as the likelihood and magnitude of their impact. We will fully develop our approach to identifying climate-related opportunities and strategies to realise these opportunities once we have finalised our climate risk management approach.

As we enhance our alignment with TCFD, we will describe each identified risk and opportunity in more detail. In the interim, we have set out the financial impact of mitigating actions associated with some of the identified risks, including the short-term yield and returns to the business.

### Risks

<table>
<thead>
<tr>
<th>Acute</th>
<th>Potential financial impact*</th>
<th>Time horizon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in extreme weather events (especially flooding and severe storms)</td>
<td>E</td>
<td>E</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chronic</th>
<th>Potential financial impact*</th>
<th>Time horizon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diminished attractiveness of REITs as an asset class</td>
<td>E</td>
<td>E</td>
</tr>
<tr>
<td>Increased stakeholder concern</td>
<td>E</td>
<td>E</td>
</tr>
</tbody>
</table>

*Aligned to CDP categories

### Climate opportunities

We are in the process of incorporating environmental risk assessments into our development and investment decision-making process. To this end, we will be developing guidelines to be implemented for asset-level environmental and social risk assessments in future. When these guidelines are finalised, they will form part of our due diligence process for future developments and acquisitions.

As we enhance our alignment with TCFD, we will describe each identified risk and opportunity in more detail. In the interim, we have set out the financial impact of mitigating actions associated with some of the identified risks, including the short-term yield and returns to the business.

### Sustainability risk management strategy

We are in the process of incorporating environmental risk assessments into our development and investment decision-making process. To this end, we will be developing guidelines to be implemented for asset-level environmental and social risk assessments in future. When these guidelines are finalised, they will form part of our due diligence process for future developments and acquisitions.

### Intervention FY2022 estimated cost First-year return First-year yield

<table>
<thead>
<tr>
<th>Intervention</th>
<th>FY2022 estimated cost</th>
<th>First-year return</th>
<th>First-year yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar PV</td>
<td>R168 432 156</td>
<td>R28 635 332</td>
<td>19.3%</td>
</tr>
<tr>
<td>Energy efficient lighting</td>
<td>R26 986 996</td>
<td>R6 608 916</td>
<td>24%</td>
</tr>
</tbody>
</table>

### Measuring our environmental impact: metrics and targets

Redefine is dedicated to being an advocate for responsible environmental stewardship in areas in which we excel. To this end, we carefully measure our impact on the natural environment and take definitive action where areas of improvement have been identified.

We use widely adopted measures to communicate our environmental performance to our stakeholders and provide comparability and context. We benchmark and disclose our performance through public platforms, such as the CDP Climate Change and Water Security disclosure platforms,GRESB and S&P Global CSA. The primary measure of our environmental impact is our annual carbon footprint assessment. In this way, we ensure that we remain relevant in the context of global environmental protection efforts.

### Environmental

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building safety</td>
<td>Resilience to catastrophe and disasters</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>Energy efficiency</td>
</tr>
<tr>
<td>Compliance with regulatory requirements</td>
<td>Energy supply and renewable energy</td>
</tr>
<tr>
<td>Site selection, land use and contaminated land</td>
<td>GHG emissions</td>
</tr>
<tr>
<td>Life cycle assessment</td>
<td>Green building and net zero certifications</td>
</tr>
<tr>
<td>Embedded carbon</td>
<td>Water supply and efficiency</td>
</tr>
<tr>
<td>Material sourcing</td>
<td>Waste management</td>
</tr>
<tr>
<td>Flood</td>
<td>Indoor environment quality</td>
</tr>
<tr>
<td>Natural hazards</td>
<td>Location and transportation</td>
</tr>
</tbody>
</table>

### Scenario analysis

We will be using scenario analyses to understand forward-looking pathways and how these could potentially affect the resilience of our buildings. For more information on how we will be using scenarios going forward, please refer to our Sustainability Report.

Flooding describes one of the main physical climate risks affecting our properties. We will aim to mitigate the threat of flooding by ensuring that new developments are flood resilient. Our mitigation measures in new developments will include:

- Rainwater management systems that accommodate more water than recommended by local building codes
- Adequate external envelope, roof and balcony details to ensure buildings are watertight during extreme weather events
- Permeable surface treatments instead of hard garden landscaping
- Surface water run-off catchment systems to ease the impact on the municipal storm water system

Furthermore, green buildings are an opportunity for us to address the resilience and operational efficiency of our buildings. Water will be included in our assessments to investigate the possibility of using circular principles to ensure water resources are used efficiently. We aim to build all new office buildings with a minimum 6 Star Green Star SA rating.
Enhancing our climate change resilience

CONTINUED

Climate change adaptation metrics per SASB

<table>
<thead>
<tr>
<th>Activity metric</th>
<th>Retail</th>
<th>Office</th>
<th>Industrial</th>
<th>Residential*</th>
<th>Specialised/other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2020</td>
<td>2021</td>
<td>2020</td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Area of properties located in 100-year flood zones (IF-RE-450a.1)*</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>2</td>
<td>12</td>
<td>12</td>
<td>N/A</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks (IF-RE-450a.2)

We address our exposure to climate change risks, as well as the risk degree of systematic portfolio exposure and strategies for mitigating risks, on pages 25 to 32.

Unpacking our carbon footprint

Our 2021 carbon footprint results were influenced by COVID-19 and the associated restrictions. As trading and business operations were constrained, the demand for electricity and water significantly reduced, in some cases more than others. Electricity remains the largest contributor to Redefine’s carbon footprint, accounting for 99% of all our emissions (Scope 3 included). Our 2021 carbon footprint can therefore not be used to effectively benchmark our performance against 2020. Therefore benchmarking our 2021 performance against our 2019 performance may be more appropriate.

Although our Scope 1 emissions have decreased from 2020, drastic changes from different emissions sources in Scope 1 must be noted. Fugitive emissions from replacing refrigerants for our heating ventilation and air conditioning (HVAC) systems increased by 20%, which is partly due to lockdown measures being eased but also linked to cyclical replacement cycles. Our stationary combustion, on the other hand, decreased by 24% as a direct result of the decreased use of diesel generators, which in turn is as a result of a decrease in loadshedding and electricity supply interruptions. We remain committed to exploring the use of alternative fuel sources and technologies to reduce our reliance on diesel as a standby power source.

Unpacking our carbon footprint

Our 2021 carbon footprint assessment was conducted following the operational control approach, accounting for emissions from operations under our direct control.

Carbon footprint reporting (GHG emissions)

Prioritising climate change resilience

We collect non-financial data on energy, water, waste, refrigerant gases and travel in our annual carbon footprint assessment. Our carbon footprint is externally verified in terms of a year-on-year review of our activity data.

Our combined Scope 1 and 2 emissions intensity (tCO2e/m2) increased by 17% from 0.0075 tCO2e/m2 in 2020 to 0.0088 tCO2e/m2 in 2021. We did not meet our year-on-year emissions reduction target of 5% on Scope 1 and 2 emissions intensity measured in tCO2e/m2. This is due to various factors, such as the adverse effect of lockdown on our renewable energy projects and other operational activities impacting on our emissions reporting. Nevertheless, we remain committed to reviewing our emissions target-setting methodology to better align with international best practice and provide greater transparency on our impacts on a per-asset level.

Our 2021 carbon footprint assessment was conducted following the operational control approach, accounting for emissions from operations under our direct control.
Carbon footprint reporting (GHG emissions)

CONTINUED

**Scope 1 direct emissions (tCO₂e)**
(Mobile combustion, stationary combustion and refrigerant gases)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobile combustion</th>
<th>Stationary combustion (diesel generators)</th>
<th>Fugitive emissions (refrigerants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2,265</td>
<td>2,099</td>
<td>1,252</td>
</tr>
<tr>
<td>2020</td>
<td>3,984</td>
<td>2,344</td>
<td>1,067</td>
</tr>
<tr>
<td>2019</td>
<td>3,684</td>
<td>2,183</td>
<td>983</td>
</tr>
<tr>
<td>2018</td>
<td>3,684</td>
<td>2,016</td>
<td>971</td>
</tr>
<tr>
<td>2017</td>
<td>3,727</td>
<td>2,009</td>
<td>977</td>
</tr>
</tbody>
</table>

Total emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,265</td>
<td>3,684</td>
<td>3,684</td>
<td>3,684</td>
<td>3,727</td>
</tr>
<tr>
<td>% 0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

**Scope 2 indirect emissions (tCO₂e)**
(electricity sold to tenants and emissions from business travel and employee commuting)

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity sold</th>
<th>Employee commute</th>
<th>Business travel</th>
<th>Water</th>
<th>Waste to landfill</th>
<th>Waste recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>528,675</td>
<td>702</td>
<td>91</td>
<td>2,120</td>
<td>1,709</td>
<td>73</td>
</tr>
<tr>
<td>2020</td>
<td>546,056</td>
<td>670</td>
<td>193</td>
<td>2,345</td>
<td>1,808</td>
<td>83</td>
</tr>
<tr>
<td>2019</td>
<td>576,076</td>
<td>697</td>
<td>201</td>
<td>2,634</td>
<td>1,923</td>
<td>67</td>
</tr>
<tr>
<td>2018</td>
<td>609,756</td>
<td>757</td>
<td>209</td>
<td>2,756</td>
<td>2,009</td>
<td>53</td>
</tr>
<tr>
<td>2017</td>
<td>678,537</td>
<td>724</td>
<td>219</td>
<td>2,986</td>
<td>2,272</td>
<td>48</td>
</tr>
</tbody>
</table>

Total emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,167</td>
<td>3,596</td>
<td>3,668</td>
<td>3,684</td>
<td>3,727</td>
</tr>
<tr>
<td>% 6.1%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>5.1%</td>
<td>4.8%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

**Scope 3 indirect emissions (tCO₂e)**
(energy consumption)

<table>
<thead>
<tr>
<th>Year</th>
<th>Electricity sold</th>
<th>Employee commute</th>
<th>Business travel</th>
<th>Water</th>
<th>Waste to landfill</th>
<th>Waste recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>528,675</td>
<td>702</td>
<td>91</td>
<td>2,120</td>
<td>1,709</td>
<td>73</td>
</tr>
<tr>
<td>2020</td>
<td>546,056</td>
<td>670</td>
<td>193</td>
<td>2,345</td>
<td>1,808</td>
<td>83</td>
</tr>
<tr>
<td>2019</td>
<td>576,076</td>
<td>697</td>
<td>201</td>
<td>2,634</td>
<td>1,923</td>
<td>67</td>
</tr>
<tr>
<td>2018</td>
<td>609,756</td>
<td>757</td>
<td>209</td>
<td>2,756</td>
<td>2,009</td>
<td>53</td>
</tr>
<tr>
<td>2017</td>
<td>678,537</td>
<td>724</td>
<td>219</td>
<td>2,986</td>
<td>2,272</td>
<td>48</td>
</tr>
</tbody>
</table>

Total emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,238</td>
<td>3,560</td>
<td>3,632</td>
<td>3,684</td>
<td>3,727</td>
</tr>
<tr>
<td>% 6.1%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>5.1%</td>
<td>4.8%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Non-Kyoto gases (total tCO₂e emissions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Location-based emissions from electricity (Redefine)</th>
<th>Emissions from renewable energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>34,300</td>
<td>-</td>
</tr>
<tr>
<td>2020</td>
<td>29,543</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>31,494</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>46,459</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>46,761</td>
<td>-</td>
</tr>
</tbody>
</table>

Total emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>34,300</td>
<td>29,543</td>
<td>31,494</td>
<td>46,459</td>
<td>46,761</td>
</tr>
<tr>
<td>% 6.1%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>5.1%</td>
<td>4.8%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Energy

Our energy strategy

We continuously seek opportunities to reduce energy consumption across all three strategic focus areas. We use solar PV installations to reduce our bulk demand 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 energy strategy focuses on**

1. Reducing consumption of energy from the national grid
2. Assisting our tenants in reducing energy consumption and cost

**Energy management in our existing buildings, aligned with net zero principles, is typically based on a bottom-up approach.**

- Passive design principles
- Energy efficiency (reduce operational demand)
- Additional forward-looking considerations for properties in development stage
- Eliminate fossil fuels
- On-site renewables and storage
- Off-site renewables
- Carbon offsets

Our energy strategy is aimed at implementing alternative and/or renewable energy sources and reducing consumption at energy-intensive buildings. Lighting systems are retrofitted with efficient lighting technology and solar PV plants are installed to provide renewable energy.

**Energy framework**

- Absolute electricity consumption (MWh)
- Scope 2 like-for-like energy consumption (MWh*)

- Cost of sales (grid supply)
- Scope 2 consumption* (common areas)
- Scope 3 consumption** (tenants)

- Measurement
- Energy efficiency
- Influence and engagement

*Indirect emissions
**Indirect (tenant) emissions, including embedded carbon, water emissions (landlord and tenant) and waste

With the introduction of our group-level ESG strategy, aligned with our adoption of UN SDG 7 (affordable and clean energy), UN SDG 11 (sustainable cities and communities) and UN SDG 13 (climate action), our focus is shifting to reconsider decision-making frameworks for implementing our initiatives. By introducing efficiency-first principles (as opposed to solely focusing on renewable energy), our approach to carbon emissions reductions aligns with global net zero principles regarding net zero carbon.

Our performance in terms of the CDP

Climate change resilience is a priority for Redefine, with an urgency highlighted by the pandemic. The pandemic has exposed how connected humans are to nature and showed us the devastating impact climate change can have on society, while reiterating the importance of tackling our environmental impact. Due to the timing of the CDP results, which are published after our 2021 report, we share our performance online.

Our 2021 carbon footprint assessment report can be [found here](#)
**Energy Optimised use**

South Africa’s electricity costs continue increasing amid supply constraints with significant implications for our business and tenants. Eskom’s average increase on direct consumers was 15.06% in 2021 against the National Energy Regulator’s guideline of 14.59% for municipalities. This continues to affect our electricity recovery ratios and increases the cost of occupation for our tenants.

The above, compounded by the extended lockdowns, affected our carbon footprint as our solar plants generated less electricity for on-site consumption during lockdown. Our emissions savings from solar PV decreased with a consequent increase in our carbon footprint.

Our green lease framework will be a vehicle to encourage tenants to become energy-efficient while we focus on potential lighting retrofit projects to reduce our Scope 2 emissions and electricity consumption in common areas.

The above, compounded by the extended lockdowns, affected our carbon footprint as our solar plants generated less electricity for on-site consumption during lockdown. Our emissions savings from solar PV decreased with a consequent increase in our carbon footprint.

Our green lease framework will be a vehicle to encourage tenants to become energy-efficient while we focus on potential lighting retrofit projects to reduce our Scope 2 emissions and electricity consumption in common areas.

### Energy use per SASB

<table>
<thead>
<tr>
<th>Accounting metric</th>
<th>Retail</th>
<th>Office</th>
<th>Industrial</th>
<th>Residential*</th>
<th>Specialised/other</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>GJ</td>
<td>1 159 159</td>
<td>1 219 604</td>
<td>596 017</td>
<td>661 742</td>
<td>496 402</td>
</tr>
<tr>
<td>MWh</td>
<td>316 292</td>
<td>338 779</td>
<td>165 554</td>
<td>183 617</td>
<td>136 001</td>
</tr>
</tbody>
</table>

*All properties in the residential sector were disposed of during FY2020.

For more information on the growing imperative of renewable energy, as well as the renewable energy produced by each of our solar PV plants and the resulting carbon emission savings, please refer to the [our website](#).

### Our solar PV installations

Our solar PV fleet generated 5.83% of our total electricity requirements, producing 36 315 MWh in 2021, equal to supplying electricity to more than 3 099 households.¹

Our total installed solar PV capacity increased to 26.33 MWp (2020: 25.97 MWp) as two installations at Mifa Industrial Park (0.7 MWp) and Ballyoaks Office Park (0.4 MWp) were commissioned and Chris Hani Crossing (50% share) was purchased. A confirmed pipeline of 13 additional installations will add 13.47 MWp to our total capacity. These new installations are anticipated to generate an annual kWh saving of 21 006 275 with a first-year return of 19.29%. The effect of any disposals (such as the disposal of Langeberg Mall in FY2021) and Ballyoaks Office Park (0.4 MWp) were commissioned and Chris Hani Crossing (50% share) was purchased. A confirmed pipeline of 13 additional installations will add 13.47 MWp to our total capacity. These new installations are anticipated to generate an annual kWh saving of 21 006 275 with a first-year return of 19.29%. The effect of any disposals (such as the disposal of Langeberg Mall in FY2021)

To date, we have invested approximately R316 million in solar PV generation. Our carbon emissions reduced by 38.4% ICDJ, which is equal to eliminating the typical emissions of 5 975 passenger cars. Our solar PV fleet produced 5.83% of our total electricity consumption (including electricity used by tenants).

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. The studies have yielded positive results, indicating that we could save costs through energy storage by charging batteries during off-peak tariff periods and releasing stored energy during peak tariff periods.

As we cannot yet purchase renewable energy through the national electricity grid in South Africa, we are exploring opportunities to expand our existing retail installations by 11.83 MWp. The department of minerals and energy has lifted the 1 MWp embedded generation limit, which will allow us to materially expand our solar PV fleet.

¹ Source: Greenhouse Gas Equivalencies Calculator [https://www.epa.gov/ghgemissions/household-carbon-footprint-calculator] (US EPA)
Impact on our carbon footprint

We significantly reduce our carbon emissions with solar PV installations in our buildings. In 2021, we achieved a saving of 38 494 tCO₂e (2020: 33 607 tCO₂e). The impact of these renewable energy sources on our Scope 2 and 3 emissions over the past five years (if we could include savings absorbed in our Scope 3 emissions) is shown below.

Water framework

Water harvesting, recycling, and storage

SDG 6

Security and safety of supply

SDG 6.1

In addition to extending solar PV roll-out, investigate alternative types of sustainable energy, such as battery storage and biomass energy.

<table>
<thead>
<tr>
<th>Investment in sustainable energy solutions</th>
<th>Pipeline (MWp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 7.1 Investment method</td>
<td>Measurement method</td>
</tr>
<tr>
<td>Investigate the feasibility of introducing other sources of renewable energy into our operations, particularly as an alternative to relying on diesel generators.</td>
<td>Investigate the feasibility of introducing other sources of renewable energy into our operations, particularly as an alternative to relying on diesel generators.</td>
</tr>
</tbody>
</table>

Our approved solar PV project pipeline for 2022 includes a combined installed capacity of 13.476 MWp, which amounts to a total capex of R168.432 156. These new installations will generate an annual kWh saving of 21 006 275 with a first-year return of 19.29%.

The table above shows our estimated feasible installation pipeline for the next two years. Due to the regulatory limit being lifted, if the full pipeline is achieved by 2023, our solar PV installations will save approximately 63 000 tCO₂e per annum.

To increase potential revenue streams from renewable energy, while reducing our carbon emissions and securing renewable energy sources for our buildings at more affordable rates, we continue exploring opportunities in the wholesaling and energy trading space.

Our measurement criteria for our water strategy in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

Water

Managing water supply and consumption

Our water strategy

The majority of our properties are located in water-stressed areas. As such, we are mindful of managing water supply and consumption. Focusing on the security and safety of supply as well as optimising our consumption, our water strategy pursues water harvesting, treatment and storage facilities, line with regulated water use licenses.

Water security addresses the risk of failing water and sanitation infrastructure and services supplied by municipalities with initiatives that ensure safe operating environments at our properties. Water optimisation initiatives align with our climate action objectives and the responsible use of water as a scarce resource.

Our water consumption is mainly determined by tenant and visitor behaviour in our properties. To encourage responsible water use, we will seek ways of improving our engagement with these stakeholders, over and above existing initiatives in Green Star SA-certified buildings. Our smart management approach to water-use efficiency is based on key measurements that enable early leak detection and regular equipment maintenance. In 2021, our total water use reduced by 10.26% (2020: 14%) — due to the ongoing COVID-19 pandemic and vacancies in our buildings.

Our measurement criteria for our water strategy in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.
Water footprint

South Africa is a water-scarce country. This is why the responsible management of water resources under our care is a crucial concern for us, from both 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 improving our accounting for other withdrawal and recycled sources. Water discharges are not typically separately metered and accounted for in the local property sector.

<table>
<thead>
<tr>
<th>Accounting metric</th>
<th>Retail 2021</th>
<th>Retail 2020</th>
<th>Office 2021</th>
<th>Office 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawal data coverage as a percentage of total floor area (IF-RE-14 0a.1)</td>
<td>100</td>
<td>99</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Water withdrawal data coverage as a percentage of floor area in regions with high or extremely high baseline water stress (IF-RE-14 0a.1)</td>
<td>100</td>
<td>99</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total water withdrawn by portfolio area with data coverage (IF-RE-14 0a.2) m³</td>
<td>1 336 707</td>
<td>1 371 090</td>
<td>606 482</td>
<td>729 674</td>
</tr>
<tr>
<td>Percentage water withdrawn in regions with high or extremely high baseline water stress (IF-RE-14 0a.2)</td>
<td>68</td>
<td>68</td>
<td>95</td>
<td>96</td>
</tr>
<tr>
<td>Like-for-like percentage change in water withdrawn for portfolio area with data coverage (IF-RE-14 0a.3)</td>
<td>0</td>
<td>-17</td>
<td>-20</td>
<td>-15</td>
</tr>
</tbody>
</table>

Description of water management risks and discussion of strategies and practices to mitigate those risks (IF-RE-14 0a.4):

Water management risks include flooding, drought and infrastructure failure, among others. Practices to mitigate these risks include backup water assessments in our inland office portfolio and improving operational efficiency in the Western Cape portfolio; as well as the installation of storm water drainage systems in our properties that are located in flood-prone areas.

*All properties in the residential sector were disposed of during FY2020

CDP water security

As it is such a critical resource, we are committed to managing water carefully. Our performance in this regard is reflected in our annual water footprint submission to the CDP. For more information, please refer to our website.
### Water optimisation

We use smart water meters for accurate water consumption measurement, leak detection, and valuable insight into water distribution in our networks. To date, we have installed smart metering at 44 properties, 5 properties have smart valve systems, and the restrooms at 13 properties have sensors.

We continue reviewing opportunities to maintain water security, including auditing existing groundwater installations and boreholes in our portfolio. We are also investigating the feasibility of treating groundwater for conversion into a practical, usable state (subject to detailed site investigations and water use licences), with a pilot project completed at Clearwater Office Park.

For wateroptimisation in 2021, we reviewed our strategy to incorporate additional opportunities such as, among others, high-efficiency equipment retrofits, landscaping and irrigation solutions, wastewater treatment and recycling, and HSE/efficiency assessments. We addressed capacity constraints, funding requirements, and standard operating procedures to reduce water consumption. By accelerating our bulk check water metering roll-out, we were able to identify abnormal and high-intensity water use patterns. We are also considering comprehensive water audits in high-risk buildings to identify optimisation opportunities.

### Waste footprint

Our internal waste management initiatives encourage recycling and leverage waste reuse opportunities. The primary goal of internalising waste management services is to understand our waste footprint. However, municipal waste management services are not transparent, so our waste footprint remains unknown. Our internally managed waste management system does not use municipal waste removal – this is to ensure that we can measure and understand our waste streams and how to best control them. We measure and categorise waste (as outlined in the waste footprint below) to reduce waste to landfill.

Our internal waste management system encourages recycling and leverages waste-reuse opportunities. 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.

### Waste management strategy

Our waste management strategy follows best practice guidelines, starting with understanding our waste footprint and introducing measures to reduce waste to landfill by implementing projects that increase the recycling, reuse and reduction of generated waste.

#### Waste management metrics*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Industrial</th>
<th>Office</th>
<th>Retail</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total waste produced (kg)</strong></td>
<td>217 853</td>
<td>222 270</td>
<td>3 126 500</td>
<td>3 136 138</td>
</tr>
<tr>
<td>Percentage of waste diverted (%)</td>
<td>28</td>
<td>28</td>
<td>36</td>
<td>34</td>
</tr>
<tr>
<td><strong>Recycled (kg)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td>75 436</td>
<td>13 560</td>
<td>332 684</td>
<td>220 742</td>
</tr>
<tr>
<td>Plastic</td>
<td>1 236</td>
<td>3 360</td>
<td>38 840</td>
<td>53 353</td>
</tr>
<tr>
<td>Glass</td>
<td>-</td>
<td>1 310</td>
<td>13 637</td>
<td>22 547</td>
</tr>
<tr>
<td>Scrap metal</td>
<td>-</td>
<td>1 120</td>
<td>3 884</td>
<td>16 401</td>
</tr>
<tr>
<td>Tetrabrik</td>
<td>-</td>
<td>-</td>
<td>1 360</td>
<td>2 807</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>20 650</td>
<td>2 220</td>
</tr>
</tbody>
</table>

*No waste was reported for the specialised/other sector, and all properties in the residential sector were disposed of during FY2020.

---

**Internal waste management**

*Measurement method*

- Estimated amount of waste reductions achieved by the company because of the company’s internal waste management initiatives across the portfolio, calculated as a reduction in waste to landfill (by metric tonne), using an FY2020 baseline.

- Target: 300 tonnes (5% reduction in waste to landfill)

- As a forward-looking measure, we will consider the introduction of a sustainable procurement policy that explicitly considers waste management.
Our green building journey

The business case for green buildings

We aim to address climate change with net zero buildings that generate their own energy, harvest grey water and recycle waste on-site. The social, environmental and economic benefits of green buildings contribute to the achievement of the UN SDGs. Green buildings reduce adverse environmental impacts with efficient use of water, energy and other natural resources, realising financial benefits in utility bills, construction costs and property value, and improving the health and well-being of people.

Our green building milestones and achievements

Benefits in utility bills, construction costs and property value, and improving the health and well-being of people.

Our business case for green buildings

<table>
<thead>
<tr>
<th>Developer</th>
<th>Landlord</th>
<th>Tenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why build a green building?</td>
<td>Why own a green building?</td>
<td>Why lease a green building?</td>
</tr>
<tr>
<td>Ability to secure preferential finance</td>
<td>Tenant attraction</td>
<td>Reduced downtime</td>
</tr>
<tr>
<td>Rapid return on investment</td>
<td>Lower operating costs</td>
<td>Lower operating costs</td>
</tr>
<tr>
<td>Increased market value</td>
<td>Compliance with legislation and corporate social responsibility requirements</td>
<td>Lower maintenance costs</td>
</tr>
<tr>
<td>Reduced vacancies</td>
<td></td>
<td>Health and well-being</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The journey to net zero buildings of the future

We support the South African cities that have committed to the global C40 Cities initiative (cities committed to climate change action), as we work towards making new and existing buildings net zero carbon by 2030 and 2050, respectively.

C40 connects 97 of the world’s largest cities, leading the way to 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 the Paris Agreement goals.

Our net zero pathway will fundamentally change how we manage our buildings and investments. Redefine will be embarking on this journey to net zero using a phased approach. This will be followed by a transition to net positive, using a balancing project framework. However, achieving net zero poses many challenges, including:

- There is no one-size-fits-all approach to net zero – some companies only include landlord emissions in operational carbon, while others include tenant emissions or embodied carbon
- The real estate industry, even in advanced economies, works with limited data (e.g. emissions in tenant areas)
- Geographies included in the net zero commitment must be made clear
- We must decide on which properties will be included in the investment boundary
- We must consider our approach to properties that are governed by triple net leases

We are assisted by the GBCSA’s certification tools for net zero carbon, water and waste buildings in new developments and significant retrofits. We investigated the feasibility of converting existing buildings into net zero carbon buildings and found the following restrictions:

We face many restrictions that may impact the technical possibility of reaching net zero carbon emissions. For more information on these, please refer to our website

Regardless of these challenges, we continue investigating solutions to achieve net zero carbon emissions.
**Our green building journey CONTINUED**

In 2021, we participated in the Morgan Stanley Capital International (MSCI) Global Green Building Index for the fourth time and our data formed part of the results. We list some of the quantifiable impacts on the bottom line across the sector below.

### MSCI Global Green Building Index

<table>
<thead>
<tr>
<th></th>
<th>Green Star SA-certified prime and A Grade offices</th>
<th>Non-Green Star SA-certified A Grade offices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021*</td>
<td>2020</td>
</tr>
<tr>
<td>Net operating income (NOI) growth</td>
<td>-5.8%</td>
<td>3%</td>
</tr>
<tr>
<td>Net income per m² per month</td>
<td>149.2</td>
<td>162</td>
</tr>
<tr>
<td>Vacancy rate</td>
<td>12.7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

* Impacted by COVID-19. MSCI data is reflected for the 12 months ended June of each year

### Green Star SA certifications

We proudly hold 123 (2020: 101) Green Star SA certifications against a target of 100 set in 2020, with 74% of office GLA and 21% of total GLA certified. We received 16 office EBP recertifications and 26 new EBP certifications across Gauteng, Cape Town, KwaZulu-Natal and Polokwane. This is the largest bulk Green Star EBP certification from a commercial property owner to date and represents a significant milestone for South Africa’s green property.

Market maturity and tenant demand do not drive Green Star SA certifications, although we have noticed an increased interest from some of our prospective tenants in our Green Star-rated buildings. Nevertheless, we continue pursuing value-adding certifications and registered 86 new projects for certification in 2022. A potential challenge to reaching our targets will be the vacancy rates in some of our rated buildings and buildings eligible for certification, as occupancy levels must be at least 70% for a Green Star-rated building to obtain and retain its rating. For more information regarding the factors influencing our current vacancy rates, please refer to page 81 of our report.

### Building materials

As we transition to a low-carbon economy, our overarching ESG strategy includes environmentally friendly building materials, especially in new developments. Our cradle-to-grave approach currently focuses on reducing carbon emissions during the operational life of the building and explores circularity principles, including the end-of-life assessment. Going forward, our cradle-to-grave approach will include the implementation of life cycle impact assessments and will focus on measuring the embodied carbon of our activities and materials during the development phase of the life cycle of our properties. We are also committed to improving our understanding and management of environmental risks associated with our building material supply chain.

### Our developments with green building materials

**Massmart, Brackengate**

- Mainly natural and sustainable Rheinzink cladding
- Locally produced Safintra Saflok 700 with lower emissions in manufacture and transport
- Slag and other materials in cement content reduce absolute cement in situ and precast panels by 21% and less concrete in internal warehouse floors with reinforced steel fibre concrete saves 16.7%.

**Roche, Brackengate**

- Exterior walls have double-skin cavity brick for good thermal conductivity
- Concrete roof insulation is 40mm DipsBoard in compliance with Green Star SA
- Single-glazed, low-emissivity glass comply with South African national building regulation 12A on energy efficiency and environmental sustainability in building design
- Shading devices (horizontal louvres on facades) limit heat build-up within the building envelope (vertical louvres on west facade shield against afternoon sun)

For more information on how we are incorporating environmentally friendly building materials into our business, please refer to our website.
Biodiversity

Leading by example in protecting our biodiversity

We understand that a healthy natural environment that preserves biodiversity is a critical part of responsible environmental stewardship. We will conduct due diligence assessments of new developments to ensure that we do not harm vulnerable species or sensitive ecological systems on land earmarked for development. We replace impermeable surfaces, bare ground and weed-infested areas with endemic plants to ensure that our landscaping contributes positively to preserving biodiversity and water resources. In addition to this, we are looking at innovative ways to preserve the biodiversity of areas that we impact. Please see below for more information.

Our measurement criteria for our biodiversity efforts in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

S&J Industrial Estate (S&J) EcoDistricts project

S&J spans 210 hectares and caters for predominantly industrial use and a commercial offering in Ekurhuleni. The estate gives businesses access to an efficiently designed, well-planned and well-managed secure industrial space. S&J is developing a fit-for-purpose framework towards decarbonisation and is aiming for EcoDistricts recognition. EcoDistricts aims to collaboratively integrate sustainable development objectives and reduce an urban area, region or neighbourhood’s environmental footprint.

To this end, Redefine and Abland Property Developers (Abland) established the S&J Industrial Estate EcoDistricts steering committee in 2020 to create the initial framework to progress towards a model rooted in community sustainability, ecological awareness and conservation.

The committee engages through workshops and discussions to ensure that the goals of enhancing the estate’s developmental focus, long-term performance and adoption of the EcoDistricts methodology of equity, resilience and carbon neutrality are aligned with the sustainability strategies and commitments of Redefine and Abland.

The project is the first of its kind in the South African property sector and will result in the first EcoDistricts-certified endorsement outside of North America.

S&J wetland rehabilitation

The S&J property includes a wetland and significant work has been done to ensure its rehabilitation. The wetland was assessed as being Moderately Modified which means a change in ecosystem processes and loss of natural habitat and biota is great, however, some remaining natural habitat features are still recognisable. This is an improvement from the status recorded during the 2014 baseline assessment, namely Seriously Modified (E PES Class).

There is a natural watercourse along the western boundary of the site. A flood line hydrology analysis has been prepared and the 1:50 and the 1:100-year flood lines have been determined as specified by the Water Act, No 36 of 1998, as required in terms of the Town Planning and Townships Ordinance (Ordinance 15 of 1986). Additionally, the riparian zone will need to be determined by a specialist environmental consultant and no construction will take place within the zone.

Several alien species are present within the larger project area, with only two species recorded within the delineated wetland system. These two species are classified as alien plant species which must be removed. These species can be removed mechanically, preferably by hand. No chemical control is required. These species may be removed during the rehabilitation programme and do not require water use authorisation. All boundaries are to be suitably landscaped as an integral part of the overall site’s landscape design.

SDG 6

SDG 6.6 Measurement method

(i) Number of acquisitions or disposals that noted significant biodiversity risks, based on whether the properties are located on protected areas.

(ii) Number of existing properties that noted significant biodiversity risks, based on whether the properties are located on protected areas.

Note: ‘protected areas’ are those designated on the Protected and Conservation Areas Database maintained by the department of environment, forestry and fisheries.
To manage sustainable spaces, we must be a force for good. This means building authentic relationships based on trust, striving to reduce inequality, and providing meaningful employment.
The social in ESG

Why it matters

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.

Redefine operates in a collaborative manner — our social impact allows us to change people’s lives for the better through our operations and enables us to play our part in building an equitable society.

Our social landscape therefore considers the relational aspects we require to run our business, as well as the areas we can positively affect through our business activities and commitment to meaningfully impacting lives and creating sustainable long-term solutions.

We have shaped our business to integrate corporate citizenship throughout, to ensure that we actively contribute to a more sustainable operating environment for all our stakeholders.

Macroeconomic context

South Africa’s sluggish economy and pervasive inequality present social challenges that impact on our operating environment and influence our business approach. The recent civil unrest experienced in South Africa further highlights the complex underlying tensions within the country, which are likely to adversely impact South Africa’s global reputation, damage consumer and business confidence, and result in job losses, which will add to the fragility of the local economy.

Despite the high unemployment rate in the country, skills shortages often mean that there is competition for skilled employees within higher turnover levels. This highlights the need for investment in learning and development, coupled with mentorship.

The ongoing pandemic has further heightened our awareness of the need for social inclusivity and adaptations in the workplace to address high levels of stress and disconnection, burnout, mental illness, and related socio-economic challenges.

Each of these systemic and rising social challenges requires us to play our role and incorporate corporate citizenship principles, including human rights, into our business approach to ensure business resilience and sustainability.

For us, the social element of ESG comprises our full stakeholder universe.

Stakeholders

Our unique and focused approach to relationships enables us to create and sustain meaningful value for our stakeholders.

Our approach

- Including an ESG focus in all key stakeholder engagement strategies*
- Implementing business continuity management programme **
- From investment to involvement in innovation

Stakeholder value

- Improving experiences and measuring customer-centricity*
- Implementing our supplier code of conduct that incorporates ESG factors*
- Formalising grievance processes for key stakeholders **
- Continuing to develop a due diligence and impact-based methodology for measuring sustainability in our supply chain***
- Fine-tuning our stakeholder engagement strategies **
- Engaging to understand changing needs and create value

Our communities

- Engaging with stakeholders in and around our properties to ensure we co-create innovative solutions*
- Measuring the impact of CSI initiatives **
- Engaging to co-create meaningful solutions to real problems

Our employees

- Fostering diversity, equal opportunity, inclusion, and cultural awareness in our corporate culture*
- Bolstering mentorship and learnerships through our ongoing employee development programmes*
- Empowering our people

Responsible corporate citizenship

- Creating a pipeline of future suppliers, tenants and employees through our social investments and ESD programmes*
- Further developing our human rights policy and monitoring framework, with guidance from the South African Human Rights Commission*
- Enhancing our health and safety strategy as it relates to our employees, tenants, suppliers and customers**
- Renewed emphasis on respecting human rights
- Introducing targeted human rights and conflict management training for our staff**

*We continue focusing on these matters
**We are working towards these goals
Our approach

Stakeholder engagement

Engaging to create value

While property is our commodity, people are our business. We take an integrated approach to stakeholder engagement, and we are committed to ensuring that every interaction is transparent, inclusive and constructive, and underpinned by our relational approach to business. We invest in understanding our stakeholders’ views and needs, as we recognise that the quality of these relationships determines the continued success of our business.

Analysis of Redefine’s stakeholders

We group our material stakeholders by their level of influence on us and our impact on them. We are committed to understanding their individual concerns and applying their relevant inputs to our decision-making to ensure value creation. The operating context is changing rapidly, impacting our stakeholders’ needs and concerns, as well as how we engage with them. To address this, we undertook a strategic review of our current stakeholder universe in 2021 to ensure we have correctly identified and categorised our stakeholders. The results of the review are reflected below, with details on how we engage included on pages 53 to 69.

Our stakeholder landscape continues to evolve as we align our stakeholder goals to our moonshot strategy. Over and above our Challenge Revolution programme, we have tailored engagement plans to meet key stakeholders’ individual value expectations. We are currently assessing our existing engagement strategies against the results of the review to identify opportunities that will allow better engagement with our stakeholders and build stronger relationships. The manner and frequency of our stakeholder engagement has changed due to COVID-19. Virtual stakeholder engagement has become the norm, but we continue proactive stakeholder campaigns to maintain two-way communication.

Key stakeholders

<table>
<thead>
<tr>
<th>Category</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants</td>
<td>Provider of differentiated and relevant space</td>
</tr>
<tr>
<td>Investors</td>
<td>Source of sustained growth in total returns</td>
</tr>
<tr>
<td>Employees</td>
<td>Employer of choice</td>
</tr>
<tr>
<td>Funders</td>
<td>Reliable source of returns on debt funding</td>
</tr>
</tbody>
</table>

Key stakeholders

<table>
<thead>
<tr>
<th>Category</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>Source of business opportunity and growth</td>
</tr>
<tr>
<td>Shoppers</td>
<td>Provider of safe and innovative shopping experience</td>
</tr>
<tr>
<td>Communities</td>
<td>Responsible community participant</td>
</tr>
<tr>
<td>Property brokers</td>
<td>Preferred business partner</td>
</tr>
</tbody>
</table>
Stakeholder engagement

CONTINUED

Identifying how we can maximise our impact

By assessing our key stakeholders’ impacts on us and our impact on them, as well as considering our strategic priorities and the UN SDGs, we identify opportunities and develop a set of mutually beneficial priorities to guide the development of initiatives.

Our stakeholder priority assessment process

- Engage with stakeholders
- Understand their needs
- Map their needs to ours and the interconnected needs of multiple stakeholders to one another
- Identify risks and opportunities
- Develop a set of mutually beneficial priorities
- Develop programmes to address these priorities

The Challenge Revolution drives social upliftment with a focus on education and innovation through focused programmes:

- The Challenge Convention: Engaging with key stakeholders
- The Mentorship Challenge: Creating a culture of mentorship
- The Innovation Challenge: Driving innovation through our people and into our spaces
- The Red Thread: Including our employees in efforts to do good
- Smartten programme: Addressing tenant sustainability programmes

These initiatives reflect our belief that we need to remain relevant and forward thinking by considering and collaborating with people and around our properties to identify and address their real needs in a truly South African way. We can thus tackle real business and social challenges, such as inequality, unemployment and skills gaps, while remaining relevant and providing better experiences and innovative offerings in our spaces.

The following sets out the measurement criteria for value distributed among some of our key stakeholders.

SDG 8

Economic value generated and distributed

SDG 8.1 (measured over a three-year period)
Measurement of economic value generated and distributed among the company’s key stakeholders.

This KPA is meant to illustrate and measure, for some of our key stakeholders, how we achieve our primary goal, which is to grow and improve quality, earnings, which will underpin growth and sustained value creation for all stakeholders.

To be the landlord of choice, we strive to live the words: We’re not landlords; we’re people. We are committed to differentiating ourselves by ensuring that every tenant experience throughout their journey with Redefine is meaningful and positively impacts on them.

Tenants

Why we engage
- We understand that our business sustainability depends on our tenants
- We assist tenants with lease renewals suited to their needs
- Attracting and upskilling new-generation tenants with innovative solutions improve our offerings so our spaces remain relevant

How we engage
- Smartten (our smart tenant sustainability programme)
- Teams at our premises
- Communication across various platforms (emails, WhatsApp groups, print and electronic media, call centre, and ethics hotline for whistle-blowers)

Key matters raised in 2021
- COVID-19 rental concessions
- Flexible lease terms
- Health and safety protocols implemented at properties following the pandemic outbreak
- Lower operating costs for tenants to improve efficiencies and increase value for money
- Use of green technology and efficiencies
- Constrained consumer spending, with lower footfall and dwell times in retail properties
- Utility supply interruptions
- Increased cost of occupation
- Response time in resolving issues, including maintenance requirements
- Inconsistent service levels throughout the tenant lifecycle and areas of the portfolio

We strive to support tenants hardest hit by the pandemic
- We implement the highest standards of health and safety
- We focus on enhancing efficiencies and implementing environmentally responsible operating methods
- We have standby power and water solutions and key retail properties
- Our dedicated call centre addresses enquiries and complaints
- We strive to enhance tenants’ experience of Redefine through the tenant journey
- Our Smartten programme aims to enhance the sustainability of our tenants
Stakeholder engagement

CONTINUED

Deepening our engagement

Tenant retention is vital for our long-term sustainability. We believe that maintaining and enhancing tenant relationships increases our potential to generate revenue, maintain or improve occupancy levels, and ensure a quality tenant mix for shoppers.

Our tenant engagement strategy is entrenched throughout the business through an internal change management programme, branded Every Step of the Way. The programme is designed to ensure that our employees see how their individual engagements with tenants shape our tenants’ experiences with Redefine as a brand.

The Smartten programme was piloted with great success at Centurion Mall in May 2021. Smartten aims to develop future tenants, build skills, integrate business innovation, enhance experiences, embrace community focus, and minimise environmental impact.

The programme will be implemented across our retail tenant portfolio over the next few years, based on the pilot at Centurion Mall, which comprised several key stages and deliverables:

- Tenants receive a mystery shopping experience report based on three independent shoppers’ visits
- Tenants receive information sessions, including talks by world-renowned retail experts who share information about the Smartten programme, and tenants can chat privately with experts via a helpline or WhatsApp group
- Over three months, a select group of tenants receive one-on-one consultations with an expert to help guide them towards a more sustainable and lucrative future
- Market research information is shared with tenants for better insight into mall target markets and shopper profiles
- Tenants receive information packs with valuable retail advice
- Tenants are encouraged to take advantage of discounted deals on non-GLA platforms to better reach their markets through the mall’s marketing platforms.

Our measurement criteria for our broader health and safety efforts in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

As one of our providers of financial capital, our investors are crucial to the growth and sustainability of our business.

Investors

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

How we engage
- JSE Stock Exchange News Service announcements
- Corporate website (a key information platform)
- Breaking news alerts
- One-on-one meetings with executive management and (where appropriate) non-executive directors
- Stakeholder webcasts
- Annual and interim results presentations
- Property tours
- Editorial and thought leadership articles
- Participation in industry and investor conferences
- Investor perception surveys

Key matters raised in 2021
- Liquidity concerns due to the impact of COVID-19
- Focus on measures to simplify the balance sheet and lower loan-to-value (LTV)
- Compliance with debt covenants
- Market confidence and share price
- Consistency in delivering on our strategy
- Transformation strategy at senior management level
- Understanding our remuneration approach and practices
- Unpacking our ESG journey, including TCFD progress
- The financial benefits of green building initiatives for tenants and the impact on our balance sheet
- The LTV remains an important measure, with an understanding that the business is actively addressing this. Furthermore, investors were supportive of our local and international exposure and the portfolio’s overall performance.

Deepening our engagement

As providers of financial capital, our investors are crucial to the growth and sustainability of our business. To support ongoing relationships of mutual benefit, we work to understand their needs and expectations, and to address their concerns. We follow an in-depth engagement plan with investors and funders, including roadshows, presentations, breaking news distributions, 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 remained online in 2021.

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.

This year’s investor perception survey highlighted that overall, the strategic priorities are perceived to be clear and well received. The LTV remains an important measure, with an understanding that the business is actively addressing this. Furthermore, investors were supportive of our local and international exposure and the portfolio’s overall performance.

The survey highlighted the following matters, among others:
- Support of dividend payments once appropriate
- Clarity on our strategy going forward, including our international strategy
- Ongoing interest in our capital management and specifically the reduction of our LTV
- Emphasis on the importance of quality disclosure and communication, including disclosure related to ESG and our strategy

As our ESG focus grows, it is increasingly important to engage with our stakeholders to ensure that they understand our goals and expectations of us and that we are sharing information in a way that enables them to make informed decisions.
Stakeholder engagement
CONTINUED

To this end, we held an ESG stakeholder webinar on 21 September 2021, followed by a two-day investor roadshow, with one-on-one meetings held via Microsoft Teams, where we engaged with representatives from several institutional investors.

The presentation and Redefine’s approach to ESG were well received. Questions were raised regarding the broad nature of our ESG strategy as well as our forward-looking ESG targets. While we understand the concern, we explained that this is a long-term approach to sustainability, which must balance a number of key stakeholder needs. However, we continue to approach these targets on a phased basis to ensure we deliver on our long-term goals.

To further gauge the approach of our institutional investors regarding ESG, we also sent a short survey to those that participated in the roadshow. The survey offered key insights into their expectations and, together with the feedback received from the roadshow, will inform our approach to integrating ESG further into the business and how we share this information with stakeholders to keep them apprised of our journey.

Driving passion through employee engagement

We believe engaged and committed employees deliver on our strategy and goals by driving innovative solutions and living our brand through our BEST values. We use multiple communication platforms to spread values and group messaging among our employees. This creates brand awareness and ensures that our employees understand our strategic objectives, key business projects and initiatives, and ongoing human resources initiatives.

Our communications aim to build a supportive corporate culture, promote emotional well-being and learning, and give employees the knowledge to help them stay healthy and productive. Topics covered include:

→ Promoting COVID-19 health and safety awareness with information about social distancing, mask wearing, mental health, testing and sanitation, and employee support measures
→ Communicating operational matters such as changes in employment policies and protocols on working from home, travel and vulnerable employees
→ Explaining various business continuity measures, such as information technology (IT) equipment purchases and remote working data connectivity, as well as the appointment and training of designated COVID-19 compliance officers
→ Highlighting the importance of employee wellness on multiple levels and the support available to employees

We underpin all employee communications with our BEST values, refer to page 78, as the core message that maintains and enhances our brand culture.

Our employees deliver on our brand promise every day. We aim to inspire our employees to be the best in all aspects of what they do.

Employees

Why we engage
→ Employees are fundamental to growing our brand and ensuring high-quality service
→ Employee engagement is vital to maintain connection, motivation, and an engaged workforce

How we engage
→ Extensive internal communications using multiple platforms tailored to the employee and the message
→ Our intranet
→ Communication from our chief executive officer (CEO) (newsletters, emails and videos)
→ One-on-one interactions between employees and line managers
→ Employee surveys
→ Rewards and recognition programme
→ Performance reviews and exit interviews

Key matters raised in 2021
→ Key issues related to COVID-19, including:
  ▪ Job security and business sustainability
  ▪ Remote working and data accessibility
  ▪ Employee health and wellness
  ▪ Salary increase freeze for middle and senior employees
  ▪ Assimilating new employees remotely
  ▪ Fair and market-related remuneration
  ▪ Career development opportunities, with our flat organisational structures and low employee turnover perceived as barriers to promotion and career opportunities
  ▪ Transformation at senior management level
  ▪ Learning and development, including access to mentorship and coaching programmes as well as COVID-19’s negative impact on employee participation in programmes
  ▪ Need for two-way communication across multiple platforms

→ From the onset of the pandemic, we have focused on employees’ health and safety while ensuring productivity through increased employee communications to keep people informed, motivated and engaged
→ We offer financial, physical and emotional support through our wellness programme
→ Transformation remains a top priority, with steady progress made in 2021
→ We annually benchmark remuneration practices against peer and industry companies and work to ensure our remuneration practices are fair, transparent and equitable
→ Our specialist learning and development department supports capacity building
→ We support internal employee promotions when opportunities arise and encourage internal career growth
→ The Managers to Mentors programme has continued throughout FY2021

We started an extensive internal communications campaign at the beginning of the COVID-19 lockdowns. The campaign continued this year, focusing on content that addresses the significant impact of lockdown and COVID-19 on our business and our people. The communications campaign gives our employees a sense of belonging and increases engagement levels by highlighting our united set of values.

COVID-19 messaging builds on our extensive internal communications plan designed to engage, equip and support employees, with our BEST values as the core message and driver in all our communications. Sustainability and resilience – from a business and personal perspective – remain our key focus areas.

In addition to frequent, targeted management committee communications to employee groups across our platforms, scheduled elements continue to be effective in sustaining connection and momentum, including our CEO’s audio-visual messages to employees and our Let’s Connect internal newsletter.

Refer to employees on pages 73 to 90 for more information.
Stakeholder engagement

CONTINUED

Our suppliers are part of our value chain and deliver our value proposition to our stakeholders as representatives of our brand.

Funders

Why we engage
→ Our access to debt funding is critical to our ability to purchase properties and build our property portfolio. Funders expect us to honour our agreements with them, which in turn builds trust and supports our ongoing access to capital.

How we engage
→ One-on-one meetings
→ Roadshows
→ Website
→ Stakeholder webcasts
→ Stock Exchange News Service announcements
→ Annual and interim results presentations
→ Integrated and ESG reports
→ Property tours and webinars

Key matters raised in 2021
→ Liquidity concerns due to impact of COVID-19
→ Focus on measures to simplify the balance sheet and lower LTV
→ Compliance with debt covenants and agreements
→ Growing demand for ESG-linked funding

Growing demand for ESG-linked funding

Our funders provide the financial capital that underpins our diversified property portfolio.

Embracing ESG in our funding model

Redefine is committed to embracing ESG principles in all aspects of what we do, building a more resilient portfolio and a more sustainable future for all. This was highlighted by our recent issue of a R1 billion issuance sustainability-linked bond, the largest amount raised so far by a South African REIT in the growing sustainability-linked bond space in South Africa.

The bond issuance aligns with our sustainability goals and recognises that asset owners and institutional investors are increasingly demanding sustainable strategies from the companies they invest in. Redefine’s commitment to sustainability is demonstrated through our strategic response to the global ESG movement.

SDG 17 Mobilising private capital towards supporting sustainable development

SDG 17.3 Use sustainability-linked funding to finance and promote sustainability.

Measurement method
Successfully raising a green bond or sustainability-linked bond and achieving the targets set out in the bond. Measurement will be conducted in FY2025.

Public disclosure of corporate sustainability information

SDG 17.19 Increasing the accountability, transparency and data quality of our corporate sustainability information.

Measurement method
Percentage of quantitative information disclosed through corporate sustainability reporting that is subject to external verification.

Note: this programme will only be initiated in FY2022.

Suppliers

Why we engage
→ Our suppliers are valued partners and an extension of our business, as they interact directly with our tenants and retail customers. As such, their conduct must be consistent with our brand promise and BEST values.

How we engage
→ We engage directly through our group procurement function with:
  → Potential or new supplier introductions
  → Supplier onboarding programmes
→ Strategic sourcing opportunities

Key matters raised in 2021
→ Supplier business sustainability during lockdown
→ 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
→ Transformation, local representation and opportunities to uplift small enterprises, including ESD

Our supply chain is a key element of our strategy.

Partnering with our suppliers

Our suppliers must often deliver our value proposition to other key stakeholders, such as tenants and shoppers. As such, we believe our suppliers should be considered critical representatives of our brand.

Our change management programme outlines standard operating procedures for our procurement practices.

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

Our supplier code of conduct ensures suppliers remain accountable for their ESG impacts. We require full cooperation, compliance and buy-in from our suppliers. Suppliers must demonstrate an applied commitment to good governance, ethical conduct, and long-term sustainability.

The supplier code of conduct covers our supplier expectations:

1. Conduct towards representatives and employees
2. Health and safety
3. The natural environment
4. Anti-bribery and anti-corruption
5. Overall ethical conduct
We also expect our suppliers to comply with applicable laws, legislation and regulations in their jurisdictions. The provisions of our code of conduct do not replace applicable laws, statutory provisions and legislations but constitute an additional standard. If a contract between us or applicable laws and regulations contain stricter or more detailed requirements than this code, we expect our suppliers to comply with the more stringent requirements.

We support the national B4SA campaign to pay SMMEs within 30 days of invoice. This campaign is a collective effort to ensure that South African businesses survive the economic crisis exacerbated by COVID-19 lockdowns.

Our measurement criteria for our broader supplier sustainability efforts in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

### SDG 16 Standards for conduct of security personnel
#### SDG 16.1
Provide training to security personnel to manage conflict in a way that respects human rights, avoids the use of unlawful behaviour or punishment, and only utilises force in limited and extreme circumstances.

**Measurement method**
Percentage of security contractors hired by Redefine directly who are provided with training on conflict management and human rights.

**Target:** 30% of all security contractors

*Note: this programme will only be initiated in FY2022.*

### Anti-corruption
#### SDG 16.5
Increase awareness around anti-bribery and anti-corruption principles throughout the value chain.

**Measurement method**
Total percentage of business partners to whom the organisation’s anti-corruption policies and procedures have been communicated, by type of business partner.

*Business partners in this context include tenants and direct suppliers. Methods of communication will be defined and can include tenant or supplier surveys and the use of the tenant and supplier portals.*

*Note: this programme will only be initiated in FY2022.*

### Promoting human rights in the supply chain
#### SDG 16.10 and 16.4
Promote the respect of human rights and fundamental freedoms (e.g. right to freedom of association and collective bargaining) within the company and among suppliers.

**Measurement method**
Introducing a human rights due diligence process for suppliers.

*The selection of suppliers subject to this due diligence process, the methodology used for these due diligences, and appropriate remedial action will be developed in FY2022.*

### Waste management
#### SDG 12.1
Raising awareness regarding sustainable consumption behaviour.

**Measurement method**
Introduction of supplier sustainability awareness programme that includes, inter alia, guidance on recycling and responsible waste management.

*Note: this programme will only be initiated in FY2022.*

#### SDG 12.7 [measured over a three-year period]
Percentage of existing suppliers that are subject to a supplier sustainability audit.

*Note: this programme will only be initiated in FY2022.*

### Application of sustainable principles to procurement
#### SDG 12.7
Ensuring that suppliers apply sustainable principles set out in the supplier code of conduct.

*The selection of suppliers subject to this audit process, the methodology used for these audits, and appropriate remedial action will be developed in FY2022.*
Stakeholder engagement
CONTINUED

Our shoppers are a critical stakeholder group, and, as such, their evolving preferences inform our strategic thinking.

Shoppers
Why we engage
→ Shoppers, both current and potential, are important to the viability of our tenants.
→ Shoppers publicise their experiences on formal and informal platforms, which informs other shoppers’ decisions. This relationship must be carefully managed to maintain our brand reputation.

How we engage
→ Proactive engagement and management of complaints and queries
→ Marketing, promotions and communication via local and social media for information and to meet our objectives (increased dwell time and footfall)
→ Meet diverse needs with optimal tenant mix in retail centres

Key matters raised in 2021
→ COVID-19 safety in retail centres, with a preference for COVID-19-friendly offerings
→ A safe, secure and clean environment
→ Correct tenant mix, especially given the challenging macroeconomic context and pressure on consumers’ disposable income
→ Convenient parking and suitable facilities
→ Shopping centre events and other forms of entertainment taking COVID-19 safety protocols into account

We focus on ensuring that the highest standards of health and safety are maintained at our centres
→ COVID-19 has accelerated changes in shopping patterns. We research and monitor consumer behaviour and shopping trends to mitigate risk and tailor an appropriate tenant mix, safe entertainment and integration with online shopping

We are considering multipurpose use in our retail centres to include additional offerings, such as education facilities and clinics
→ We continuously refine security measures at our shopping centres to protect all stakeholders

We are improving our communication platforms aligned with broker expectations
→ Information on vacant space through site visits, presentations and marketing
→ Our expert internal leasing executive team

Relationships with our communities are vital to our stakeholder ecosystem. Our tenants would not be able to trade, and our business would not exist, without them.

Properties
Why we engage
→ Property brokers connect us with our tenants. As such, they must be aligned with our brand promise
→ We engage directly with our communities and related NPOs to understand community concerns

How we engage
→ Our extensive REACH broker incentive programme
→ Access to view vacant spaces
→ Marketing material and information to assist in concluding deals
→ Improving relationships

Key matters raised in 2021
→ Timely payments of commissions
→ Pace of leasing deal closures
→ Incitative programmes
→ Access to view vacant spaces

We continue improving our processes to ensure our decision-making is quick and deal structuring is simple
→ We engage with our brokers to maintain partnerships and expose them to vacant spaces

To attract tenants, particularly in our current challenging economic context, we partner with property brokers to ensure we are their preferred business partner

Reaching out to our brokers

Brokers offer representation and consulting services to our tenants, so we nurture this relationship to ensure we are top of mind and a preferred partner among brokers. REACH is our broker engagement strategy that strengthens relationships by facilitating two-way communication. Engagements include quarterly newsletters, the REACH magazine, marketing campaigns (brochures, deck drops and mailers), an incentive programme of quarterly events (driving experiences, golf outings and overnight getaways) and an annual incentive international trip for top-performing brokers (temporarily on hold due to COVID-19). We discuss our secondary stakeholders on the pages that follow.

Property brokers
Why we engage
→ Property brokers connect us with our tenants. As such, they must be aligned with our brand promise
→ Our extensive REACH broker incentive programme
→ A quarterly newsletter
→ Website updates regarding REACH and current vacancies

How we engage
→ Information on vacant space through site visits, presentations and marketing
→ Our expert internal leasing executive team

Key matters raised in 2021
→ Timely payments of commissions
→ Pace of leasing deal closures
→ Incitative programmes
→ Access to view vacant spaces

We continue improving our processes to ensure our decision-making is quick and deal structuring is simple
→ We engage with our brokers to maintain partnerships and expose them to vacant spaces

To attract tenants, particularly in our current challenging economic context, we partner with property brokers to ensure we are their preferred business partner

Our strategy in response

We enhance shopper experiences during retail upgrades and extensions
→ We engage with our brokers to maintain partnerships and expose them to vacant spaces

Our strategic response

We engage directly with our communities and related NPOs
→ Information on vacant space through site visits, presentations and marketing
→ Our expert internal leasing executive team
Stakeholder engagement

CONTINUED

Local and national government

Why we engage
- We want to create and maintain an enabling regulatory environment by engaging with local and national government to ensure that our mutual concerns are addressed

Key matters raised in 2021
- Continued contribution to economic growth
- Good corporate governance
- Compliance with applicable legislation
- Recent civil unrest as discussed with government

How we engage
- Written and verbal communication
- In-person or virtual meetings to maintain relationships with municipal and national government officials
- Returns submitted in compliance with legislation
- Formal application and engagement process

We liaise with municipalities about capital project approval, development planning, and implementation.

We uphold exemplary legislative compliance and corporate governance.

We align our community development projects with the National Development Plan and local government initiatives.

Insight into our community involvement

Engaging to co-create meaningful solutions to real problems

Our CSI strategy focuses on the communities around our buildings rather than national projects. It is underpinned by a demand-driven rather than a business-as-usual or supply-driven approach. Using the Challenge Convention as a vehicle, we engage with communities to identify their priorities and co-create solutions. We believe 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. Instead, our asset-based community development model uses community-centred, 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 own development.

An important part of our CSI strategy is ensuring our employees participate in implementing the strategy to foster relationships between our employees and communities.

Our CSI strategy outlines objectives and strategic focus areas to which we commit.

Objectives
We believe that we best serve communities surrounding our buildings with CSI initiatives that strive to
- Increase our involvement
- Empower and uplift disadvantaged communities by understanding their needs and co-creating solutions for measurable positive impact on their socio-economic conditions
- Monitor the impact of interventions and communities on our business and properties
- Build and strengthen relationships

Strategic focus areas
Driven by innovation to ensure scalability and replicability, we focus on four strategic focus areas for CSI
- Skills development
- Youth development
- Social development
- Environmental awareness

These focus areas are crucial to create a positive legacy for our communities.

Our five-year CSI strategy can be found on our website.
Insight into our community involvement

Our measurement criteria for our broader community engagement are set out below. The achievement thereof will be measured at the end of FY2022.

**Maponya Mall CSI initiatives**

**Flagship CSI projects**

**Maponya Mall: Challenge Convention**

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

The convention highlighted the need for skills programmes and facilities to encourage greater collaboration and information sharing among NPOs, SMMEs and the youth. We are focused on addressing these needs through our CSI initiatives at the mall.

**Maponya Mall CSI initiatives**

**Unstuck Soweto SMME programme**

The Unstuck Soweto SMME programme is designed to empower businesses to become sustainable, thinking organisations with the potential to create employment for local youth. The programme targets formal and informal businesses at various stages of development, using a blended learning approach that includes business simulations, classroom presentations, one-on-one business coaching, and digital learning.

**Hi Neighbour NPO programme**

The Hi Neighbour programme is designed to build capacity in Soweto’s NGO sector, by building the key skills needed to run a sustainable organisation: financial management, operations, governance, compliance, leadership and knowledge transfer.

**S&J Industrial Estate: The Hawk Academy**

The Hawk Academy is a government school that began operating in a mine office building in 2015. It was soon evident that it needed to be formalised in a suitable school facility. Redefine, in partnership with the Abland Group Foundation, donated 6.5ha of land to the development of the school. The school now accommodates 1,080 learners from grade R to grade 10. We also provide equal funding with the Abland Group Foundation for infrastructure development and maintenance.

Due to the impact and risk associated with the local informal community settlement adjoining the land, we continue to engage with this community and the City of Ekurhuleni on the best way forward.

**SDG 3 Progressively achieving greater equality**

**SDG 3.1 Measurement method**

- Expanding workplace health and wellness awareness to communities surrounding our buildings.
- Making available, for the relevant communities surrounding our buildings, a list of local trusted healthcare professionals, vaccination sites for COVID-19 and other more common illnesses such as the flu, sexually transmitted infection testing, and health screening programmes.

**SDG 10 Progressively achieving greater equality**

**SDG 10.4 Measurement method**

- Working with non-governmental organisations to help vulnerable people develop their entrepreneurial capabilities.

<table>
<thead>
<tr>
<th>Community health awareness</th>
<th>Measurement method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making available, for the relevant communities surrounding our buildings, a list of local trusted healthcare professionals, vaccination sites for COVID-19 and other more common illnesses such as the flu, sexually transmitted infection testing, and health screening programmes.</td>
<td>Note: this programme will only be initiated in FY2022.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical space in Maponya Mall for learning, collaboration, partnership building, and information sharing</th>
<th>Value added to date for stakeholders based on feedback received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved social and economic inclusion of youth with skills development, personal capacities, and community concepts</td>
<td>We selected 12 NPOs and 37 participants from the mall’s catchment areas, and each of them sent three people to participate in the 12-module, outcomes-based training, with the following outputs per participant:</td>
</tr>
<tr>
<td>Improved facilities for learners</td>
<td>→ 25 days of contact time</td>
</tr>
<tr>
<td>Improved facilities for learners</td>
<td>→ 360 hours of coaching and mentoring</td>
</tr>
<tr>
<td>Improved facilities for learners</td>
<td>→ 6 hours of self-leadership and personal transformation sessions</td>
</tr>
<tr>
<td>Improved facilities for learners</td>
<td>→ 18 hours of collective reflective sessions on interpersonal dynamics and team development</td>
</tr>
</tbody>
</table>

**Objectives for the Maponya Hub include**

- Development of the Maponya Mall hub project is underway, with its launch expected early in 2022. Disability access to the second floor of the hub has been provided to make the space more inclusive.

**Our investment**

R1,3 million (2020: R1.4 million)
Insight into our community involvement

CONTINUED

Non-flagship CSI projects

Sustaining impact with existing sponsorships

We continue collaborating with charities to align their projects with our strategy and their roles in the communities we serve, while we simultaneously develop exit strategies to secure their sustainability. We also consider how we can support charities who lease facilities from us with rental reductions or free space.

Buskaid

Buskaid Music Academy in Diepkloof, Soweto, brings music to underprivileged children by offering them the opportunity to learn to play classical string instruments.

Our investment
R900 000
Contributed to administration, teachers’ salaries, concerts and an on-site clinical psychologist (2020: R1 100 000). An additional programme to aid the NGO to become self-sustainable was run at a cost of R188 140.

Looking ahead
We are committed to empowering the projects we support to become self-sustaining. To this end, a service provider has been appointed to facilitate a process to map out the future strategy and business plan that will ensure the sustainability of Buskaid, with our exit planned within three years to enable a smooth transition.

Reach for a Dream

To realise the dreams of children with terminal illnesses, we donate office space to Reach for a Dream

Our investment
R828 929 per month for offices (2020: R85 050 per month)

Value added to date for stakeholders based on feedback received
→ 120 students enrolled in 2021 (2020: 118)
→ Eight assistant teachers and five trainee teachers employed under the guidance of two full-time teachers and one part-time teacher
→ Assistant teachers are employed from a pool of students who have graduated from the programme
→ The full ensemble of performers comprises 23 musicians, including junior trainee members
→ For events, around 16 musicians play (depending on their availability), providing employment for students when they reach the appropriate level of training

Value added to date for stakeholders based on feedback received
→ Over 5 800 children benefit from Reach for a Dream
→ Raised awareness of people’s abilities, regardless of disabilities

For events, around 16 musicians play (depending on their availability), providing employment for students when they reach the appropriate level of training.

Divine Heritage Christian College

The college supports a model high-quality, international-level school that offers a cost-effective, broad and challenging educational programme to local and international students through its Christian values.

Our investment
R190 507
Value added for stakeholders to date based on feedback received
→ Improved facilities for students
→ Providing an opportunity to a decent education
→ Donated space

EPIC Foundation

The EPIC Foundation is a Gauteng-based NPO founded by Alta McMaster in 2013 (after traumatic life experiences of her own). The foundation empowers survivors of rape and abuse. The EPIC Foundation manages various projects and initiatives aimed at assisting victims of rape and abuse, including women and children in shelters, with ad hoc projects undertaken to help people in crisis and to support other charities.

We supported the EPIC Foundation with its original tenant installation and office and warehouse space.

Our investment
R37 743 per month (2020: R37 743 per month) for premises

Value added to date for stakeholders based on feedback received
→ Donated premises from which the foundation supports and empowers survivors of rape and abuse

Magnet Theatre

Magnet Theatre uses its performances to be a moving force in people’s lives during changing local and international contexts. Living experiences that shift bodies, assumptions, feelings, beliefs and understandings, Magnet Theatre celebrates a spirit of theatrical research and challenges participants in activities, performers and audience.

Our investment
R405 962 (2020: R135 321)

Value added to date for stakeholders based on feedback received
→ 38 new South African performances
→ Community upliftment
→ Rental relief

Walking with Brandon

The Walking with Brandon foundation is a non-profit, non-governmental organisation and is one of the first neurological rehabilitation centres in South Africa that uses state-of-the-art equipment to help people with disabilities.

Our investment
R138 663

Value added to date for stakeholders based on feedback received
→ Raise awareness of people’s abilities, regardless of disabilities

Ad hoc CSI interventions

Retail CSI initiatives

Our CSI approach includes analysing potential opportunities in 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 that assist people and animals.

During the year, our retail CSI, including donations of courtyard space and various smaller monetary donations, amounted to R221 313 in space donations – this spend was drastically reduced due to COVID-19 restrictions (2020: R2.7 million), R142 449 in community donations (2020: R135 321) through our shopping centres, and R550 000 donated for food distribution in KwaZulu-Natal communities affected by the civil unrest.

We sponsored the development of the Centurion taxi rank, located on council land next to Centurion Mall, to the value of R12 million. The facility can accommodate 55 taxis and comprises administrative offices and areas for informal traders. It is anticipated that the taxi rank will service 12 000 commuters and 11 different destinations on a daily basis.
Our employees

Our people are our biggest differentiator, and they are the heart and soul of our business. Through their knowledge, skills and dedicated and committed attitudes, we are able to differentiate our business and ensure we remain sustainable in the long term.

As our brand ambassadors, the energy, enthusiasm and effectiveness of our people in every stakeholder engagement serve to strengthen our reputation. This is why we are committed to truly empowering our people, creating an environment where they feel inspired and able to take action, drive our business forward, and create sustained value for our stakeholders.

The governance of our human capital

Strong governance is essential to our human resources practices, with clear accountability and responsibility outlined. Our head of human resources is on the management committee and reports into the chief financial officer (CFO). To support board oversight, the head of human resources reports quarterly to the SET committee, Remco and Nom on our employee profile, remuneration practices and succession planning.

Unpacking our employee profile

Our operating landscape requires specialist skills that are developed over years of exposure to our industry. We therefore consistently aim to attract and retain the right people.

Human capital delivering sustained value for stakeholders

VALUE for our stakeholders is created by

PROMOTING a values-based corporate culture

DEVELOPING a strong employer brand to attract and retain employees

LEVERAGING off our employee capabilities

Our focus on people strengthens the intangible capital of the organisation

INTANGIBLE VALUE

Tangible ASSETS

Stakeholder VALUE

Employee profile

<table>
<thead>
<tr>
<th></th>
<th>Permanent employees</th>
<th>Temporary employees</th>
<th>Female employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent employee turnover</td>
<td>18.5% (2020: 14.9%)</td>
<td></td>
<td>12.0% (2020: 9%)</td>
</tr>
<tr>
<td>Average tenure</td>
<td>5.8 years</td>
<td>4.0 years</td>
<td></td>
</tr>
<tr>
<td>Average age</td>
<td>41</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

2021 Redefine employee engagement virtual roadshow
Our employees

CONTINUED

Our employee turnover rate was slightly higher than usual during the reporting period, but it remains relatively stable. Remuneration, career development, and a desire to change sector were cited as the main reasons for resignation. We consider all feedback from exit interviews to support our employee retention initiatives.

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 employee value proposition (EVP) is key to achieving this, demonstrating how we create value for our people and articulating 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. We do not have on-site childcare facilities, but this is an area of future focus for us.

To attract top talent, we look beyond the property industry and often recruit people from other industries. This complements our diverse thinking, introduces new skills, and supports our efforts to remain relevant in an ever-changing world. We focus our energy 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.

Our survey scores reflect the resilience of our employees and the strength of our culture and brand. Our employee turnover rate was slightly higher than usual during the reporting period, but it remains relatively stable. Remuneration, career development, and a desire to change sector were cited as the main reasons for resignation. We consider all feedback from exit interviews to support our employee retention initiatives.

Our EVP encourages work-life balance. As such, we have clear leave policies that articulate the company’s position on leave, including among others, annual, sick, study and family responsibility leave. For more information, refer to our website.

To attract top talent, we look beyond the property industry and often recruit people from other industries. This complements our diverse thinking, introduces new skills, and supports our efforts to remain relevant in an ever-changing world. We focus our energy 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.

Engaging with our employees

Our employee engagement is fundamental to understanding and improving our relationship with our people. We aim to create a work environment in which our employees enjoy fulfilling roles and can be proud to work for Redefine. An engaged workforce is more likely to go above and beyond, enhancing our human capital by increasing productivity and work quality and retaining top talent.

Refer to pages 59 to 60 for more information on how we engage with our employees.

We conduct regular employee engagement surveys to identify organisational trends that may affect employee engagement and satisfaction. Feedback offers insight into our employee satisfaction and forms part of our business strategy process. It also helps us understand areas in which we are performing well and those in need of improvement for us to sustain a strong EVP, based on the specific demographics and actual needs of our people.

Lockdown has significantly disrupted our employees’ lives and our business. As we traverse different lockdown levels, there are many questions, anxieties and concerns about the future. Based on the feedback and insight gained from the surveys, we equipped employees with tools and techniques through bespoke programmes to support them in managing relationships, stress and COVID-19 burnout. Our COVID-19 awareness initiative provides information about employee benefits that support the emotional and physical health of our employees and their families.

Clear, concise and consistent communication is imperative to maintain our culture and engage with employees. Our values remain the core message in our communications, which reinforce our purpose. Regular employee check-ins between line managers and employees are also conducted via digital platforms such as telephone, email, text message and video conferencing.

A stable and supportive work environment is critical to managing employee anxiety. Throughout the challenges faced due to COVID-19, we have retained our full staff complement and not introduced any retrenchments or salary reductions.

In addition to the pulse surveys, which focused on employee well-being, we conducted an employee engagement survey in September 2021, with 73% of our people completing the survey, ensuring that results are credible and representative of the current levels of employee engagement. Although we had a slight decrease in employee engagement, the 2021 survey indicated that our employees still remain highly engaged with a score of 87% (2020: 92%), significantly outperforming the South African benchmark of 80%.

Our survey scores reflect the resilience of our employees and the strength of our culture and brand. Although employee engagement scores differ across the world, we benchmark our scores against global, emerging, and South African markets.

Our employee engagement score is 87% (2020: 92%), significantly outperforming the South African benchmark of 80%.

Being an employer of choice

We are committed to the ongoing improvement of our employment practices. As such, we participate in the Top Employer South Africa certification every year. It is hosted by the Top Employers Institute, which does comprehensive research of employee offerings across various companies. The accreditation provides valuable feedback that guides our benchmarking and improvement.

Lockdown has significantly disrupted our employees’ lives and our business. As we traverse different lockdown levels, there are many questions, anxieties and concerns about the future. Based on the feedback and insight gained from the surveys, we equipped employees with tools and techniques through bespoke programmes to support them in managing relationships, stress and COVID-19 burnout. Our COVID-19 awareness initiative provides information about employee benefits that support the emotional and physical health of our employees and their families.

Clear, concise and consistent communication is imperative to maintain our culture and engage with employees. Our values remain the core message in our communications, which reinforce our purpose. Regular employee check-ins between line managers and employees are also conducted via digital platforms such as telephone, email, text message and video conferencing.

A stable and supportive work environment is critical to managing employee anxiety. Throughout the challenges faced due to COVID-19, we have retained our full staff complement and not introduced any retrenchments or salary reductions.

In addition to the pulse surveys, which focused on employee well-being, we conducted an employee engagement survey in September 2021, with 73% of our people completing the survey, ensuring that results are credible and representative of the current levels of employee engagement. Although we had a slight decrease in employee engagement, the 2021 survey indicated that our employees still remain highly engaged with a score of 87% (2020: 92%), significantly outperforming the South African benchmark of 80%.

Our survey scores reflect the resilience of our employees and the strength of our culture and brand. Although employee engagement scores differ across the world, we benchmark our scores against global, emerging, and South African markets.

Our employee engagement score is 87% (2020: 92%), significantly outperforming the South African benchmark of 80%.

Being an employer of choice

We are committed to the ongoing improvement of our employment practices. As such, we participate in the Top Employer South Africa certification every year. It is hosted by the Top Employers Institute, which does comprehensive research of employee offerings across various companies. The accreditation provides valuable feedback that guides our benchmarking and improvement.

Lockdown has significantly disrupted our employees’ lives and our business. As we traverse different lockdown levels, there are many questions, anxieties and concerns about the future. Based on the feedback and insight gained from the surveys, we equipped employees with tools and techniques through bespoke programmes to support them in managing relationships, stress and COVID-19 burnout. Our COVID-19 awareness initiative provides information about employee benefits that support the emotional and physical health of our employees and their families.

Clear, concise and consistent communication is imperative to maintain our culture and engage with employees. Our values remain the core message in our communications, which reinforce our purpose. Regular employee check-ins between line managers and employees are also conducted via digital platforms such as telephone, email, text message and video conferencing.

A stable and supportive work environment is critical to managing employee anxiety. Throughout the challenges faced due to COVID-19, we have retained our full staff complement and not introduced any retrenchments or salary reductions.

In addition to the pulse surveys, which focused on employee well-being, we conducted an employee engagement survey in September 2021, with 73% of our people completing the survey, ensuring that results are credible and representative of the current levels of employee engagement. Although we had a slight decrease in employee engagement, the 2021 survey indicated that our employees still remain highly engaged with a score of 87% (2020: 92%), significantly outperforming the South African benchmark of 80%.

Our survey scores reflect the resilience of our employees and the strength of our culture and brand. Although employee engagement scores differ across the world, we benchmark our scores against global, emerging, and South African markets.

Our employee engagement score is 87% (2020: 92%), significantly outperforming the South African benchmark of 80%.

Being an employer of choice

We are committed to the ongoing improvement of our employment practices. As such, we participate in the Top Employer South Africa certification every year. It is hosted by the Top Employers Institute, which does comprehensive research of employee offerings across various companies. The accreditation provides valuable feedback that guides our benchmarking and improvement.
**Our employees**

**CONTINUED**

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

1. Talent strategy
2. Culture
3. Career and succession management
4. Learning and development
5. Leadership development

**Focusing on employee health, safety and wellness**

We are committed to ensuring employees’ health, safety and well-being, and we strive to provide a safe work environment, which we believe enables our people to perform optimally and meet our organisational objectives.

The employee wellness programme aims to support employees’ general health and wellness. For more information on this, as well as how we are supporting our people during COVID-19, please refer to our website.

Redefine is committed to the health and well-being of its employees and will endeavour to create awareness around, and educate on, COVID-19. The employee wellness programme aims to support employees’ general health and wellness. For more information on this, as well as how we are supporting our people during COVID-19, please refer to our website.

Our employees on the COVID-19 vaccine. Our vaccination policy was implemented during the year and is designed to ensure that we treat each other with mutual respect. Our work environment has sufficient space to support social distancing, and administrative controls, such as daily symptom screening, rotation schedules, flexi-time and work-from-home policies, and the necessary systems and tools are in place to accommodate remote working. As such, a mandatory vaccination programme will not be implemented at this time. We will continue to monitor the situation.

**SDG 3 Employee benefits**

**SDG 3.4**

Assisting employees to reduce their exposure to non-communicable diseases, e.g. tobacco addiction, as well as promoting mental health resources.

**Measurement method**

- Percentage of employees who access the AskNelson service to seek help on quitting tobacco or other substance abuse.
- Access counselling and other mental health services.

**SDG 3.6**

Reinforcing road health and safety measures to employees.

**Measurement method**

- Providing regular information and guidance on road health and safety to employees, particularly during peak traffic periods and holidays.

**SDG 17.1**

Raising awareness for employees on how to remain tax compliant (particularly considering more stringent tax administration requirements), for them to pay their fair share of taxes in a timely and responsible manner.

**Measurement method**

- Methods taken to assist employees in remaining tax compliant, e.g. awareness campaigns and/or preferential rates negotiated with tax compliance practitioners in favour of Redefine employees.

**SDG 17.3**

Supporting employees who require access to financial advice.

**Measurement method**

- Increase in percentage of employees who use AskNelson for financial planning advice.

**Pursuing gender equality**

We are committed to equal opportunity employment and aim to maintain workplaces that are free from unfair discrimination. During the year, Redefine conducted a Women Empowerment Principles (WEPs) gender gap analysis. WEPs is a joint initiative between the UNSC and UN Women, providing a comprehensive framework that includes seven principles to empower women and girls. The results of our gender gap analysis will inform our approach to gender equality and will guide our actions to promote gender inclusivity.

Based on our scoring on the WEPs Gender Gap Analysis Tool, we are marked as an ‘Improver’, which indicates that we recognise the importance of gender equality and are taking concrete steps to introduce policies and practices, but we are still working on a strategic approach to implement our commitments. We will take steps to implement some of the recommendations from the WEPs analysis to strengthen our commitment to gender equality.

**Creating a value-based corporate culture**

Our corporate culture and values guide our conduct, inform our decisions and support the delivery of our business strategy. We ensure that our ethical culture and value system are entrenched at every level of the business. We understand employees want to work for responsible companies, therefore the retention and motivation of our workforce depends on our employees’ connection to our purpose and meaning.

**BEST values**

We believe creating an ethical culture is a business imperative – it is about consistency and always doing the right thing. We mitigate material business ethics risks and do not tolerate unethical conduct because we understand that a sustainable business is underpinned by sound business ethics.

Managing ethics effectively is the foundation of the trust we share with our employees and other stakeholders. The ultimate responsibility for managing ethics in our business rests with our CEO, who is supported by executive and senior management, with assistance from the head of ESG and the company secretary. Specific ethics-related issues are regularly reviewed and reported to the SET committee. Employees are encouraged to attend ethics training and can consult their line managers, the head of internal audit, the CFO, the head of risk and compliance, the head of ESG, the executive committee, and the management committee if they need any ethics-related advice. We pride ourselves on having an open-door policy to ensure that employees feel comfortable when reporting unethical behaviour to executive and senior management. They can also report any ethics-related issues to their line manager or any other superior, the legal department, or anonymously to the whistle-blower hotline.

**Entrenching ethics in the business**

We believe creating an ethical culture is a business imperative – it is about consistency and always doing the right thing. We mitigate material business ethics risks and do not tolerate unethical conduct because we understand that a sustainable business is underpinned by sound business ethics.

Managing ethics effectively is the foundation of the trust we share with our employees and other stakeholders. The ultimate responsibility for managing ethics in our business rests with our CEO, who is supported by executive and senior management, with assistance from the head of ESG and the company secretary. Specific ethics-related issues are regularly reviewed and reported to the SET committee. Employees are encouraged to attend ethics training and can consult their line managers, the head of internal audit, the CFO, the head of risk and compliance, the head of ESG, the executive committee, and the management committee if they need any ethics-related advice. We pride ourselves on having an open-door policy to ensure that employees feel comfortable when reporting unethical behaviour to executive and senior management. They can also report any ethics-related issues to their line manager or any other superior, the legal department, or anonymously to the whistle-blower hotline.
Our employees

When reporting ethics-related incidents to the whistle-blower hotline, internal and external whistle-blowers should specify:
- The parties involved and the extent of involvement
- Evidence of the alleged unethical conduct, if any
- Copies of documents, if applicable
- If there are any witnesses
- The date, time and location of the conduct or irregular activity
- Any other details that may assist in the investigation

Once the whistle-blower has made the report, the details will be assessed to determine the most appropriate action. Employees will also receive high-level feedback on incidents received and investigated. If allegations of retaliation are reported via the hotline, the human resources department will be involved.

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, 66% of our employees participated, and we are pleased to have achieved an 88% percentile advanced ethical maturity score from The Ethics Institute. This score indicates an advanced ethical culture maturity, reflecting the fact that ethics is being integrated with the overall cultural ethical. We also received an overall ethics behaviour risk score of 91/100, which indicates a low risk from an ethics standpoint. The 2021 results included an expanded peer group comparison and therefore cannot be compared to last year’s results. Our results demonstrate the strength of Redefine’s ethical capital and support our drive to maintain an ethical reputation. We use the survey to identify gaps and areas of potential improvement that require further attention from management.

Through frequent employee engagement about ethical behaviour, we hope to deter non-compliance, reduce exposure to unethical opportunities, and nurture trust within our business. Our initiatives – including a five-point anti-fraud awareness campaign applicable to all employees in FY2021 – seek to mitigate ethics risks such as corruption, discrimination, human rights abuse, inequality and conduct violations. Our measurement criteria for our ethical framework in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

The ethics management plan sets out detailed remedial actions for improvement areas identified in the ethics survey, including:
- Key ethics-related risks and mitigation strategies
- Key ethical advice and mitigation strategies
- Internal and external monitoring and measurement
- Risk management

Key ethics-related risks and mitigation strategies

<table>
<thead>
<tr>
<th>Improvement area</th>
<th>Mitigating actions and progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics accountability and responsibility</td>
<td>- Ethics is incorporated into the communications plan</td>
</tr>
<tr>
<td></td>
<td>- The ethics risk survey KPA is included in the 2021 short-term executive pay scorecards and included in the UN SDG KPA framework that will apply from FY2022 onwards</td>
</tr>
<tr>
<td></td>
<td>- FAQ material for management with practical ethics-related examples is in progress</td>
</tr>
<tr>
<td></td>
<td>- More targeted, informal feedback mechanisms are in progress and a priority for FY2022</td>
</tr>
<tr>
<td>Senior management commitment to ethics</td>
<td>- Annual skills training for employees on understanding ethics and conduct-related policies is in progress and a priority for FY2022</td>
</tr>
<tr>
<td></td>
<td>- Ethical culture awareness e-learning is in progress and a priority for FY2022</td>
</tr>
<tr>
<td></td>
<td>- Separate ethical culture e-learning for middle and senior management is in progress and a priority for FY2022</td>
</tr>
<tr>
<td>Treating people ethically</td>
<td>- Management takes any allegation of retaliation (in any circumstances) seriously and internal audit investigates legitimate complaints</td>
</tr>
<tr>
<td></td>
<td>- The whistle-blower policy was reviewed and approved in November 2020</td>
</tr>
<tr>
<td></td>
<td>- We will prioritise being able to give feedback on the whistle-blower hotline, including acknowledgement on receipt of anonymous and public complaints and high-level feedback through internal communication and internal audit, among others</td>
</tr>
<tr>
<td></td>
<td>- We have started including ethics in Let’s Connect newsletters as regular reminders to management of their professional and ethical conduct</td>
</tr>
</tbody>
</table>

SDG 10

Anti-fraud and corrupt activities policy

- SDG 10.5 Adherence to anti-fraud and corrupt activities policy within the company

Measurement method
- Percentage of employees that have completed anti-fraud and corrupt activities awareness training
- Internal audit results for company’s adherence to anti-fraud and corrupt activities policy

SDG 16

Ethical behaviour

- SDG 16.3 Promoting internal facilities for employees to obtain ethical advice and maintain organisational integrity

Measurement method
- Effectiveness of ethical behavioural interventions, gauged through the results of the annual ethics risk survey

Effective, accountable and transparent governance structures

- SDG 16.4 Ensuring that the company’s internal governance structures (below board level) reflect good governance practices

Measurement method
- Results of an internal governance risk review (externally facilitated)

Notes: this programme will only be initiated in FY2022.
Our employees

**Key ethics-related risks and mitigation strategies**

**Internal monitoring and measurement**

- Management will include questions in employee snap surveys regarding:
  - Knowledge of Redefine’s stance on ethics, internal and external facilities for ethics-related advice, and incident reporting
  - General observations on ethical behaviour in their teams and the company

- To determine the company’s ethical culture, the following trends will be assessed:
  - Whistle-blower reporting
  - Grievance reports
  - Disciplinary hearings
  - Employee ratings (and whether the ratings are fair and objective)
  - Attendance rates for significant internal meetings
  - Resolution rate for internal audits, particularly internal audit findings confirmed during the current year but related to the previous year
  - In certain departments, total health and safety findings were confirmed during the current year but related to the previous year

**External monitoring and measurement**

- From the ethics risk survey score and compared to the previous year’s score:
  - Ethical cultural maturity total score
  - Ethics behaviour risk total

- Total percentage of board members and employees who have received training on our ethics-related policies and procedures.

- Total number and nature of incidents of unethical behaviour confirmed during the current year, but related to the previous year.

- Total amount of monetary losses due to legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other related industry laws or regulations.

**External monitoring and measurement**

- Redefine will commission an annual ethics survey to be conducted among employees by an external independent service provider.

- We will annually review the code of business conduct and ethics management plan based on ethics survey results. The survey will be conducted externally by a suitable service provider.

- The survey results and review of the ethics-related code and management plan will be presented to the management committee and SET committee on an annual basis.

- We will provide high-level feedback to employees regarding the ethics survey results.

**Internal goals**

- Our employees

**External goals**

- Monitoring
  - Resolution rate for internal audits, particularly internal audit findings
  - Additional questions have been added to the snap surveys to further gauge employee views on ethics throughout the year

- To be assessed
  - Whistle-blower reporting
  - Grievance reports
  - Disciplinary hearings
  - Employee ratings (and whether the ratings are fair and objective)
  - Attendance rates for significant internal meetings
  - Resolution rate for internal audits, particularly internal audit findings confirmed during the current year but related to the previous year

**Supporting the principles of decent work**

We support the decent work agenda and the International Labour Organization’s (ILO’s) strategic objectives. For more information on how we do this, refer to [this website](https://www.redefine.co.za).

We adapted the framework from the ILO’s Tripartite Meeting of Experts on the Measurement of Decent Work to cover 10 substantive elements that are closely linked to the four strategic pillars of the decent work agenda. The indicators provide an integrated framework to monitor decent work and close potential gaps.

**Disclosure**

We report back to key stakeholders on our ethics journey as part of our sustainability reporting. This includes:

- Our commitment to ethics and the management of major business ethics risks
- Describing management’s responsibility for business ethics
- Annual training record for employees on the code of business conduct and code of ethics (when the latter is introduced)
- The high-level results of the annual ethics survey
- Mitigating actions to deter non-compliance and reduce exposure to unethical opportunities
- The process for incident investigation and corrective actions

We also have actions in place to improve ethical behaviour, including regular communication on ethics-related issues to our employees.

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>We report back to key stakeholders on our ethics journey as part of our sustainability reporting. This includes:</td>
<td>Please refer to pages 79 to 81 for disclosure on measurement criteria and progress made during FY2021</td>
</tr>
<tr>
<td>- Our commitment to ethics and the management of major business ethics risks</td>
<td></td>
</tr>
<tr>
<td>- Describing management’s responsibility for business ethics</td>
<td></td>
</tr>
<tr>
<td>- Annual training record for employees on the code of business conduct and code of ethics (when the latter is introduced)</td>
<td></td>
</tr>
<tr>
<td>- The high-level results of the annual ethics survey</td>
<td></td>
</tr>
<tr>
<td>- Mitigating actions to deter non-compliance and reduce exposure to unethical opportunities</td>
<td></td>
</tr>
<tr>
<td>- The process for incident investigation and corrective actions</td>
<td></td>
</tr>
</tbody>
</table>

**External reporting**

- Internal monitoring and measurement Progress

**Supporting the principles of decent work**

**Employment opportunities**

- 5.5% youth employment rate (15 to 24 years) as percentage of total workforce (2020: 3.3%)
- 9.6% of total learning interventions focused on youth education and training (2020: 9.7%)
- 85% of promotions are AC1 (2020: 76.6%)
- Employment status ratio: 10.1% permanent (2020: 10.6%) and 9.9% temporary (2020: 9.6%)
- Gender distribution in the overall workforce and management positions, respectively
- 66% of promotions are female (2020: 65%), of which 57% are AC1 (2020: 64%)
- 2.3% of jobs were newly created in 2021 (2020: 1.6%)

**Combining work, family and personal life**

- Flexible working hours available (subject to operational percentage of total workforce (2020: 3.3%)
- Remote working policy
- Parental leave and maternity leave policies (better than statutory requirement with similar position guaranteed on return)

**Social security**

- 100% of permanent employees belong to a provident fund for retirement savings (2020: 100%), which is a mandatory requirement
- 100% of permanent employees contribute to group medical cover for death, disability and severe illness
- 29% of employees belong to a medical aid through the company (2020: 35%)
- 1.1% absenteeism (2020: 0.95%)

**Stability and security of work**

- No retrenchments during COVID-19
- No salary cuts enforced
- Employment tenure, see table on page 74
- Employee turnover (permanent and total including fixed-term contract), see table on page 74

**Decent working time**

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

**Work that should be abolished**

- Review job functions to ensure content is meaningful and contributes to the 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 the 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
- Average age is 41 (2020: 40.3), the youngest is age 21 (2020: 19) and the oldest is 65 (2020: 65)
Our employees continued...

Equal opportunity and treatment in employment

- Total commitment to the employment equity process
- Commitment to gender pay equality
- Occupational reporting by race, gender, and employment of people with disabilities, inclusive of women in senior and middle management

Safe work environment

- Our response to COVID-19 supports our commitment to a safe work environment
- The department of employment and labour completed 19 inspections in 2021 (2020: 8)

Adequate earnings and productive work (economic and social context for decent work)

- We determine the mean (average) or median (middle) salary externally
- We determine the minimum and maximum salary as percentage of mean (average) or median (middle) salary externally
- We calculate and monitor the Gini coefficient and Palma ratio as part of our EEA form submissions

Social dialogue, employers’ and workers’ representation

- Policy statement on collective bargaining
- Policy statement on Freedom of Association
- 0.4% of employees belong to trade unions (2020: 0.40%)
- No days lost to strike and lockouts (2020: zero)

Growing our employee capabilities

We are committed to creating an environment in which our employees can thrive. We align our employees’ capabilities with our strategic goals to ensure we have the right skills – now and into the future – to achieve our value-creation objectives. We actively support our employees’ growth, which we believe is a key driver of organisational success and employee fulfilment.

Preparing for the changing world of work

The term ‘new normal’ has been a catchphrase for more than a year, but this cliché does not lessen the impact of reality. COVID-19 has been a catalyst in an already evolving world of work, exacerbating the need for businesses to alter their processes and behaviours.

In 2021, we focused on building organisational resilience and adaptability in the face of disruptive business transformations, shaped by transition and unpredictability, resulting in more fluid yet interconnected ecosystems. While we expect digital and analytical skills to be highly valued in the new world of work, we believe there will be an even greater need for interpersonal skills to enable the necessary people connections. We are therefore actively focusing on developing these skills and capabilities.

As a people-centric business, we believe that focusing on people, not jobs, is key to the sustainability of our business. We focus on long-term reskilling – placing employees at the centre of business operations to ensure they are equipped with the capabilities needed to meet the demands of this continuously changing world of work. Long-term reskilling initiatives included quality customer service training and handyman training.

The customer service training course was aimed at our guest relation officers and receptionists to enable them to build and maintain strong relationships with key stakeholders, especially the patrons who frequent our properties. The objective of this accredited course was to create greater understanding of customers and how to best meet their needs in a professional and effective manner.

The course content provided delegates with knowledge of good customer service and know-how in handling customers in a conflict situation. Delegates were also exposed to how their personal approach influences customer service.

In continuing with upskilling, our facilities management department saw the introduction of the maintenance assistance/handyman training course afforded to a total of 30 handymen. The content of the course, facilitated in partnership with Global FM as our training provider, provided the delegates with the operational life cycle skills to maintain facilities in fulfilling their role. The course comprised 13 specific areas of skills transfer, namely facilities management, health and safety, electrical maintenance, lighting, plumbing, window and door maintenance, maintenance to ceilings and partitions, tiling, painting, external works, space, heating and cooling, how to manage churn, and communication. The course had a very strong practical component to influence the learning.

We remain focused on promoting innovation and adaptability by building change capabilities, encouraging collaboration and transparent communication, and fostering an approach to decision-making based on assurance and self-confidence.

Digital learning is becoming part of our blended learning methodology. We optimise our digital learner management system, myLearning, and conduct virtual instructor-led training on Microsoft Teams and Zoom.

In moving from old ways of working to new, much smarter ones, and to enable our full compliance with all provisions of the POPRA, our enterprise content management systems have been streamlined and data has been migrated onto OneDrive, SharePoint and FileDirector.

To support the business in achieving this objective, learning and development partnered with the business through the change management process. This included an array of application training sessions to ensure that employees are confident and comfortable in managing their daily operations using the various Microsoft Teams applications.

Our measurement criteria for our innovation approach in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

Innovation of better products and services

Measurement method

Expenditure on research and development as a proportion of turnover during the reporting period.

Innovation of better products and services

SDG 9

Measurement method

Increase spend on research and development to create or upgrade products or infrastructure or introduce services that are fit-for-purpose in a changing operating environment.

SDG 11

Measurement method

Percentage of gross revenue from product lines added in the last three years calculated as the rentals or services from products that have been launched in the past three years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.

The Vitality Index is one of the primary metrics for the maturity phase of innovation. The company will clearly define what ‘new product lines’ consist of in the real estate sector (taking into account that 75% of our income must be rental-related) and further identification of what this constitutes.

Creating a culture of learning and development

We prioritise learning and development by investing in 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.

Our annual training target is 88% 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, and leadership development-focused programmes.

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of training interventions</td>
<td>128</td>
<td>101</td>
</tr>
<tr>
<td>Employee hours spent in training</td>
<td>18 672</td>
<td>13 172</td>
</tr>
<tr>
<td>Under 30 years old</td>
<td>9 045</td>
<td>6 272</td>
</tr>
<tr>
<td>30 to 50 years old</td>
<td>7 847</td>
<td>5 643</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>1 760</td>
<td>1 475</td>
</tr>
<tr>
<td>Male</td>
<td>9 418</td>
<td>5 311</td>
</tr>
<tr>
<td>Female</td>
<td>9 254</td>
<td>7 861</td>
</tr>
<tr>
<td>Temporary</td>
<td>7 000</td>
<td>4 418</td>
</tr>
<tr>
<td>Permanent</td>
<td>11 673</td>
<td>8 854</td>
</tr>
<tr>
<td>Direct investment in training*</td>
<td>R6.0 million</td>
<td>R3.8 million</td>
</tr>
<tr>
<td>Total training investment**</td>
<td>R11.4 million</td>
<td>R10.1 million</td>
</tr>
</tbody>
</table>

*Course and other costs such as travel, accommodation, catering and venue
**Direct cost and salary of qualifying category
Our employees

Our measurement criteria for our employee training programme in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

### Standards for conduct for employees

SDG 16.1 Ensuring that our employees know how to respond effectively to and de-escalate conflict situations in a way that respects human and cultural rights.

**Measurement method**

Total percentage of employees who have received training on human rights and conflict management.

**Target:** 80%

### Sustainability awareness

SDG 4.7 Increasing awareness of sustainability among employees through policies, training and awareness.

**Measurement method**

Percentage of employees who receive training on sustainability in the real estate sector and how Redefine can contribute to sustainable business practices.

**Target:** 80%

### Gaining valuable work experience

Our learnership programme is offered online due to COVID-19 and continues to create opportunities for participants to expand the pool of skilled entrants into the property sector. The programme offers applicants the opportunity to gain valuable work experience at Redefine for one year, while earning a salary. Learners receive a recognised qualification in business administration and practical industry-related experience. The programme comprises structured National Qualifications Framework levels 2 and 4 learning and practical on-the-job training in property management.

This programme highlights 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 7,366 applications received in the past year. Acceptance into the programme (December 2020) is subject to a rigorous selection process. Since 2013, 294 learners have graduated and 50 participants have been offered permanent employment at Redefine. In January 2021, 53 learners embarked on the learnership programme, of whom 24 were newly recruited, 20 were absorbed from the 2020 learnership programme and nine permanent employees joined the programme. Of the 64 learners employed on a fixed term contract, 16% were offered permanent employment as at the end of August 2021. We anticipate that 48 learners will graduate in December 2021.

Learners can participate in our internal recruitment processes, graduate in December 2021.

<table>
<thead>
<tr>
<th>Intake of learners (%)</th>
<th>Retention conversion – intake (learners retained for an additional year)</th>
<th>Permanent conversion – intake (learners absorbed permanently into the business)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>74</td>
<td>16</td>
</tr>
<tr>
<td>2020</td>
<td>57</td>
<td>17</td>
</tr>
<tr>
<td>2019</td>
<td>71</td>
<td>25</td>
</tr>
<tr>
<td>2018</td>
<td>77</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>52</td>
<td>23</td>
</tr>
<tr>
<td>2016</td>
<td>78</td>
<td>23</td>
</tr>
</tbody>
</table>

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

### Promoting leadership development

Managers to Mentors leadership programme

We launched the Managers to Mentors leadership programme for line managers in 2020. The sessions aim to develop leaders’ communication, coaching and mentoring skills to support our goal of upskilling our people and entrenching a learning culture throughout the business. Since inception, 69 employees have participated in the Managers to Mentors programme, representing 100% of the employees eligible to join the programme.

Redefine has a deep appreciation for the role that effective leadership plays in the success of our business. Ensuring the strength and resilience of our current and future leadership continues to be a priority. We are committed to investing in leadership development to increase self-awareness and build the relational skills of our existing leadership pool. We also continuously identify emerging leaders to grow their understanding of the organisational leadership style and effectively implement succession planning to secure our long-term future. During the year, we invested in enhancing leadership competencies such as communication, change management, problem solving, people management, emotional intelligence, transparency, building trust and collaboration, and leading remote teams.

An engagement survey measures 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 2021 due to COVID-19, this remains an important tool that will be revisited in the future.

### Performance appraisals

**Performance appraisals (%)**

<table>
<thead>
<tr>
<th>Percentage of employees who received performance appraisals in FY2021</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30 years old</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>30 to 50 years old</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
Our employees

CONTINUED

Leveraging the power of diversity and inclusion

Embracing diversity as a differentiator

Our people's unique identities and experiences create diverse thinking and bring balance and perspective to our functional and leadership teams. This boosts effectiveness and resilience and improves our competitiveness. To embrace diversity as a differentiator, we drive innovation and shift our focus from transformation to inclusivity.

For more information on how we embrace diversity and create a discrimination-free workplace, please refer to our website.

Diversity is a major driver of innovation, and an inclusive workplace provides equal opportunities for all. Our parental leave policy, for example, aligns with our maternity leave policy. We treat each employee fairly and support our employees who are also caregivers to balance their professional and family priorities.

Our measurement criteria for our broader diversity and caregiver support programme in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

### Caregiver support programme

**SDG 4.2 (measured over three years)**

Offering support to caregiver employees through partnerships with childcare facilities, where practicable.

**Measurement method**

Number of partnerships with childcare facility service providers close to regional offices or key properties that the company has entered into for the benefit of caregiver employees.

**Target:** Two partnerships

Note: The measurement of the number of caregivers in the company will only be initiated in FY2022.

### Retention of employees taking parental leave

**SDG 5.6**

Implementing measures to retain caregiver employees, particularly employees that take parental leave in line with internal policies.

**Measurement method**

Return to work and retention rate of employees that took parental leave, by gender, expressed as a percentage.

Note: In future, the ability to access reproductive healthcare will be considered as part of our EVP.

### Quality of diversity and inclusion policy

**SDG 10.3**

Consider the quality of the diversity and inclusion policy and demonstrate the effectiveness of this policy and associated processes.

**Measurement method**

⇒ Review the effectiveness of the formal diversity and inclusion policy and the implementation thereof, taking into account the findings (if any) from the internal audit function.
⇒ Maintain a record of all legitimate issues raised through the grievance policy or whistle-blower hotline that impact the company’s diversity.

Note: This programme will only be initiated in FY2022.

Although we have made progress in our transformation ambitions, we recognise that more must be done to achieve a truly representative management team. In this regard, a highlight of 2021 was the appointment of a black male to the role of CFO.

We have adopted a board diversity policy to ensure that we promote gender and racial diversity within the board. Our board diversity policy is available on our website.

We also prioritise diversity within our employment equity policy and code of conduct policy, both of which are available on our website.

For more information on board diversity, see page 89.

In May 2021, we conducted a diversity and inclusion pulse survey to better understand perceptions about diversity – 66% of our people completed the survey. The insights shared were valuable in informing the design of our diversity, culture and inclusion plans.

The table below sets out the current diversity-related statistics of our workforce.

<table>
<thead>
<tr>
<th>Age group (measured in relation to the company’s median age)</th>
<th>Race</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 10.4.1 (measured over three years)</td>
<td>SDG 10.4.2</td>
<td>SDG 10.4.3</td>
</tr>
<tr>
<td>Percentage of individuals within Redefine’s governance bodies in each of the following diversity categories</td>
<td>Gender</td>
<td>Race</td>
</tr>
<tr>
<td>Note: this programme will only be initiated in FY2022.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: the measurement of the number of caregivers in the company will only be initiated in FY2022.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: this programme will only be initiated in FY2022.

We have made progress in our transformation ambitions, we recognise that more must be done to achieve a truly representative management team. In this regard, a highlight of 2021 was the appointment of a black male to the role of CFO.

We have adopted a board diversity policy to ensure that we promote gender and racial diversity within the board. Our board diversity policy is available on our website.

We also prioritise diversity within our employment equity policy and code of conduct policy, both of which are available on our website.

For more information on board diversity, see page 89.

In May 2021, we conducted a diversity and inclusion pulse survey to better understand perceptions about diversity – 66% of our people completed the survey. The insights shared were valuable in informing the design of our diversity, culture and inclusion plans. The table below sets out the current diversity-related statistics of our workforce.

<table>
<thead>
<tr>
<th>Diversity (%)</th>
<th>Comprises 82% of total employees. Figures calculated as percentage of workforce employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>72</td>
</tr>
<tr>
<td>2020</td>
<td>72</td>
</tr>
<tr>
<td>2019</td>
<td>72</td>
</tr>
</tbody>
</table>

*Black comprises 20% employees
Our employees

Comprises 18% of total employees. Figures calculated as percentage of management employees

<table>
<thead>
<tr>
<th>Race</th>
<th>Black* total</th>
<th>White total</th>
<th>Foreign nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>36</td>
<td>62</td>
<td>2</td>
</tr>
<tr>
<td>2020</td>
<td>31</td>
<td>67</td>
<td>2</td>
</tr>
<tr>
<td>2019</td>
<td>30</td>
<td>68</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>43</td>
<td>57</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>62</td>
<td>58</td>
<td>0</td>
</tr>
<tr>
<td>2019</td>
<td>62</td>
<td>58</td>
<td>0</td>
</tr>
</tbody>
</table>

Under 30 0 38 0
30 to 50 years 62 52 0
Over 50 12 88 0

For more information on our overall BBBEE performance, see page 94.

Responsible corporate citizenship

To be who we say we are – a company of people serving people – we align our operations and strategies with the utmost respect for inalienable human rights, the health and safety of our stakeholders, and the need to meaningfully transform our society for the greater good.

Respecting human rights

We are committed to implementing internationally agreed principles on human rights in accordance with the UN SDGs, avoiding infringing on the human rights of others, and addressing adverse human rights impacts involving the company. This commitment is formally communicated in our human rights policy, which is currently being reviewed.

The policy is guided by international human rights principles enshrined in the Universal Declaration of Human Rights, the International Bill of Rights, the Declaration on Fundamental Principles and Rights at Work of the ILO, the South African Constitution, and all applicable laws and regulations.

We are committed to observing the Universal Declaration of Human Rights, guaranteeing the right to freedom of association and abolishing forced or compulsory labour in our efforts to improve the availability of basic resources and jobs through our supply chain.

We also support the national No Violence Against Women and Children movement, and we have created employee awareness of this initiative through communication campaigns.

Our commitment is tangible in our subscription to the principles of the ILO, as a signatory to the 10 principles of the UNGCC, and in our support of 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 daily operations.

We reinforce our values with special emphasis on conflict management to complement our commitment to the South African Human Rights Commission so that incidents can be avoided in our interactions with people who hold different views, opinions and lived realities.

We also support the national No Violence Against Women and Children movement, and we have created employee awareness of this initiative through communication campaigns.

Our measurement criteria for our human rights approach in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

SDG 5

**Prohibition of human rights abuses on our properties**

**SDG 5.2**

**Measurement method**

Promote the use of the whistle-blower mechanism if any possibly illegal activity is detected at Redefine-owned properties and partnering with local police/community safety organisations to investigate any reasonable suspicion of human rights abuses on our properties.

Celebrating diversity and human rights: Cultural celebration at The Boulders Shopping Centre

The Boulders Shopping Centre hosted a cultural market on Heritage Day 2021, filled with food, performances and a best-dressed/dance competition. Twenty-six exhibitors took part in the event, 85 shoppers were awarded for their “best-dressed” costumes, and five cultural artists performed during the day. The foot traffic at the mall for the day was over 22 000 people, and the event reached over 20 000 people. Our customers loved the initiative and took the opportunity to enjoy themselves.
Responsible corporate citizenship CONTINUED

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 designed this strategy to ensure we continuously improve the health and safety protection we offer our employees and visitors while achieving a high level of legal compliance.

Our measurement criteria for our broader health and safety efforts in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

### Efficacy of health and safety strategy

**SDG 3.5**

The effective implementation of Redefine’s health and safety strategy. Measure how Redefine protects its employees and end-users from any potentially negative health impacts from its products, services and marketing activities and safeguards the value of its assets.

**Measurement method**

Independent health and safety audit findings, as well as an assessment of effectiveness of our health and safety strategy.

### Adequate and equitable sanitation and hygiene

**SDG 6.2**

Ensuring that there are adequate and equitable sanitation facilities in the buildings over which we have operational control, in particular providing personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

**Measurement method**

Confirmation that the company provides personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

### Adequate and equitable sanitation and hygiene

**SDG 6.2**

Ensuring that there are adequate and equitable sanitation facilities in the buildings over which we have operational control, in particular providing personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

**Measurement method**

Confirmation that the company provides personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

### Adequate and equitable sanitation and hygiene

**SDG 6.2**

Ensuring that there are adequate and equitable sanitation facilities in the buildings over which we have operational control, in particular providing personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

**Measurement method**

Confirmation that the company provides personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

### Tenant health and safety

**SDG 3.3**

Ensuring health and safety in our buildings, particularly considering COVID-19 and other respiratory or communicable diseases.

**Measurement method**

Certification of buildings through a WELL-related building standard, with a minimum of a WELL Bronze certification.

**Target:** two buildings

For this measurement, the certification can be obtained on new or existing buildings. The certification must be either the WELL Building Standard or one of the WELL-related certifications (e.g. WELL Health-Safety Rating).

### Employee training

We facilitate annual employee training through the learning and development department in accordance with the OHS Act, No 85 of 1993, Building and facilities managers, as well as property management employees, attend on-site training conducted by certified professionals. Training emphasises OHS understanding, safety, health and the environment, first aid, firefighting and compliance.

In 2021, 30 facilities managers attended training that included an overview of general Occupational Health and Safety (OHS) practices, how to report facilities-related incidents, and how to respond in emergency situations. The training was facilitated in partnership with Global FM.

The strategy applies to all properties over which we have operational control and aims to achieve full compliance with health and safety protocols across our portfolio to safeguard our tenants, employees and other key stakeholders. We are responsible for ensuring that all common areas in and around our properties are safe and do not pose a danger.

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

### Responsible corporate citizenship

**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 designed this strategy to ensure we continuously improve the health and safety protection we offer our employees and visitors while achieving a high level of legal compliance.

Our measurement criteria for our broader health and safety efforts in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

### Efficacy of health and safety strategy

**SDG 3.5**

The effective implementation of Redefine’s health and safety strategy. Measure how Redefine protects its employees and end-users from any potentially negative health impacts from its products, services and marketing activities and safeguards the value of its assets.

**Measurement method**

Independent health and safety audit findings, as well as an assessment of effectiveness of our health and safety strategy.

### Adequate and equitable sanitation and hygiene

**SDG 6.2**

Ensuring that there are adequate and equitable sanitation facilities in the buildings over which we have operational control, in particular providing personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

**Measurement method**

Confirmation that the company provides personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

### Adequate and equitable sanitation and hygiene

**SDG 6.2**

Ensuring that there are adequate and equitable sanitation facilities in the buildings over which we have operational control, in particular providing personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

**Measurement method**

Confirmation that the company provides personal protective equipment and menstrual hygiene management measures in all of the buildings over which we have operational control.

### Tenant health and safety

**SDG 3.3**

Ensuring health and safety in our buildings, particularly considering COVID-19 and other respiratory or communicable diseases.

**Measurement method**

Certification of buildings through a WELL-related building standard, with a minimum of a WELL Bronze certification.

**Target:** two buildings

For this measurement, the certification can be obtained on new or existing buildings. The certification must be either the WELL Building Standard or one of the WELL-related certifications (e.g. WELL Health-Safety Rating).

### Employee training

We facilitate annual employee training through the learning and development department in accordance with the OHS Act, No 85 of 1993, Building and facilities managers, as well as property management employees, attend on-site training conducted by certified professionals. Training emphasises OHS understanding, safety, health and the environment, first aid, firefighting and compliance.

In 2021, 30 facilities managers attended training that included an overview of general Occupational Health and Safety (OHS) practices, how to report facilities-related incidents, and how to respond in emergency situations. The training was facilitated in partnership with Global FM.
Responsible corporate citizenship

CONTINUED

Contractor training

Our permit system ensures contractors comply with legislated health and safety requirements. We issue permits, before work begins to help us mitigate risks associated with on-site contract work. We also provide safety precautions, guidelines and checklists on hot work, working at height and working in confined spaces as well as additional safety precautions and permits before any work commences.

When contractors arrive on-site, they must submit their permits and safe-work method statements. Our team ensures that these contractors are aware of potential hazards and sign an acknowledgement agreement. We keep permits and acknowledgements in a health and safety file. Our independent health and safety auditor, Comsaf (Pty) Ltd (Comsaf), audits this process.

We expect contractors to sign a contract that sets out their roles and responsibilities as part of their supplier application pack and in line with the requirements of the OHS Act. We also expect contractors to keep their own health and safety records, especially on larger projects. As a large property manager, we use several maintenance contractors who receive health and safety training during induction.

Incident investigation and emergency responses

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

Our buildings have an emergency response plan and procedural documents that include building evacuation procedures, which are kept in the health and safety file by the facilities manager. In compliance with legal requirements, we conduct biannual fire drills and keep a record of outcomes. Our emergency response procedures require medical emergencies to be reported to our security control room for an ambulance to be immediately dispatched.

Health and safety risk assessments

Comsaf conducts annual independent health and safety audits of our buildings to ensure we align with best practice and continuously improve our approach to health and safety. Each building is inspected and receives an overall score. Findings are shared with the team responsible for managing the building. We also conduct quarterly reviews on properties that did not score well in Comsaf’s audits. The reports are distributed to the relevant teams, and we meet with them to discuss resolutions to non-compliance.

We ensure health and safety requirements are set out below. We include the number of known employee health and safety records and COVID-19 infections.

Accident and incident rate

Occupational illnesses and injuries are not inevitable or expected consequences. We create an environment where risks are properly appreciated, understood, mitigated and managed to provide safe and healthy spaces. We thus protect our stakeholders, ensure legal compliance, and enhance our reputation. The following tables show the contractor accident and incident rate on our development sites from 1 September 2000 to 31 August 2021.

Contractor accident and incident rate: on-site data for 1 September 2020 to 31 August 2021

<table>
<thead>
<tr>
<th>Month</th>
<th>Non-disabling incident</th>
<th>Disabling incident</th>
<th>Fatalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>October</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>November</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>December</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>January</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>March</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>April</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>June</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>August</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2021 total</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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 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 well-being in our business.

Since the onset of COVID-19, we have applied the guidelines of the World Health Organization and the South African government in our buildings. We work with regulators, industry bodies and tenants to ensure we enhance protocols. Our employee health and safety records are set out below. We include the number of known employee COVID-19 infections.

Number of employee claims submitted to the Compensation Commissioner in 2021

<table>
<thead>
<tr>
<th>Month</th>
<th>Non-disabling incident</th>
<th>Disabling incident</th>
<th>Fatalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>October</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>November</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>December</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>January</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>February</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>March</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>April</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>June</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>August</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2021 total</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Number of days lost to injuries in 2021

<table>
<thead>
<tr>
<th>Month</th>
<th>Days lost to injuries</th>
<th>Occupational diseases</th>
<th>COVID-19 infections</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>October</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>November</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>December</td>
<td>1</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>January</td>
<td>0</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>February</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>March</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>April</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>June</td>
<td>1</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td>July</td>
<td>0</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>August</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>2021 total</td>
<td>2</td>
<td>0</td>
<td>12</td>
</tr>
</tbody>
</table>

Our BBBEE performance

Holistic approach to transformation

Meaningful transformation that creates substantive impact in the environments in which we operate remains a priority for our business and underpins 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 well-being of South Africans impacted by our business operations.

To advance our holistic transformation approach and its supporting governance framework, we created a dedicated BBBEE committee in 2021. The group procurement function is operationally responsible for our overall BBBEE strategy and ESD. This function is a centre of excellence that is best equipped to meaningfully advance the transformation landscape.

Our efforts to pursue transformation are included in the UN SDGs, as they relate to our key stakeholders, particularly in promoting the uplifting of people from marginalised or vulnerable groups and facilitating the empowerment of SMMEs, especially those run and owned by women and previously disavantaged people. We are also significantly increasing gender and racial representation throughout our business and the real estate sector.

In FY2021, in accordance with the amended property sector code, we achieved level 1 BBBEE contributor status.

Our new diversity, equality and inclusion policy promotes the founding provisions of the South African Constitution and its guiding values of human dignity, the achievement of equality, and the promotion of human rights and freedoms. It also outlines our commitment to fostering, cultivating and preserving a culture of diversity, equality and inclusion by ensuring a fair and equitable workplace and employment practices, upholding our values, eliminating all forms of unfair discrimination and promoting equal opportunities.
Our measurement criteria for our broader BBBEE and transformation efforts in the context of ESG are set out below. The achievement thereof will be measured at the end of FY2022.

Our BBBEE certificate is available on [our website](#).

**SDG 8 Ownership and employment equity**

**SDG 8.3 Measurement method 2**

Achieve black and black female representation targets for:
- Senior management
- Middle management
- Junior management
- Employees with disabilities

as defined under the employment equity criteria in the BBBEE property sector code, as revised from time to time.

As a forward-looking measure, we will focus on measuring job creation within the value chain, to the extent to which this is attributable to Redefine.

**SDG 9 Economic development**

**SDG 9.3 Measurement method 2**

Measure the targets under the economic development criteria in the BBBEE property sector code, as revised from time to time.

Invest in property development and transformational infrastructure projects that support development and empowerment of small and micro-enterprises and contribute towards equitable access to economic resources in under-resourced areas. This will be measured as economic development investment as a percentage of total annual investment.

**SDG 11 Socio-economic development**

**SDG 11.1 Measurement method 2**

Measuring compliance with the targets under the socio-economic development criteria in the BBBEE property sector code, as revised from time to time.

Initiate and contribute to socio-economic development projects that benefit black groups, communities and individuals and that promote transformation and development.

**SDG 16 Management control**

**SDG 16.7 Measurement method 2**

Achieve black and black female representation targets for:
- Board
- Executive directors
- Executive management

as defined under the management criteria in the BBBEE property sector code, as revised from time to time.

Ensure representative decision-making at top and senior management levels.

**SDG 5 Women in the supply chain**

**SDG 5.1 Measurement method**

Percentage of BBBEE procurement spend from all empowering suppliers that are more than 30% black women-owned based on the applicable BBBEE procurement recognition levels as a percentage of total measured procurement spend.

Support black women-owned businesses as part of our transformation objectives.

**BBBEE scorecard**

**SDG 8.1 Measurement method**

Improvement in the company’s BBBEE contributor level on an annual basis after external BBBEE verification.

Target: level 3

Contribute to employment and wealth generation through achievement of ownership and economic and representation-related targets, particularly for underrepresented social groups.

**Ownership and employment equity**

**SDG 8.3 Measurement method 1**

Achieve ownership and economic targets for:
- Black people
- Black women
- Broad-based ownership scheme
- New entrants

as defined under the ownership criteria in the BBBEE property sector code, as revised from time to time.
Guided by our governance framework, our board is the custodian of corporate governance and sets the ethical tone across the business.
The governance in ESG

Value creation through the application of good governance principles

The board, as the custodian of governance, leads the company ethically and effectively to improve stakeholders’ trust and confidence and reduce the cost of capital. 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 it recognises that the execution thereof allows for more informed approval and monitoring of strategy and an ongoing, 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’.

Leadership, ethics and corporate citizenship

Leadership

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 crucial 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 described alongside.

Declarations and conflicts of interest and related-party transactions

Board members timely inform the board of actual or potential conflicts of interest that they may have in relation to particular items of business or other directorships. The board’s conflict of interest policy is publicly available and can be accessed on our website. 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 disclosed and the affected director/s recuses from the relevant debate and/or decisions. There were no conflicts of interest reported during the year.

Redefine’s internal conflict of interest policy ensures that directors are adequately briefed and have the requisite knowledge of the company, our operations, the triple bottom line in which we operate, and the capitals we use and affect.

Directors similarly receive informative updates and professional development throughout their tenure, which is externally facilitated when appropriate. 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 performance, performance and ethical characteristics of its individual directors. While the board conducts a self-evaluation of its performance annually, it commissions an externally facilitated self-evaluation every three years to ensure that its practices are in line with developments in corporate governance. Board members are similarly bound by the terms and conditions of Redefine’s code of business conduct and other ethics-related policies, as referred to below.

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
- Prohibits directors and employees from trading in securities during closed periods

The company secretary informs directors and employees of prohibited and closed periods. Directors’ dealings are disclosed in accordance with the JSE Listings Requirements.

Induction, training and development

Board members participate in an induction process when they join the board as well as our ongoing professional development programme aimed at directors. The company secretary – supported by the Nom – administers the programme and ensures that directors are adequately briefed and have the

Organisational ethics

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 set by the board and management and by 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.
The governance in ESG

Code of business conduct and other ethics policies

The board approves Redefine’s formal code of business conduct and ethics policies, which are central to our growth and sustainability and are designed to assist employees in making ethical decisions. The code of business conduct is available on our website. The ethics 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, included in employee induction and training programmes, and incorporated in employment contracts. Similarly, the policies are incorporated in Redefine’s procurement strategy and, by reference, in supplier contracts. The board, through the SET committee, approves the ethics management plan on an annual basis, which sets out actions that must be taken to improve Redefine’s corporate culture and manage any ethics-related risks.

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

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 to, and/or investigated by the committee during FY2021 are set out in the content below.

Gift declaration

To help Redefine maintain and grow trust-based partnerships, the board adopted a gift declaration policy that is reviewed annually. Various communications are disseminated to employees to ensure continuous 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

IN THE PAST FINANCIAL YEAR:

- 8 incidents reported to Whistle Blowers
- 5 procurement-related incidents
- 1 misconduct-related incident
- 1 leasing dispute
- 1 alleged irregularity
- ALL 8 cases received and closed
- 3 additional feedback requests received and closed too

Of the eight incidents reported to Whistle Blowers (Pty) Ltd (Whistle Blowers), all cases have been resolved. The three additional feedback requests have also been resolved and closed. Where investigations concluded with a finding/s against an employee/s, 100% of these cases resulted in disciplinary action.

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 an annual ethics risk survey in partnership with an independent external service provider and execute ethics management audits every three years. Such audits establish the depth and clarity of our leaders’ understanding of ethics and, specifically, the extent of ethical practices in the company.

The Ethics Institute conducted the 2021 ethics risk survey among all of our employees. Redefine achieved an overall ethical culture ranking of 88/100 and an overall ethical behaviour risk score at the 91st percentile, which indicates a low risk (as per the General Organisational Norm determined by The Ethics Institute). This indicates a high level of ethical capital and supports Redefine’s sound ethical reputation.

The mandate of our internal audit function includes evaluating Redefine’s governance processes, and the function is a source of information (as appropriate) regarding instances of fraud, corruption, unethical behaviour and irregularities. The head of ESG is responsible for maintaining the ethics management programme, promoting ethics and ensuring that top and senior management lead by example in their ethical conduct.

Placing ESG at the centre of our value chain

Redefine benefits by serving not only internal and external stakeholders with a material stake in our activities but also the broader society we affect. In line with this ethos, the board understands that Redefine must take responsibility for the outcomes of our activities and the outputs on the social systems in which we operate, as well as the natural environment which society depends. Redefine understands that achievement of the UN SDGs will require stakeholder engagement, awareness-raising, and partnerships within our value chain and 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 be a values-driven organization 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 UNESC, the UN Framework Convention on Climate Change, the United Nations Global Compact, the OECD Principles of Corporate Governance, the World Business Council for Sustainable Development and any other legally binding international conventions, codes of conduct, and industry codes of conduct.

Accordingly, the board is conscious of and active in its role of aiding the achievement of the global UN SDGs shown alongside, which it believes, after the rigorous materiality analysis are most relevant to Redefine’s business, within the broader industry and national context.

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. The programme is summarised in an ethics management plan, which is approved annually. In turn, any ethical risks are detected through, inter alia, the annual, independently facilitated ethics risk survey conducted among employees (which gauges employee views on Redefine’s embodiment of ethics into its culture and behaviour). Ethical risks and opportunities are incorporated into risk management and investment decisions.

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

Our secondary UN SDGs

- Quality education
- Responsible consumption and production
- Partnerships for the goals

In 2021, the board approved measurable, business-related targets to map Redefine’s specific contribution to, and progress against, the relevant UN SDGs. These targets are provided on pages 15 to 18 of this report. For more information regarding the UN SDGs and our commitments to them, refer to page 12.
The governance in ESG

CONTINUED

The board ensures that the company is and is seen to be a responsible corporate citizen.

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, which are agreed upon with management and in support of our strategic objectives. Similarly, Redefine’s operational BBBEE committee assists in ensuring that we maintain a workplace supportive of transformation, that the development of employees promotes investment programmes that lead to meaningful participation in the economy by rural and local communities, and that we uphold preferential procurement principles.

During 2021, we maintained our responsible corporate citizenship status from an ESG perspective by taking several key actions. For more information on our highlights and achievements, refer to pages 9 and 10.

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 and the prevention of, detection of, and response to fraud and corruption
- Consumer protection, community development, and the protection of human rights
- Climate resilience, 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 R737.0 million in value-added tax (VAT), pays as you earn tax, skills development levies and contributions to the Unemployment Insurance Fund during 2021.

**Political contributions**

The board adopts a discretionary approach when considering 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 based on particular local circumstances, and the procedures set out in Redefine’s policy must be strictly observed.

No political donations or contributions were made during FY2021.

**Industry interest groups**

Redefine supports selected industry groups that represent the collective best interests of the South African real estate sector. These include the South African Council of Shopping Centres, SARPA and SAREIT, among others. Collectively, we spent R2 180 493 on membership fees to these groups in 2021 (2020: R2 084 827).

Strategy, performance and reporting

**Strategy and performance**

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

More details about our performance against 2021 strategic objectives are reported in our 13.

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 2021, 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
- Managing for sustainability
- Heightened demands on governance and regulatory context
- Business model adaptability to the rapidly evolving context

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, thus ensuring alignment across the business.

**Short- and medium-term strategic priorities**

- **Grow reputation**
  - Adopting sustainable business practices
- **Invest strategically**
  - Creating smart and sustainable spaces
- **Optimise capital**
  - Replacing our funding sources
- **Operate efficiently**
  - Harnessing the acceleration of digital
- **Engage talent**
  - Fostering innovation, creativity and engagement through diversity
The governance in ESG

CONTINUED

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.

Principle 5

providing further explanation on critical accounting estimates in addition to the disclosure required by IFRS.

The board ensures high quality disclosure of our financial and operating results. It enriches the usefulness of these disclosures by leadership, ethics and corporate citizenship.

Leadership, ethics and corporate citizenship

Principle 6

Going concern status

On an annual basis and as and when dividends are paid, the AC reviews management’s documented assessment of the company’s going concern premise. Upon the recommendation of the AC, 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 [105].

Reporting

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.

Principle 7

Through the AC (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 is approved by the AC and the SET committee, where relevant, to ensure compliance with legal requirements.

Governing structures and delegation

Primary role and responsibilities of the board

The board serves as the focal point and custodian of corporate governance in the company.

Principle 8

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 FY2021 is set out in our [106] and describes how the board applied principles of good governance to enable and support our value creation process.

Meeting attendance

During FY2021, board and committee meetings were held quarterly, in line with the group’s financial reporting cycle, and an all-day risk and strategy workshop was held in June 2021. All directors attended 100% of the meetings of the board and the committees on which they served in 2021.

Board charter

The roles and responsibilities of the board and of individual directors are set out in the board charter, which is reviewed annually and aligns 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 the board’s dealings.

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 and in terms of the board-approved policy on independent professional advice. Other than the Remco, which has a specialist remuneration advisor, directors did not seek any other independent professional advice during FY2021.

Composition of the board

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.

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.

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 to 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) and the achievement of the future strategic prerogative – our moonshot. For more detail about the Redefine moonshot, please refer to page 64 of the [107].

Leadership, ethics and corporate citizenship

Reporting

Principle 5

The AC oversees the integrated reporting process and similarly reviews the [108]. The board seeks to provide all stakeholders with timely and relevant information to enable the accurate assessment 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, the [109] and sustainability reports and the [110] are published on [111].

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 2021 financial statements accurately present the financial status of Redefine and that all subsidiaries and affiliated entities, subject to consolidation, were properly consolidated and presented.

Going concern status

On an annual basis and as and when dividends are paid, the AC reviews management’s documented assessment of the company’s going concern premise. Upon the recommendation of the AC, 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 [106].

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.

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 to 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) and the achievement of the future strategic prerogative – our moonshot. For more detail about the Redefine moonshot, please refer to page 64 of the [107].

Leadership, ethics and corporate citizenship

Reporting

Principle 5

The AC oversees the integrated reporting process and similarly reviews the [108]. The board seeks to provide all stakeholders with timely and relevant information to enable the accurate assessment 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, the [109] and sustainability reports and the [110] are published on [111].

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 2021 financial statements accurately present the financial status of Redefine and that all subsidiaries and affiliated entities, subject to consolidation, were properly consolidated and presented.
The governance in ESG

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.

**Leadership roles and functions**

We believe that independent board oversight is an essential component of good performance and effective control and, as such, we ensure that designations between the roles of directors and management are always in place.

Sibongile Mzimela, the independent non-executive chairperson, leads the board in monitoring and providing strategic direction. Bridgette Maweni, 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. This separation of responsibilities is designed to ensure that no single person has unchecked decision-making power and that appropriate balances of power and authority exist on the board. Currently, three members of executive management – the CEO, CFO and COO – serve on the board to ensure that non-executive directors have more than one point of direct interaction with management at all times.

**Chairperson**

Leads the board and ensures the integrity and effectiveness of the board and its committees.

Ensures high standards of corporate governance and ethical behaviour.

**Lead independent non-executive director**

Maintains the effectiveness of the board by providing leadership and advice when the chairperson has a conflict of interest, without detracting from or undermining their authority.

Provides support to the chairperson, is available as a trusted intermediary for other directors (as necessary), and chairs the meeting of the non-executive directors at which the performance of the chairperson is considered.

**CEO**

Effectively manages and runs Redefine’s business in terms of the strategies and objectives approved by the board.

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.

**Director capacity**

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 the current issues that affect boards.

The board’s policy on external directorships held by members of the board mandates the Nom to judge whether directors are overcommitted. This ensures the ability of directors to execute their fiduciary duties and to apply their minds to Redefine’s business and interests.

In terms of the policy, it is preferred that the chairperson sit on no more than three listed company boards, inclusive of the Redefine board. Regarding non-executive directors, it is preferred that they sit on no more than five listed company boards, inclusive of the Redefine board.

For the purpose of calculating the limits in the policy, an independent board chairperson role counts as two board member roles (or a listed company due to the extra complexity, oversight and time commitment that it entails). Non-executive directors may not hold full-time employment as a member of the executive management of another listed company, whether permanent or temporary.

An executive director or prescribed officer who is a member of the board may not sit on the board of any other company (listed or unlisted) as a non-executive director, except for Redefine subsidiaries or investee companies, where appropriate.

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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average age</th>
<th>Younger than 60 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>78%</td>
<td>78%</td>
</tr>
<tr>
<td>2020</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>2021</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

**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 Nom oversees the assessment process of directors’ independence for board approval, and the review considers directors’ performance and factors that may impair independence, including prevailing circumstances and the director’s interests, whether perceived or actual. The approved assessment process includes self-assessment by each director and consideration of each director’s circumstances by the board.

In 2021, 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.

**Board refreshment and succession**

The board understands that the careful management and refreshment of its members is vital for its effective functioning. Through the Nom 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 the 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 make provision for the identification, mentorship and development of future members.

**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 board 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 ACT) on the board over the same period.

The board has met its gender and racial diversity targets.

**Board size**

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.
The governance in ESG

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.

Appointment, rotation and re-election of directors

The nomination of directors has been delegated to the Nom, 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 Nom 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™ and 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 their last election or appointment;
2. reached the age of 70 years; and/or
3. held office for an aggregate period of nine years since their first election or appointment,

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

As detailed in the notice of AGM, Bridgitte Mathews, Amanda Dambuza and Ntombi Langa-Royds are due to retire by rotation at Redefine’s AGM in February 2022, in accordance with these requirements.

Executive directors retire by rotation every three years. Andrew König is due to retire at the AGM in February 2022 in accordance with these requirements.

Brief curricula vitae for each director standing for election or re-election are set out in the notice. The board conducts a rigorous review of the independence and performance of independent non-executive directors where applicable.

Principle
8 The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with the 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 directors’ special expertise in areas such as audit, risk management, sustainability and executive remuneration. The board delegates authority to established board committees, and to the CEO, with clearly defined mandates. The delegation of authority from the board to the CEO is reviewed annually.
The governance in ESG

CONTINUED

Committee composition, responsibilities and terms of reference

The committees are appropriately constituted, and members are appointed by the board – except for the AC, the members of which are nominated by the board and elected by the 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 on their areas of responsibility. Where executive directors and members of management are regular invitees to committee meetings, they usually stay for the duration of the meeting and either present on matters within their specific area of management responsibility or provide input on other matters when requested to do so by the relevant committee. They do not vote on any decisions or resolutions put forward to the committees, and they excuse themselves from any in-camera discussions when deemed appropriate by the relevant committee. 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 each committee’s terms of reference, which is approved by the board and reviewed annually.

After each committee meeting, committee chairpersons report 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 FY2021.

The composition of the AC and the attendance of meetings by its members during FY2021 are set out below

Daisy Naidoo* Bridgette Mathews Diane Radley Lesego Sennelo

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson of the committee</td>
<td>Attendance %</td>
<td>Appointed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>4/4</td>
<td>4/4</td>
<td>4/4</td>
</tr>
</tbody>
</table>

*Daisy Naidoo resigned during November 2021

Mindful governance in 2021

With due consideration of 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, paying significant attention to the impact of declines in fair value, impairments (in associates) and expected credit losses on net asset value (NAV) and LTAV as well as the strategies in place to mitigate same
- Proactively monitored debt covenant projections and overseas temporary covenant relaxation arrangements to create additional headroom to absorb adverse LTAV 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 Marikana transaction
- Oversaw the implementation of IFRS 16 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; the interests of stakeholders; and the need to protect liquidity in the short term
- Oversaw the early adoption of the second edition of SAReIT’s best practice recommendations to ensure consistent presentation and disclosure of relevant REIT ratios

The committee spent its time as follows

Value preservation in 2022

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 2022:

- Monitoring and managing credit metrics, particularly LTAV
- Managing balance sheet risks and stress/scenario testing
- Regularly reviewing financial soundness and sustainability (cost containment and revenue strength) in the context of extreme economic 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 JSE Listings Requirements – including the effectiveness of internal financial controls, systems and processes within all group entities – in support of the CEO and CFO attestation
- Revisit and consideration of management’s plans in respect of future changes to IFRS and other regulations

The AC’s full report detailing (among others) the manner in which the committee fully discharged its responsibilities in FY2021 is set out on page 121.
The governance in ESG

CONTINUED

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

Composition and meeting procedures

In 2020, the committee comprised five 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 RC and the attendance of meetings by its members during FY2021 are set out below.

<table>
<thead>
<tr>
<th>Member</th>
<th>Start of Tenure</th>
<th>Attendence</th>
<th>Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesego Sennelo</td>
<td>November 2018</td>
<td>100%</td>
<td>4/4</td>
</tr>
<tr>
<td>Amanda Dambuza</td>
<td>November 2018</td>
<td>100%</td>
<td>4/4</td>
</tr>
<tr>
<td>Daisy Naidoo*</td>
<td>October 2019</td>
<td>100%</td>
<td>4/4</td>
</tr>
<tr>
<td>Diane Radley</td>
<td>September 2020</td>
<td>100%</td>
<td>4/4</td>
</tr>
<tr>
<td>Marius Barkhuysen</td>
<td>September 2020</td>
<td>100%</td>
<td>4/4</td>
</tr>
</tbody>
</table>

*Daisy Naidoo resigned during November 2021

Regular invitees

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

Mindful governance in 2021

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 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/trade currency risks with a view to ensuring sound balance sheet management. Significant consideration was given to the outcomes of stress and scenarios 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 regulations of the Disaster Management Act, No 53 of 2005 and COVID-19 health and safety requirements
- Oversaw improved data protection compliance including readiness in terms of the POPIA
- 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
- 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 the normal course of business
- Continuous system availability and stability, with a specific focus on successful cloud migration and work-from-home capability
- 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 the normal course of business
- Mindful governance in 2021

The committee spent its time as follows

<table>
<thead>
<tr>
<th>Area</th>
<th>Time Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance and compliance management</td>
<td>22%</td>
</tr>
<tr>
<td>Operational risk management</td>
<td>35%</td>
</tr>
<tr>
<td>IT security risk management</td>
<td>18%</td>
</tr>
<tr>
<td>Fraud and ethical conduct</td>
<td>10%</td>
</tr>
<tr>
<td>Business environment and internal control factors</td>
<td>15%</td>
</tr>
</tbody>
</table>

Value preservation in 2022

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 2022:

- Overseeing and managing the impact of COVID-19, with a specific focus on the effect of COVID-19 on Redefine’s top strategic risks. This will include concentrated efforts on the health and safety of staff, operational resilience, and capital and liquidity risks
- Greater embedment of enterprise-wide risk management
- Monitoring overall POPIA compliance after the 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 IT governance standards and aligning IT services with current and future business needs
- Ensuring compliance framework and methodology implementation
The governance in ESG

Composition and meeting procedures

In 2021, the committee comprised four 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:

<table>
<thead>
<tr>
<th>Local</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversify exposure across traditional sectors</td>
<td>Local partner representation and aligned with Redefine’s interests</td>
</tr>
<tr>
<td>Exposure to key economic nodes</td>
<td>Provide opportunities for scale</td>
</tr>
<tr>
<td>Locations that have solid infrastructure</td>
<td>Liquid real estate market</td>
</tr>
<tr>
<td>Improve tenant profile</td>
<td>Free flow of currency</td>
</tr>
<tr>
<td>Extend lease profile</td>
<td>Sophisticated tax regimes and rules of law</td>
</tr>
<tr>
<td></td>
<td>Mitigates overall risk</td>
</tr>
<tr>
<td></td>
<td>Bolsters growth</td>
</tr>
</tbody>
</table>

During 2021, the committee focused its attention on the following areas:

- Improved Redefine’s LTV ratio by monitoring and overseeing the implementation of our LTV improvement plan, including approving the disposal of R5 billion of non-core assets
- 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

Value preservation in 2022

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 2022:

<table>
<thead>
<tr>
<th>Local</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing to ensure relevance and to improve existing well-located properties through optimisation</td>
<td>Ensuring the provision of ongoing strategic and financial support to in-country partners</td>
</tr>
<tr>
<td>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</td>
<td>Responsibly managing geographic concentration risk</td>
</tr>
<tr>
<td>Continuing to implement our long-term strategy on an asset-by-asset basis</td>
<td>Overseeing our offshore expansion through development activity in Poland</td>
</tr>
<tr>
<td>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</td>
<td></td>
</tr>
</tbody>
</table>
The governance in ESG

CONTINUED

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

Composition and meeting procedures

The SET 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 plays 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
- BBBEE
- Consumer affairs, whistle-blowing lines, investigations and human resources
- Sustainability, ESG and corporate affairs

The committee complies with all relevant legislation, regulations and governance codes and executes its duties in terms of the requirements of King IV™, the Companies Act and the regulations therein. The committee also held an ad hoc meeting to consider and approve the ESG areas of responsibility framework for the board.

The composition of the SET committee and the attendance of meetings by its members during FY2021 are set out below

<table>
<thead>
<tr>
<th>Member</th>
<th>Attendance %</th>
<th>Appointed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ntombi Langa-Royds</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Amanda Dambuza</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Bridgitte Mathews</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Marius Barkhuysen</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Chairperson of the committee: Bridgitte Mathews

Meetings:
- Ntombi Langa-Royds: May 2016
- Amanda Dambuza: November 2018
- Bridgitte Mathews: October 2019
- Marius Barkhuysen: September 2020

Mindful governance in 2021

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 BBBEE Act, No 53 of 2003 and the Employment Equity Act, No 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 UN Global Compact
- Monitored Redefine’s progress after it became a formal signatory to the UNGC
- Oversaw the introduction of a revised ethics management framework

Ethical conduct

- Oversaw the annual ethics risk 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
- Monitored the implementation of the CSI strategy

Sustainability

- Approved a set of company-wide targets for the primary and secondary UN SDGs to which the company has committed itself, which will apply from FY2022. This will enable the committee to effectively monitor the progress made by Redefine towards the achievement of its long-term ESG strategic goals
- Monitored the implementation of a revised ethics management framework
- Monitored Redefine’s progress after it became a formal signatory to the UNGC
- Reviewed workplace health and safety issues in accordance with the OHS Act, No 85 of 1993
- Monitored 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

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™, including the approval of key stakeholders that are relevant to Redefine’s current operating environment

ESG strategy and reporting

- Considered the 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 and energy efficiency measures
- Approved the annual CSR report for the year ending 31 December 2021
- Recommend the approval of a revised ESG strategic framework and the incorporation of SARB and TCFD elements into Redefine’s ESG reporting journey
- Approved 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 to inform our strategy and adopt international sustainability best practices across our organisation

The committee spent its time as follows

<table>
<thead>
<tr>
<th>Area</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformation</td>
<td>15%</td>
</tr>
<tr>
<td>Stakeholder engagement</td>
<td>14%</td>
</tr>
<tr>
<td>Good corporate citizenship and ethical conduct</td>
<td>13%</td>
</tr>
<tr>
<td>Social and economic development</td>
<td>14%</td>
</tr>
<tr>
<td>Sustainability</td>
<td>20%</td>
</tr>
<tr>
<td>ESG strategy and reporting</td>
<td>20%</td>
</tr>
</tbody>
</table>

117

118
The governance in ESG

Value preservation in 2022

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 2022:

- Accelerating the company’s transformation programmes and improving compliance with BBBEE requirements
- Supporting youth employment and skills development through learnerships and other programmes
- Monitoring engagement with our communities to understand and manage their expectations and needs and co-create solutions to ensure meaningful impact for the communities around our buildings
- Overseeing not only the further development of our comprehensive climate risk management strategy and target setting (including science-based targets) but also the alignment of our public disclosure thereof with international best practice
- Continuing to monitor investment in long-term energy efficiency, renewable energy solutions, and water and waste management projects
- Overseeing ESG awareness throughout our value chain to intensify our impact. This includes upstream (suppliers) and downstream (tenants and communities) awareness efforts, which will be measured against the company-level ESG KPAs
- Deepening ethics awareness and prioritising corporate conduct practices
- Assessing and monitoring the impact of ESG on our ability to attract equity and debt funding to improve strategic forecasting

Composition and meeting procedures

At all times during the financial year, the committee comprised four 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 Ntobeko Nyawo and a candidate for the company secretary role.

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 in the nomination and election process of members to the board. It similarly complies with all relevant legislation, regulation and governance codes.

Nomination and governance committee

Composition and meeting procedures

At all times during the financial year, the committee comprised four 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 Ntobeko Nyawo and a candidate for the company secretary role.

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 in 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 Nom and the attendance of meetings by its members during FY2021 are set out below

<table>
<thead>
<tr>
<th>Name</th>
<th>Appointment</th>
<th>Meeting attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sipho M Pityana</td>
<td>May 2019</td>
<td>100% 4/4 meetings</td>
</tr>
<tr>
<td>Amanda Dambuza</td>
<td>October 2019</td>
<td>100% 4/4 meetings</td>
</tr>
<tr>
<td>Bridgitte Mathews</td>
<td>September 2020</td>
<td>100% 4/4 meetings</td>
</tr>
<tr>
<td>Ntombi Langa-Royds</td>
<td>November 2018</td>
<td>100% 4/4 meetings</td>
</tr>
</tbody>
</table>

Regular invitees

- CEO
- CFO
- Head of human resources
- Head of ESG

Mindful governance in 2021

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

- Onboarded new CFO, Ntobeko Nyawo, following Leon Kok’s transition into the role of COO after David Rice’s retirement
- Overseas the FY2021 board internal self-evaluation process
- Overseas the implementation of action items identified in the FY2020 board self-evaluation process, which was externally facilitated by EY
- 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 the monitoring of related-party transactions, conflicts of interest and directors’ dealings in company securities, as well as the implementation of King IV™
- Monitored the capacity of the directors, including conflict of interest declarations
- Overseas the appointment of a permanent company secretary

The committee spent its time as follows

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>Board and committee composition</td>
</tr>
<tr>
<td>20%</td>
<td>Appointment of new CFO and recruitment of company secretary</td>
</tr>
<tr>
<td>10%</td>
<td>Succession planning</td>
</tr>
<tr>
<td>40%</td>
<td>Corporate governance matters</td>
</tr>
</tbody>
</table>
The governance in ESG

Value preservation in 2022

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 2022:

- Enhancing director onboarding and continuous professional development programmes for non-executive directors
- Continuing to monitor the capacity of directors serving on the board, including any declarations of conflict of interest
- 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
- Conducting an annual internal self-evaluation of the board’s effectiveness
- Continuing to monitor conflicts of interest, related-party transactions and director independence

Remuneration committee

The Remco report, detailing (among others) the committee’s composition and meeting procedures as well as the way in which it fully discharged its responsibilities during FY2021, is set out in the remuneration report.

Governing structures and delegation

Evaluation of the performance of the board

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

Board evaluation

The board and committee self-evaluation process allows for the annual assessment of the board’s practices and the opportunity to identify areas for improvement. The Nom approves the annual board evaluation process, which is externally facilitated every third year, in accordance with the recommendations in King IV. In 2020, the board self-evaluation was independently facilitated by EY. The evaluation process included an appraisal of the chairperson of the board, committee chairpersons, CEO and CFO; an evaluation of the effectiveness of each committee; and a peer evaluation of each director. Key improvements made to board processes as a result of the evaluation include (but are not limited to):

- Enhanced director induction, onboarding and ongoing professional development programmes
- Improvements to the format of board materials, including the evolution of board packs to be more innovative
- Changes to the structure of board and committee meeting agendas with more time allocated to key strategic issues
- Improvements to the timing of board materials
- Enhancement of the annual board meeting plan and quarterly meeting procedures
- New approach to selecting key board responsibilities
- Co-creation of strategy to achieve long-term value
- Enhanced board culture and relations between non-executive and executive directors

Opportunity to grow value

The board committed to actively engaging with key stakeholders resulting from the FY2020 board evaluation. An implementation plan was developed to address the insights from the evaluation, aligning to best practices, addressing where challenges lie, and redefining and supporting continuous improvement of composition, processes and relationships.

The plan is monitored by the committee on a quarterly basis.

For more information on this process, see page 27 of our REM.

CEO appointment and role

The 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 the CEO’s performance against agreed-upon performance metrics and targets on an annual basis. The CEO does not currently sit on the boards of any other listed companies, other than EPN 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 the other limitations set out in our delegation of authority framework.

Company secretary

The company secretary’s primary responsibilities are to:

1. PROVIDE counsel and guidance on not only individual and collective powers and duties but also 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 and of 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 Nom with the annual evaluation of the effectiveness of the board
6. FACILITATE professional and skills training, access to information and independent advisers, as and when required by the board

Bronwyn Baker resigned as company secretary with effect from 31 March 2021. In compliance with paragraph 3.84(h) of the JSE Listings Requirements, the board appointed Themebekile Dube as acting company secretary on 1 April 2021, having considered and satisfied themselves on her competence, qualifications and experience. 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. Anda Matwa has been appointed as permanent company secretary with effect from 1 December 2021.

Debt officer

In compliance with the JSE Debt Listings Requirements, the board appointed Lesley Baerveldt as the debt officer, having considered and satisfied themselves on her competence, qualifications and experience.
The governance in ESG

CONTINUED

Governance functional areas

Risk governance

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 strategic, governance, compliance and performance. For the board, risk management involves achieving an appropriate balance between realising opportunities for gain and minimising the potential adverse impacts of risks. Risk is carefully managed across the organisation to effectively and proactively identify, assess, quantify and mitigate risk events, while capitalising on opportunities and 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 delegated to the RC. The remaining board committees are responsible for 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 top-of-mind or emerging issues to increase the effective risk management has been delegated to management.

Our risk activities and responsibilities are set out hereunder.

<table>
<thead>
<tr>
<th>Board</th>
<th>Head of risk and compliance</th>
<th>Executive management</th>
<th>Senior operational management</th>
<th>Internal audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson of each board committee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk governance</td>
<td>Risk assessment</td>
<td>Risk monitoring and reporting</td>
<td>Risk quantification</td>
<td>Risk assurance</td>
</tr>
</tbody>
</table>

Information and technology governance

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

The board has mandated the RC to oversee 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 RC in discharging its IT governance duties, 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, appropriately prioritised, and adds value commensurate with the cost of the technology. During FY2021, the IT steering committee met on a quarterly basis.

External and internal auditors perform gap assessments of IT-related controls as part of their audits and report all significant findings to the AC, the RC and the board, as necessary. Our IT governance structure incorporates elements from the Information Technology Infrastructure Library (ITIL), Control Objectives for Information technologies (COBIT), National Institute of Standards and Technology (NIST) and International Organisation for Standardisation (ISO) standards, but is not formally aligned to any single standard. Measures are in place to ensure compliance with all relevant laws, information security practices, and the protection of personal information. The internal audit function and IT departments run an annual phishing test, the results of which form the basis for our annual cybersecurity awareness programme, which applies to all employees. In the past year, we have experienced attempts to breach our IT systems, but these were managed, and no cybersecurity breach took place during FY2021. The company has not taken any cybersecurity risk insurance cover at this point.

Senior leadership briefs the RC on information security matters at each committee meeting. There are various mechanisms in place to reinforce internal compliance with IT systems (including regular communication and training on the usage of IT systems), which applies to all employees. The company does not have an information security risk insurance policy in place.

For more information regarding our top-of-mind risks and opportunities, please refer to our 12.
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 periodically reviewed to assess the overall effectiveness of our compliance programme. This will continue to be an area of focus for the RC in 2022 through the enhanced implementation of our compliance framework and methodology.

Remuneration governance

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

Through the Remco, the board ensures that Redefine’s remuneration is appropriately designed, fair and market related to drive and retain high-calibre employees who positively contribute 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 – 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 Remco 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 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 will apply its long-term incentive scheme, which will replace the staff incentive scheme (SIS), to all employees, subject to eligibility criteria. 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 implementation report are annually tabled 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 137 to 152.

Opportunity to grow value

The Remco has holistically considered the executive remuneration variable pay structure and adapted it where necessary to ensure that it remains suitable in the current environment and aligned to Redefine’s forward-looking strategy. This review considered shareholder feedback on our existing policy and the proposed changes. The Remco is satisfied that the policy aligns with our remuneration principles and philosophy and aligns executive pay outcomes with performance outcomes in a manner that is fair, yet motivating, to executives.

Assurance

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 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.

1. EXECUTIVE MANAGEMENT
   Management

2. RISK AND COMPLIANCE AND THE OVERSIGHT OF OTHER CORPORATE FUNCTIONS
   Risk and compliance and the management of respective corporate functions

3. INDEPENDENT ASSURANCE
   Internal audit

4. EXTERNAL ASSURANCE
   External auditors and regulators

Internal control

The AC reviews the reports of the internal and external auditors (on 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 2021, except for minor control breaches, nothing was brought to the attention of the AC 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 AC is functionally responsible for Redefine’s internal audit function and receives detailed reports on the progress of the function on a quarterly basis. During 2021, the internal audit function provided a written assessment of Redefine’s system of internal controls and confirmed that – based on the results of the work undertaken – these were adequate and effective. The AC 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 2021 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 the 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 risks the company faces.

The framework and plan will enable an efficient, 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 the information used for reporting and decision-making.
The governance in ESG

CONTINUED

Stakeholder relationships

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 and 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 – it recognises that the quality of these relationships determines our continued success.

Stakeholder engagement strategies

The board, through the SET 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 drive development in the communities in which we operate. The board recognises that integrating stakeholder engagement is fundamental to ensuring effective operations and delivery of our growth mandate.

We have tailored engagement plans and are currently assessing our existing engagement strategies against the results of our strategic review of the current stakeholder universe. This will enable us to not only identify opportunities to allow for better engagement with our stakeholders but also build stronger relationships. The manner and frequency of our stakeholder engagement has changed due to COVID-19. Virtual stakeholder engagement has become the norm and we continue to implement proactive stakeholder campaigns to maintain two-way communication.

Identification of material stakeholders

To effectively engage with stakeholders, our material stakeholder groups were identified according to their levels of influence on us and our impact on them. Stakeholder concerns are an important part of our risk management and strategy development activities. As such, we undertook a strategic review of our current stakeholder universe to ensure that we have correctly identified and categorised our stakeholders in the new normal. The results of the review are reflected below, with details on how we engage included on pages 53 to 67.

<table>
<thead>
<tr>
<th>Key stakeholders and goals</th>
<th>Provider of differentiated and relevant space</th>
<th>Source of sustained growth in total returns</th>
<th>Employer of choice</th>
<th>Reliable source of returns on debt funding</th>
<th>Source of business opportunity and growth</th>
<th>Provider of safe and innovative shopping experience</th>
<th>Responsible community participant</th>
<th>Preferred business partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shoppers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property brokers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Stakeholder engagement and communication

Stakeholder engagement and communication are managed proactively and driven through various formal and informal channels and platforms that target 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 our sustainability by being better able to identify and address risks and opportunities.

Please refer to the [policy](#) for more information regarding how our key stakeholders were identified and details on the measurement of the quality of material stakeholder relationships, concerns raised by such stakeholders, and our responses thereto.

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 to respond to shareholders’ queries on how the board executed its governance duties.

In the interest of protecting minority shareholders, Redefine practices 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 company’s shareholders. Issued shares entitle the holder to one vote in respect of each share held.
Fair and transparent remuneration practices are the foundation of sustainable value creation. We continually look to improve how we reward our people to support our strategic delivery.
Remuneration report 2021

This report presents our remuneration policy as it applies to all employees, with an in-depth overview of how it applies to executive management and non-executive directors (NEDs). It also includes the implementation report for our 2021 financial year as it applies to executive directors (EDs), prescribed officers (POs) and NEDs. The report is presented in three parts as set out in more detail below:

Part 1: Background statement

Letter from the chairperson of the Remco to shareholders

Dear Shareholders,

I am pleased to present Redefine's remuneration report for FY2021, which continued to be a challenging year for all our stakeholders. Our executives continued to work tirelessly to ensure the sustainability of our company, whilst our board has continued to set the strategic direction for the company to focus on a post-COVID-19 recovery, and our employees have continued to service our tenants and other key stakeholders. It was a busy year for the Remco in particular. A holistic review of Redefine’s remuneration policy and variable pay practices was undertaken to ensure that it is fit for purpose, fair and responsible to all stakeholders. The Remco also set the performance conditions and targets for FY2021 which was postponed by the uncertainty brought on by COVID-19, and FY2022 respectively. Following this review, I had the pleasure of engaging directly with a number of our shareholders to discuss the proposed policy changes, and I wish to thank them for their valuable insights.

Despite the overwhelming challenges facing the property sector and nation at large, we continue to believe that appropriately designed, fair and market-related remuneration will drive and retain high-caliber 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 87% in the employee engagement survey demonstrates that our employees understand our continued commitment to not only an exceptional employee value proposition, excellence in professional development, and opportunities for career advancement but also the integration of diversity and inclusion into our people practices and culture. This is further supported by our certification as a top employer for the sixth consecutive year by the Top Employers Institute.

Redefine believes that ongoing, transparent engagement strengthens our governance commitment – this enables us to sustain value for all of our stakeholders. Voting results for the previous three years are summarised below:

<table>
<thead>
<tr>
<th>Year</th>
<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2020</td>
<td>96.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>FY2019</td>
<td>92.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>FY2018</td>
<td>78.6%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

As part of our active ongoing engagement with our key institutional shareholders ahead of the 2021 AGM (in one-on-one meetings with each of their representatives) to discuss the key changes to our remuneration policy and its implementation as presented in the FY2020 report. These meetings were held between 3 and 7 February 2021. The main issues raised by shareholders during that engagement, together with our response thereto, are summarised on the next page.
Part 1: Background statement

CONTINUED

Shareholder comments or concerns

The continued appropriateness of the variable pay structures

Remco responses

The Remco reviewed the remuneration framework during the year and as a result, a number of policy and implementation changes were made, which are highlighted in Policy changes following shareholder engagement.

Consideration of a post-vesting holding period

A two-year post-vesting holding period was introduced and will apply to all performance awards made to executives from the FY2021 awards onwards.

Mitigation against windfall gains

An additional element of guided discretion has been introduced into the long-term incentive plan (LTIP), which allows the Remco to adjust LTIP vesting outcomes downwards in instances where the vesting outcomes constitute a windfall gain.

Use of FTSE/JSE SA Listed Property (SAPY) as the comparator group for relative performance measures

It was confirmed that the relative performance benchmark (for listing the achievement of relative variable pay performance conditions) is the FTSE/JSE SA REIT Index (J805), which consists of FTSE/JSE All Share Index constituents that are designated as South African REITs.

Read more

Post AGM engagement

Raised during AGM outcomes and stakeholder value creation over the long term. We aim to maintain a clear pay-for-performance link to the outcome that is fair and responsible to all stakeholders. We philosophically adopted by the Remco is to achieve a balanced review of the existing remuneration policy and consultation

As noted above, a number of policy and implementation-related changes were made to the variable pay structures as contained in the remuneration policy (based on the outcome of the review of the existing remuneration policy and consultation with a number of our shareholders). The overarching philosophy adopted by the Remco is to achieve a balanced outcome that is fair and responsible to all stakeholders. We aim to maintain a clear pay-for-performance link to the outcomes and shareholder value creation over the long term.

Policy changes following shareholder engagement

As noted above, a number of policy and implementation-related changes were made to the variable pay structures as contained in the remuneration policy (based on the outcome of the review of the existing remuneration policy and consultation with a number of our shareholders). The overarching philosophy adopted by the Remco is to achieve a balanced outcome that is fair and responsible to all stakeholders. We aim to maintain a clear pay-for-performance link to the outcomes and shareholder value creation over the long term.

The purpose of these changes is

- To ensure that variable pay structures are aligned to Remco’s strategy and are therefore linked to shareholder value creation
- To ensure the overall package offered to executives is compelling and competitive and is therefore aligned to the market from a qualitative and quantitative perspective
- To introduce enhanced levels of corporate governance into the administration of the variable pay structures
- The changes apply prospectively, therefore, the design and performance conditions for all in-flight awards will remain the same.

Key enhancement to the variable pay structures include

Key enhancement Detail
1. Simplification of LTIP structure
   - The restricted share scheme (RSS) and staff incentive scheme (SIS) were simplified and combined into one LTIP, which is applicable to all employees across the business. Employees on Paterson A to D Lower will continue to receive cash awards as previously in terms of the RSS. From FY2021 onwards, all employees above Paterson D Lower will receive performance awards of conditional share-based schemes, similar to SIS awards in terms of the LTIP, instead of the traditional conditional awards or nil cost options awarded under the SIS. The LTIP will not be dilutive as awards will be settled by way of a market purchase. This strengthens alignment between employee and shareholder interests.
2. Phased performance targets for STI and LTIPs
   - The introduction of phased performance targets (below threshold, target and stretch) and the removal of the binary (hit or miss) targets for the STI and LTIP.
   - This ensures proper alignment between pay and performance outcomes and results in fairer outcomes.
3. Further ‘skin in the game’
   - We reclassified the three-year performance period on LTIPs, however, property is a long-term asset and to ensure ‘skin in the game’ beyond the LTIP vesting period, we have introduced a further two-year post-vesting holding period on all performance-linked share awards at executive level. During the holding period, executives will be able to exercise voting rights and receive dividends on the shares.
4. All variable pay is now linked to performance
   - The matching share scheme (MSS) has been discontinued, and all variable pay is now linked to performance. The LTIPs continue to take the form of conditional shares.
   - Personal performance has been removed as an LTIP measure.
5. Allocation percentages are aligned with the market
   - In line with market practice, bonus is now applied to the STI earning potential and LTIP allocation percentages, based on the Paterson grade of each executive. These percentages have also been aligned to market benchmarks.
6. Compulsory STI deferral
   - The deferral (STI (STII)) mechanism was retained in terms of which a portion of the STI at executive level is automatically deferred into shares, vesting in three equal tranches at the end of each year following the award. In line with market practice, the STII opportunity is carved out of the LTIP opportunity. The deferral percentage will be adjusted to reflect market benchmarks. The two-year post-vesting holding period will not apply to the deferred shares.
7. Safeguards
   - The bottom-up additive STI formula was retained, which contains an element of inherent bonus caps. However, the previous guidance per the STI (i.e. no STI would be paid if the overall STI score fell below 60%) has been removed. Instead, any employee who receives an overall personal performance score lower than target will not be eligible for STI. The Remco may apply discretion in exceptional circumstances where an employee receives a personal performance score lower than target.
   - Given Remde’s subdued share price, future LTIP vesting outcomes will be subject to a review at the end of the vesting period for any potential windfall gains, subject to appropriate guidelines that will be applied by the Remco at that point (i.e. guided discretion).

Due to the COVID-19 pandemic and the resulting uncertainty, we were not in a position to set meaningful FY2021 STI and LTIP performance conditions at the time when the FY2020 report was published. In addition to the review of the remuneration policy and subsequent key enhancements as highlighted above, the Remco has also approved performance conditions and targets for the FY2021 and FY2022 STI and LTIPs respectively. These performance conditions are set out in more detail in part 2. The implementation report will set out the FY2021 performance outcomes.

Our performance and remuneration outcomes

- The COVID-19 pandemic continues to impact on our financial performance and therefore impacted on the remuneration outcomes as follows:
  - Total return of 11.1% was below the target of 15%
  - Growth in recurring distributable income per share (DIPS) at 2.7%
  - Minimum shareholding requirements (MSRs) were met by the majority of executives with the impact the pandemic had on the share price still prevalent. Although the rand value of the MSR was not met by all, the number of shares held by each executive have increased
  - 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
  - STI bonus was paid to employees in respect of FY2021
  - The LTIP is now fully linked to performance

- 2018 LTIP performance outcomes ranged from 32.8% to 34.8%
- No employees were relinquished and no salary cuts implemented in FY2021
- We have taken shareholder feedback on board, revised the total reward comparator group and aligned the benchmark to reflect relative performance against the FTSE/JSE SA REIT index (J805)
- No malus and clawback trigger events arose at executive level in FY2021

Our remuneration policy is designed to encourage the achievement of our strategy and contribute towards achieving sustained value for all our stakeholders. The company remains a recognised leader in integrated reporting, and the disclosure of remuneration in this report is designed to be fully transparent and easily understandable.

---

Simplification Further Safeguards

Post AGM engagement Raised during AGM outcomes and stakeholder value creation over the long term.

A two-year post-vesting holding period was introduced and will apply to all performance awards made to executives from the FY2021 awards onwards.

An additional element of guided discretion has been introduced into the long-term incentive plan (LTIP), which allows the Remco to adjust LTIP vesting outcomes downwards in instances where the vesting outcomes constitute a windfall gain.

It was confirmed that the relative performance benchmark (for listing the achievement of relative variable pay performance conditions) is the FTSE/JSE SA REIT Index (J805), which consists of FTSE/JSE All Share Index constituents that are designated as South African REITs.

Notwithstanding the strong support we received in respect of the FY2020 remuneration policy and its implementation, the Remco undertook a detailed holistic review of the variable pay structures to ensure that they remain suitable for the current environment and are aligned to Redefine’s forward-looking strategy and market best practice and take into account the shareholder feedback received on the existing policy.

The STI and LTIP performance conditions for both FY2021 and FY2022 are set out in part 2 of this report.

A gatekeeper for the STI, in terms of which no bonuses would be payable if dividends were not declared for the relevant financial year, was presented.

Given Redefine’s subdued share price, future LTIP vesting outcomes will be subject to a review at the end of the vesting period for any potential windfall gains, subject to appropriate guidelines that will be applied by the Remco at that point (i.e. guided discretion).

Following the outcome of a number of changes were made to Remde’s remuneration policy (with changes are set out in more detail in part 2 on page 137). From 12 to 13 July 2021, Sipho M Pityana (chairperson of the board) and Brigalow Mathews (Remco chairperson) conducted a roadshow to meet with a number of our institutional shareholders to discuss the proposed updates to the remuneration policy and the implementation thereof. The main issues raised by shareholders during that engagement, together with our response thereto, are summarised on the next page.

We are grateful to our shareholders for their valuable inputs and positive feedback received on the changes to the remuneration policy. We remain committed to proactively consulting our shareholders regarding the remuneration policy.

---

More details regarding the FY2021 short-term incentive (STI) scheme and LTIP performance conditions

View more

Introduction of an STI gatekeeper

A gatekeeper for the STI, in terms of which no bonuses would be payable if dividends were not declared for the relevant financial year, was presented. However, following shareholder engagement, the proposed dividend-related gatekeeper was removed, although the Remco retains its discretion on whether or not to pay an STI if a dividend is not declared.

Given Redefine’s subdued share price, future LTIP vesting outcomes will be subject to a review at the end of the vesting period for any potential windfall gains, subject to appropriate guidelines that will be applied by the Remco at that point (i.e. guided discretion). The use of guided discretion will be disclosed in the relevant remuneration report.

Use of guided discretion

Following the outcome of a number of changes was made to Redefine’s remuneration policy (with changes are set out in more detail in part 2 on page 137). From 12 to 13 July 2021, Sipho M Pityana (chairperson of the board) and Brigalow Mathews (Remco chairperson) conducted a roadshow to meet with a number of our institutional shareholders to discuss the proposed updates to the remuneration policy and the implementation thereof. The main issues raised by shareholders during that engagement, together with our response thereto, are summarised on the next page.

We are grateful to our shareholders for their valuable inputs and positive feedback received on the changes to the remuneration policy. We remain committed to proactively consulting our shareholders regarding the remuneration policy.
Part 1: Background statement

Activities of the Remco

The Remco’s activities for FY2021 were geared towards monitoring the achievement of Redefine’s strategic objectives and responding to the ongoing effect of COVID-19 on the business, please refer to our report on COVID-19 recovery.

Remuneration element | Key activities
--- | ---
Total guaranteed package (TGP), including benefits | → Approved increases for employees earning below R200 000 per annum
→ No salary increases were approved for employees earning more than R200 000 per annum, including executives

Variable remuneration review | → Holistically reviewed the remuneration policy and variable pay structures to ensure that the policy not only remains aligned to our remuneration principles and philosophy but also aligns executive pay outcomes to performance outcomes in a manner that is fair, yet motivating, to executives
→ Engaged with shareholders on the proposed changes to the remuneration policy as regards the variable remuneration structure
→ Implemented the revised remuneration policy and variable pay policies for FY2021 and FY2022 awards

STI | → Approved the STI performance conditions and targets for FY2021 and FY2022
→ Reviewed the STI performance outcomes for FY2021 and approved the FY2021 employee, management, and executive bonus outcomes

LTIP | → Reviewed and approved proposed awards to executives and employees under the LTIP
→ Approved the performance conditions for the FY2021 and FY2022 LTIP awards, respectively

Governance | → Reviewed the implementation of the remuneration policy and strategy
→ Engaged with shareholders regarding the remuneration policy and implementation thereof, respectively
→ Considered and approved the annual work plan
→ Reviewed and approved the 2021 remuneration report
→ Reviewed and approved the revised malus and clawback policy
→ Reviewed the application of the malus and clawback policy and determined that no malus and clawback trigger events arose in FY2021
→ Monitored the achievement and continued maintenance of the MSR to support the direct alignment of executives with shareholders
→ Obtained independent confirmation on the accuracy of the vesting calculations

Vesting conditions for the MSS and RSS schemes | → Reviewed the vesting conditions for the in-flight RSS and MSS for executives

Non-executive directors | → Reviewed and recommended FY2022 non-executive fee increases for approval at the February 2021 AGM

Service contracts | → Reviewed executive service contracts to ensure that these remain in line with best market practice

Benchmarking of executive pay and non-executive director fees | → During FY2021, the Remco engaged with PwC to perform ED total pay and NED fee benchmarking. Details regarding this process are set out in part 2 of the report

Future focus areas

During FY2022 the Remco will focus on

→ Approving a fair and responsible remuneration policy and implementation plan
→ Continuing to engage with our institutional investors ahead of the AGM to promote alignment with stakeholder requirements
→ Proactively monitoring the effects of COVID-19 on remuneration trends and the company’s ability to attract and retain talent, as key talent will be needed to enable our post-COVID-19 recovery
→ Ongoing review of the total reward framework and any additional enhancements required post-AGM
→ Continuous professional development of the Remco, including monitoring the proposed amendments contained in the 2021 Companies Amendment Bill, which will affect remuneration disclosure and voting going forward
→ Consideration will be given to purpose-driven pay for performance that links company and individual employee purpose, in order to drive overall performance, employee attraction, retention and engagement

Advisors

During the year under review, we received guidance and market practice insights regarding our remuneration policy and practices from independent advisors, including PwC, Werksmans, Cill Dopker Hofmeyr and REMchannel. The Remco considered the advice, opinions and services received and was satisfied that these were independent and objective.

In conclusion

Under ongoing challenging conditions, the Remco has rigorously debated each decision and at all times acted in the best interest of all stakeholders. The Remco is satisfied that the remuneration policy achieved its stated objectives for FY2021. There was a continued focus on fair and responsible pay in the year under review, which will continue in FY2022. We welcome any comments that you may have on our report or any concerns regarding the remuneration policy or the implementation thereof. I wish to thank the committee for their contribution during the year under review. We strive to improve our remuneration practices and look forward to engaging with you and receiving your support on the resolutions for both the remuneration policy and implementation report at the AGM on 17 February 2022.

Yours sincerely

Bridgitte Mathews
Chairperson of Redefine’s remuneration committee
### Remuneration governance

The Remco is appointed by the board with delegated powers and operates independently from executive management. It provides oversight and makes decisions regarding remuneration-related matters within its mandate. Where relevant and required, the Remco will make recommendations to the board for its consideration and final approval. The Remco’s terms of reference provide the scope of responsibility, as delegated by the board, to review and make decisions on the remuneration policy and its implementation. The terms of reference are reviewed and amended annually and approved by the board. The roles and duties of the Remco are set out in the terms of reference available on our website. The Remco has four scheduled meetings a year, which meetings are scheduled in line with the company’s financial reporting cycle. The Remco schedules additional ad hoc meetings as needed, and its attendance is set out in the adjacent table.

During the year under review, the Remco undertook an extensive review of the company’s remuneration policy and variable pay structure, which necessitated six additional meetings. In accordance with the NED lex structure, members were not compensated for the additional meetings.

### Fair and responsible pay

#### Internal equity

Our people are our most strategic asset – a key resource and strategic differentiator. Their knowledge, skills, attitude and innovation enable us to realise our vision of being the best South African REIT. Fair remuneration does not mean everyone at Redefine is paid the same amount; it means paying employees an appropriate amount when they perform work of equal value while accounting for factors such as performance, experience, tenure, and job requirements (including risk, complexity, level of responsibility, decision-making and consequence to and impact on the organisation) and includes remuneration that is impartial and free from discrimination, self-interest, prejudice or favouritism. Redefine’s ‘responseable’ responsibility is to achieve balance remuneration outcomes that are fair and responsible to all stakeholders with a clear pay-for-performance link to outcomes and shareholder value creation over the long term. Fairness and responsibility are both ethical values and in the context of Redefine’s remuneration are more than just paying above the national minimum wage. The company will continuously apply its commitment to fair and responsible remuneration through honest conversations with employees, setting performance objectives, accurate reporting, and other actions to internal and external stakeholders. Redefine’s values underpin its day-to-day decisions and inform remuneration decisions. Redefine approaches vertical and horizontal pay gap issues from a sustainability, fairness, and inclusiveness perspective.

#### Wage gap analysis

In terms of our most recently approved fair and responsible remuneration policy, we use several statistical analyses to measure and then manage our internal pay parity levels. Based on the salary increase mandates for FY2022, the CEO earns 11 times the TGP of the average employee. The average TGP includes base salary and benefits, and includes all permanent employees other than the CEO (including executive management). We aim to focus on the employee value proposition, including granting market-related salary increases, for more junior employees in order to gradually increase their average TGP. Other measures that contribute towards long-term wealth creation for our employees, including a refreshed STI plan and the introduction of a simple LTP for all qualifying employees, are described throughout this report. We are confident that the amendments to our remuneration policy and implementation framework will enable us to meaningfully manage our internal pay gap.

#### Gender pay gap analysis

Our diversity policy reaffirms our commitment to promoting an inclusive culture – for more information regarding our efforts to promote diversity on a holistic basis, please refer to our diversity policy available on page 137 (as well as page 84 of this report). An important component of this commitment includes (but is not limited to): the promotion of gender diversity throughout our practices and compliance; ensuring our median gender pay gap between men and women doing work that is of equal value. When determining our internal gender pay gap, we use the median on-target TR of female employees. The analysis of the median on-target TR of male employees. The analysis of the median on-target TR of male employees. The analysis of the gender pay gap between the median female and male TR shows that based on an overall comparison, males are paid 11% more than females on average. This gap is influenced by the fact that at an executive management level (which includes the highest paid employees in the organisation), there was no female representation. Our efforts to improve representation at senior management levels are described on page 172 of this report. We also work with external consultants to measure our internal gender pay gap on an annual basis and provide us with guidance on how to identify unjustifiable differentials in TR between male and female employees doing work of equal value, and we take steps to progressively address these differentials when making salary increases.

#### Career development

We believe that fair and responsible remuneration is based on the premise of a living wage. Included in this is the principle of improving the lives of employees within our organisation, not only through pay but also through wider initiatives. In line with this principle, we are committed to career development and the professional advancement of our employees. We encourage their development through career mapping and initiatives that form part of our career progression programme. These are expanded on in the social section of this report and the human capital section of our report.

Redefine is committed to the concept of fair and responsible remuneration and takes proactive steps to prioritise this principle across the company. Redefine conducts a rigorous examination of internal pay at various levels, including remuneration differentials based on gender and race. Steps include:

- Calculating the company’s Gini coefficient and Palma ratios to assess the income distribution and pay inequality in the company.
- Conducting assessments of equal pay for work of equal value.
- Taking progressive steps to address any unjustifiable differentials identified.
- Regularly performing benchmarking on salary survey exercises to compare remuneration levels against market benchmarks.
- Tracking year-on-year progress from an overall, external equity perspective.
- Allocating increases to vulnerable employees where as the rest of the employees did not receive increases.

Redefine also takes active steps to improve the working conditions for all levels employees which are set out on the next page.

### Financial education

The company provides financial wellness training to employees to assist them in avoiding over-indebtedness. Systems are in place to monitor the enforcement of garnishee orders or emolument attachment orders which that reduce the net disposable income of employees. Fair and responsible remuneration is a key focus area for the Remco for FY2022 and we will continue to conduct detailed fair pay analyses annually to identify and notify any unjustifiable disparities.
Part 2: The remuneration policy

Continued

Elements of remuneration and its alignment to our strategy and performance

Redefine provides both fixed and variable elements of remuneration to all employees as part of its organisation-wide remuneration structure. An overview of the various elements of remuneration is provided in the table below.

### Elements of Remuneration

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Eligibility</th>
<th>Time period</th>
</tr>
</thead>
<tbody>
<tr>
<td>TGP</td>
<td>Basic salary + Employer retirement fund contribution + Company risk cover (death, disability and severe illness) + Employer medical aid contribution (optional) + Travel allowance</td>
<td>All employees</td>
<td>Annually</td>
</tr>
<tr>
<td>STI</td>
<td>A cash bonus to incentivise employees to achieve Redefine’s short- and medium-term goals.</td>
<td>All employees</td>
<td>Annually</td>
</tr>
<tr>
<td>LTIP</td>
<td>The LTIP comprises three instruments: Deferred bonus awards (compulsory STI deferral into shares), Performance awards (employees from Paterson D to A level), Cash awards (executives).</td>
<td>Deferred bonus awards (executives), Performance awards (employees from Paterson D to A level), Cash awards</td>
<td>Deferred bonus awards have a vesting period of three years, with vesting occurring in tranches in year one, two and three, Performance awards have a three-year vesting period that must be in line with the company’s financial year. Cash awards also have a three-year vesting period that must align with the company’s financial year.</td>
</tr>
</tbody>
</table>

### Minimum shareholding requirement

A minimum shareholding requirement, which intends to encourage executives to build or 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.

### Variable pay

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Eligibility</th>
<th>Time period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum shareholding requirement</td>
<td>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</td>
<td>Executives</td>
<td></td>
</tr>
</tbody>
</table>

### New package design for executives

Redefine’s remuneration structure 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 pay and both short- and long-term incentives. The Remco monitors and reviews remuneration on an ongoing basis to ensure that the relative percentages of guaranteed and variable pay are market-related and align with the strategic objectives to create sustained value for all stakeholders.

### Crafting the LTIP

All employees are eligible to participate in the LTIP, which is used as a means of retaining talent, uplifting individuals, and narrowing the pay gap. The scheme is multifaceted and intended to reward outperformance and incentivise employees to contribute to the growth of the company.

### Benchmarking

**Employees below executive level**

The company subscribes to an external reward management platform (REMchannel) that provides us with extensive insight into remuneration and reward trends across industries as well as the benchmark information used at all employee levels below executive management [in order to remain competitive].

**Executives**

External benchmarking for executives is undertaken on an annual basis. A comparator group comprising JSE listed companies is used for benchmarking purposes. The comparator group is reviewed every three years to ensure that its composition remains relevant to Redefine. The Remco reviewed and approved the total reward comparator group in FY2021. It consists of the companies listed below.

**Benchmark comparator group (for total reward)**

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander Forbes Group Holdings</td>
<td>Real Estate Management</td>
</tr>
<tr>
<td>Capiteq &amp; Counties Properties*</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Corus Development Fund Managers</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Equities Property Fund</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Fortress REIT</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Global Trade Centre*</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Resilient REIT</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Sirius Real Estate*</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Transurban Capital Property</td>
<td>Property Fund Management</td>
</tr>
<tr>
<td>Valuable Property Fund</td>
<td>Property Fund Management</td>
</tr>
</tbody>
</table>

*International companies. The Remco considered the inclusion of foreign-based companies appropriate, as 25% of Redefine’s property portfolio is based in foreign territories, which is subject to an appropriate cost of living adjustment. Furthermore, the foreign portfolio component contributes 27% of the total distributable income of the company, highlighting the material nature of Redefine’s foreign operations and investments. The number of foreign companies are limited to four companies representing 25% of the comparator group.
Part 2: The remuneration policy

CONTINUED

Fixed pay

TGP

Objective
Core element of remuneration, which reflects the market value of the role, with increases linked to company and individual performance.

Components of fixed remuneration
TGP is structured to include a basic salary and benefits which include:
- Employer retirement fund contribution
- Group risk cover (death, disability and severe illness)
- Employer medical aid contribution (optional)
- Travel allowance (if applicable)

Annual reviews
- Reviewed annually in August (aligned to the company’s financial year), for purposes of determining increases. The review is informed by:
  - CPI
  - Internal equity and the principle of fair and responsible remuneration
  - External market surveys (employees below executive level)
  - External benchmarking (for executives)
  - Predetermined performance criteria
  - Affordability.
- Average staff increases are taken into account when determining executive salary increases.

Policy changes for FY2022
No material changes.

Variable pay

As noted in the background statement, due to the COVID-19 pandemic and the resulting uncertainty, we were not in a position to set meaningful short- and long-term performance conditions at the time of publication of our FY2020 remuneration report. As the impact of COVID-19 upon the business and wider economy became clearer during the year under review, and following the extensive review of the remuneration policy, the Remco was able to set short-term and long-term performance conditions for the FY2021 and FY2022 STI and LTI awards. We discussed these performance conditions with our shareholders, together with the proposed policy changes, during our engagement sessions. The performance conditions for the FY2021 STI and LTI awards and FY2022 performance conditions are therefore included in the tables on pages 142 to 146 (STI) and 149 (LTI).

STI – Short-term incentive

Policy changes
- The bottom-up additive STI approach was retained. Bonus capping is inherently applied in the formula.
- The STI deferral mechanism was retained; however, the deferral percentages have been adjusted in accordance with market benchmarks.
- The voluntary buy-in to the MSS and the associated match thereof was removed, which aligns with market practice and feedback from shareholders.
- The STI earning potential was amended to a market-related, on-target percentage and differentiation in the earning potential between executives was introduced.
- Phased targets (threshold, target, stretch) were introduced in the place of binary performance targets. This provides leverage for outperformance and compensates for the lower new STI on-target percentage.
- The vesting percentages for financial, non-financial and personal performance range between 0 and 200%, in line with market practice.
- No changes were introduced to the current mix between business (financial and non-financial) and personal performance measures as the Remco deems it to be appropriate and aligned with the market and Redefine’s strategy.
- The requirement to achieve an overall 60% STI score was removed. A gatekeeper was introduced in terms of which a personal performance rating lower than target for a particular employee will result in no bonus being payable to that employee, except where the Remco determines there to be exceptional circumstances that merit such a payment being made.

Overview
Redefine aims to encourage and reward a high-performance culture through the use of a cash bonus linked to performance against contracted deliverables as part of the remuneration structure for all employees. The STI takes the form of a bottom-up additive plan, which is fully linked to performance and targets that align with Redefine’s short-term performance objectives.

In respect of financial and non-financial metrics that make up the performance score, linear vesting applies between vesting levels and performance is measured over a 12-month period. Company performance conditions are cascaded into each participant’s individual scorecard and the participant’s performance against their scorecard is assessed as part of the company’s performance management process.

Operation
Each participating employee’s bonus is determined by way of the following formula:

\[ \text{Bonus} = \text{Personal performance score} \times \text{Company performance score} \times \text{On-target percentage} \]

<table>
<thead>
<tr>
<th>Grades</th>
<th>TGP on-target percentage</th>
<th>Company performance score</th>
<th>Personal performance score</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>100%</td>
<td>60%</td>
<td>20%</td>
</tr>
<tr>
<td>CFO</td>
<td>75%</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>COD</td>
<td>75%</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>Dev. executive</td>
<td>60%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>Other employees</td>
<td>10% to 40%</td>
<td>10% to 60%</td>
<td>20% to 80%</td>
</tr>
</tbody>
</table>

*The STI is inherently capped in terms of the formula.

STI performance conditions for executives

FY2021

The relative performance benchmark for variable pay performance conditions was reviewed during the year under review and, after various discussions both internally and with shareholders, the Remco approved the use of the FTSE/JSE SA REIT Index (JR03) for the testing of the achievement of relative performance conditions from FY2021 onwards.

Payment
Bonuses are payable in cash in December each year in respect of the previous financial year.

Termination of employment
If an employee’s employment with the company ends before the payment date, the STI will be treated as follows:
- Final termination (retirement, dismissal, voluntary retirement and mutual separation): the employee’s bonus will be forfeited on the date of termination of employment, unless the Remco and/or executive committee (as appropriate) decides otherwise in their sole discretion.
- No-fault termination (death, redundancy, retirement, disability, employer company ceasing to be a member of the group): an employee may qualify for a pro rata bonus, based on the number of months served in the relevant financial year.

Safeguard
Where an employee achieves a personal performance rating of lower than target, no bonus will be paid to that employee unless otherwise determined at the discretion of the Remco.

Remuneration Remco discretion
The Remco has the discretion to override the payment of a bonus despite it being formulaically calculated, in order to mitigate any unintended or unjustified outcomes.

Overview | Our environmental landscape | Our social landscape | Our governance landscape | Remuneration report
**Part 2: The remuneration policy**

**CONTINUED**

**FY2021**

<table>
<thead>
<tr>
<th>Company performance conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STI performance conditions:</strong></td>
</tr>
<tr>
<td>Company financial</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI</th>
<th>Below threshold (0%)</th>
<th>Threshold (50%)</th>
<th>Target (100%)</th>
<th>Stretch (200%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial metrics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute DIPS growth</td>
<td>Absolute DIPS growth relative to approved budget</td>
<td>&lt; 94% budget</td>
<td>95% budget</td>
<td>Achieved budget</td>
</tr>
<tr>
<td>Relative DIPS</td>
<td>Growth in DIPS measured against the relative performance benchmark comparator group FTSE/SEI S&amp;P 500 Index</td>
<td>Bottom quartile</td>
<td>Lower quartile</td>
<td>At the median</td>
</tr>
<tr>
<td>Risk measures</td>
<td>Reduce loan to value (LTV)</td>
<td>&gt; 45%</td>
<td>&gt; 44%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Non-financial metrics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transformation</td>
<td>Performance on BBBEE scorecard</td>
<td>Below 90 points</td>
<td>90 points</td>
<td>95 points</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>Participation in DJSI sustainability index</td>
<td>Lower than previous year’s DJSI score</td>
<td>Maintained previous year’s DJSI score</td>
<td>5% improvement in DJSI score</td>
</tr>
<tr>
<td><strong>Organisational health matrix</strong></td>
<td>Performance on metrics which includes risk, governance, internal controls, IT systems, and audit findings</td>
<td>Lower than previous year’s score</td>
<td>Maintained previous year’s score</td>
<td>5% improvement in score</td>
</tr>
</tbody>
</table>

| Individual performance conditions | | | | |
| Delivery on personal targets | Specific KPIs common to all executives linked to short-term value creation indicators | 20% |

<table>
<thead>
<tr>
<th>Executive</th>
<th>Each executive has specific KPIs linked to short-term value creation indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AJ KÖNIG</strong></td>
<td><strong>4%</strong></td>
</tr>
<tr>
<td>Implement LTV reduction plan</td>
<td>Reduction initiatives &lt; 3%</td>
</tr>
<tr>
<td>Re-evaluate every property asset’s growth prospects</td>
<td>Initiatives not implemented</td>
</tr>
<tr>
<td>Seek sustainable income opportunities</td>
<td>Active portfolio income growth of &lt; 4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executive</th>
<th><strong>4%</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Broaden funding sources</td>
<td>No new funding sources introduced</td>
</tr>
<tr>
<td>Credit rating</td>
<td>Regressed on the credit matrix</td>
</tr>
<tr>
<td>Harness technology</td>
<td>No improvement/ change to digitalisation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executive</th>
<th><strong>4%</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>NOI margin</td>
<td>Prior year’s margin not maintained</td>
</tr>
<tr>
<td>Tenant retention</td>
<td>Regressed by more than 100bps</td>
</tr>
<tr>
<td>Vacancy</td>
<td>Regressed by more than 100bps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executive</th>
<th><strong>4%</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop for capital uplift</td>
<td>Below 4%</td>
</tr>
<tr>
<td>Development to specification</td>
<td>84% of projects delivered to specification</td>
</tr>
<tr>
<td>Development to timeline</td>
<td>84% of projects met agreed timeline</td>
</tr>
<tr>
<td>Development activity to support climate resilience (Greenstar)</td>
<td>GRESB development rating of 70% or less</td>
</tr>
</tbody>
</table>

**The company financial performance conditions remained the same from FY2021 to FY2022 STIs, however, changes were made to some of the KPIs to ensure targets remain stretching. Non-financial performance conditions were amended and the DJSI sustainability index was replaced with KPAs in support of the sustainability-linked bond, namely water, renewable energy and reduction in emissions. KPIs that deal specifically with selected priorities from the United Nations Sustainable Development Goals (UN SDGs) to which Redline is committed, were included to support the achievement of the UN SDG-related KPIs and to apply sustainability principles to not only our operations but also upstream and downstream in the value chain by promoting private sector partnerships to advance the achievement of the goals and actively investing in innovation.**
Part 2: The remuneration policy

**Company performance conditions**

<table>
<thead>
<tr>
<th>STI performance conditions</th>
<th>Financial metrics</th>
<th>Non-financial metrics</th>
<th>Organisational health metrics</th>
<th>Individual performance conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component</strong></td>
<td><strong>KPI</strong></td>
<td><strong>Weighting</strong></td>
<td><strong>Score</strong></td>
<td><strong>Score</strong></td>
</tr>
</tbody>
</table>

**Company financial**

- **Revenue generation**
  - Profit margin
  - Revenue growth
- **Non-financial performance**
  - Cost reduction initiatives
  - Customer satisfaction
- **Individual performance**
  - Employee engagement

**STI performance conditions**

- **Revenue generation**
  - Profit margin
  - Revenue growth
- **Non-financial performance**
  - Cost reduction initiatives
  - Customer satisfaction
- **Individual performance**
  - Employee engagement

**Financial metrics**

- **Debt to equity ratio**
  - Return on equity
- **Revenue growth**
  - Gross margin
- **Non-financial metrics**
  - Performance on BBBEE scorecard
  - Water efficiency
- **Organisational health metrics**
  - Lower than previous year's score
  - Maintained previous year's score
  - 5% improvement in score
  - 8% improvement in score

**Individual performance conditions**

- **Specific KPIs common to all executives linked to short-term value creation indicators**
  - 4%

**Delivery on personal targets**

- **Employee engagement score**
  - Lower than previous year's score
  - Maintained previous year's score
  - 1% improvement on previous year's score
  - More than 2% improvement on previous year's score

**Company performance conditions**

- **Non-financial performance**
  - Re-evaluate every property
  - Broaden funding sources
  - Implementation of LTV
- **Net zero pathway**
  - No buildings certified
  - Two buildings certified
  - Three buildings certified
- **Tenant health and safety**
  - One building certified
  - Two buildings certified
  - Three buildings certified

**Financial metrics**

- **Absolute DIPS growth**
  - 94% of budget
  - 95% of budget
  - Achieved budget
  - 105% of budget

**Non-financial metrics**

- **Transformation**
  - Performance on BBBEE scorecard
  - Below 90 points
  - 90 points
  - 95 points
  - 100 points
- **Water efficiency**
  - 25% per annum water efficiency target (ML)
  - 70 ML
  - 115 ML
  - 230 ML
- **Renewable energy**
  - Increase in installed capacity
  - <3 MWp
  - 3 MWp
  - 6 MWp
  - 10 MWp
- **Reduction in emissions**
  - <1 758 tCO2e
  - 1 758 tCO2e
  - 2 461 tCO2e
  - 3 168 tCO2e
- **Operational health metrics**
  - Performance on metric which includes risk, governance, internal controls, ICT systems, and audit findings
  - Lower than previous year's score
  - Maintained previous year's score
  - 5% improvement in score
  - 8% improvement in score

**Delivery on personal targets**

- **Employee engagement score**
  - Lower than previous year's score
  - Maintained previous year's score
  - 1% improvement on previous year's score
  - More than 2% improvement on previous year's score

**Company performance conditions**

- **Non-financial performance**
  - Re-evaluate every property
  - Broaden funding sources
  - Implementation of LTV
- **Net zero pathway**
  - No buildings certified
  - Two buildings certified
  - Three buildings certified
- **Tenant health and safety**
  - One building certified
  - Two buildings certified
  - Three buildings certified

**Financial metrics**

- **Absolute DIPS growth**
  - 94% of budget
  - 95% of budget
  - Achieved budget
  - 105% of budget

**Non-financial metrics**

- **Transformation**
  - Performance on BBBEE scorecard
  - Below 90 points
  - 90 points
  - 95 points
  - 100 points
- **Water efficiency**
  - 25% per annum water efficiency target (ML)
  - 70 ML
  - 115 ML
  - 230 ML
- **Renewable energy**
  - Increase in installed capacity
  - <3 MWp
  - 3 MWp
  - 6 MWp
  - 10 MWp
- **Reduction in emissions**
  - <1 758 tCO2e
  - 1 758 tCO2e
  - 2 461 tCO2e
  - 3 168 tCO2e
- **Operational health metrics**
  - Performance on metric which includes risk, governance, internal controls, ICT systems, and audit findings
  - Lower than previous year's score
  - Maintained previous year's score
  - 5% improvement in score
  - 8% improvement in score

**Delivery on personal targets**

- **Employee engagement score**
  - Lower than previous year's score
  - Maintained previous year's score
  - 1% improvement on previous year's score
  - More than 2% improvement on previous year's score

**Company performance conditions**

- **Non-financial performance**
  - Re-evaluate every property
  - Broaden funding sources
  - Implementation of LTV
- **Net zero pathway**
  - No buildings certified
  - Two buildings certified
  - Three buildings certified
- **Tenant health and safety**
  - One building certified
  - Two buildings certified
  - Three buildings certified

**Financial metrics**

- **Absolute DIPS growth**
  - 94% of budget
  - 95% of budget
  - Achieved budget
  - 105% of budget

**Non-financial metrics**

- **Transformation**
  - Performance on BBBEE scorecard
  - Below 90 points
  - 90 points
  - 95 points
  - 100 points
- **Water efficiency**
  - 25% per annum water efficiency target (ML)
  - 70 ML
  - 115 ML
  - 230 ML
- **Renewable energy**
  - Increase in installed capacity
  - <3 MWp
  - 3 MWp
  - 6 MWp
  - 10 MWp
- **Reduction in emissions**
  - <1 758 tCO2e
  - 1 758 tCO2e
  - 2 461 tCO2e
  - 3 168 tCO2e
- **Operational health metrics**
  - Performance on metric which includes risk, governance, internal controls, ICT systems, and audit findings
  - Lower than previous year's score
  - Maintained previous year's score
  - 5% improvement in score
  - 8% improvement in score

**Delivery on personal targets**

- **Employee engagement score**
  - Lower than previous year's score
  - Maintained previous year's score
  - 1% improvement on previous year's score
  - More than 2% improvement on previous year's score

**Company performance conditions**

- **Non-financial performance**
  - Re-evaluate every property
  - Broaden funding sources
  - Implementation of LTV
- **Net zero pathway**
  - No buildings certified
  - Two buildings certified
  - Three buildings certified
- **Tenant health and safety**
  - One building certified
  - Two buildings certified
  - Three buildings certified

**Financial metrics**

- **Absolute DIPS growth**
  - 94% of budget
  - 95% of budget
  - Achieved budget
  - 105% of budget

**Non-financial metrics**

- **Transformation**
  - Performance on BBBEE scorecard
  - Below 90 points
  - 90 points
  - 95 points
  - 100 points
- **Water efficiency**
  - 25% per annum water efficiency target (ML)
  - 70 ML
  - 115 ML
  - 230 ML
- **Renewable energy**
  - Increase in installed capacity
  - <3 MWp
  - 3 MWp
  - 6 MWp
  - 10 MWp
- **Reduction in emissions**
  - <1 758 tCO2e
  - 1 758 tCO2e
  - 2 461 tCO2e
  - 3 168 tCO2e
- **Operational health metrics**
  - Performance on metric which includes risk, governance, internal controls, ICT systems, and audit findings
  - Lower than previous year's score
  - Maintained previous year's score
  - 5% improvement in score
  - 8% improvement in score

**Delivery on personal targets**

- **Employee engagement score**
  - Lower than previous year's score
  - Maintained previous year's score
  - 1% improvement on previous year's score
  - More than 2% improvement on previous year's score
Part 2: The remuneration policy

CONTINUED

LTIP

Policy changes
- The RSS and SIS were replaced with a single comprehensive LTIP. In terms of the LTIP, awards may consist of conditional shares (as was previously awarded in terms of the RSS) or cash awards (as previously provided for in terms of the SIS). No further awards will be made in terms of the RSS or SIS.
- The LTIP will not be dilutive, as awards will be settled by way of a market purchase of shares, and shareholder approval will not be required for the introduction of the plan.
- The voluntary buy-in to the MSS and the associated match thereof were removed. The mandatory STI deferral was retained and carved out of the LTIP opportunity.
- Phased targets with linear interpolation (threshold, target and stretch) were introduced in place of the current binary performance targets.
- Vesting levels ranging between 0% (below threshold) and 180% (stretch) were introduced, which aligns with best practice for LTIPs in the market, where awards are made on an on-target basis.
- We will continue to use a three-year performance period to ensure alignment with market practice.
- A two-year post-vesting holding lock was introduced for executives, during which time the shares are owned by participants and no longer subject to forfeiture but cannot be disposed of. This will be applied to awards made going forward (not retrospectively).
- The LTIP quantum vesting can be reviewed in the event of performance targets.
- LTIP allocation percentages are differentiated between executives and are aligned to market benchmarks.

Overview
The purpose of the LTIP is to:
- Recognise the contributions participants made to the growth of the company, ensuring a close link between pay and performance.
- Attract and retain suitably skilled and competent talent in the company.
- Align the interests of the participants and the interests of shareholders.
- Motivate participants to remain in the employ of the company and to execute and enhance the group’s future performance and growth strategies.

All employees across the company are eligible to receive annual awards in terms of the LTIP. The LTIP provides for the following awards:
- Performance awards: annual awards consisting of the conditional right to receive a number of shares at a future date and based on a percentage of TGP, the vesting of which is subject to the employee meeting company financial and non-financial performance conditions and remaining in the employ of the company over the vesting period.
- Deferred bonus awards: annual awards consisting of the conditional right to receive a number of shares at a future date and determined with reference to the STI, the vesting of which is subject to the employee remaining in the employ of the company over the vesting period.
- Cash awards: made on an annual basis and based on a percentage of TGP, the vesting of which is subject to company financial performance conditions and individual performance. These awards are settled in cash.

LTIP

Performance awards
- Eligibility: Executives
- On-target allocation percentages (% of TGP): 40%, 40%, 20%
- Performance period: three years
- Vesting period: three years
- Post-vesting holding period: Executive performance awards are subject to a two-year post-vesting holding period.
- Remuneration Remco discretion

Deferred bonus awards
- Eligibility: Paterson D Upper to E Upper
- On-target allocation percentages (% of TGP): 30%, 30%, 20%
- Vesting period: three years
- Performance awards deferred bonus awards cash awards
- Eligibility: Paterson A to D Lower
- On-target allocation percentages (% of TGP): 20% to 40%
- Vesting period: three years
- Performance period: N/A as performance conditions were met on the way in
- Vesting period: three years
- Post-vesting holding period: Vesting period of three years with vesting occurring in equal tranches in year one, two and three.
- Remuneration Remco discretion

Cash awards
- Eligibility: Paterson D Upper to E Upper
- On-target allocation percentages (% of TGP): 30%, 30%, 20%
- Performance period: N/A as performance conditions were met on the way in
- Vesting period: three years
- Post-vesting holding period: Vesting period of three years with vesting occurring in equal tranches in year one, two and three.
- Remuneration Remco discretion

Share usage limit and settlement
Performance awards and deferred bonus awards are settled in shares following vesting. In line with Redefine’s existing practice, the LTIP only makes provision for settlement of shares by way of a market purchase, thereby ensuring that the LTIP is not dilutive for shareholders.
Cash awards are settled in cash following the expiry of the vesting period.

Remuneration Remco discretion
The Remco has the guided discretion to adjust the outcomes of a performance award or deferred bonus award downward upon vesting to mitigate any potential windfall gains.

Change of control
A portion of the award will vest on a change of control, which will be prorated for the number of months served during the vesting period and adjusted based on the extent to which the performance conditions, if applicable, have been met. The portion which does not vest will continue to be subject to the terms of the award.

Remuneration Remco discretion
The Remco has the discretion to adjust the outcomes of a performance award or deferred bonus award downward upon vesting to mitigate any potential windfall gains.

Termination of employment
In the event where an employee’s employment is terminated before the vesting date for either performance awards, deferred bonus awards or cash awards (collectively referred to as “awards”), the awards will be treated as follows:
- Faulty termination (resignation, dismissal, voluntary retirement and mutual separation): all unvested awards of a participant will be forfeited on the date of termination of employment. No consideration will be payable to the participant. In the case of executives, any vested shares that are subject to a post-vesting holding period will not be forfeited but will continue to remain subject to the holding period until the release date (five years from vesting).
- No-fault termination (death, redundancy, retirement, disability, employer company ceasing to be a member of the group): a pro rata portion of the awards will vest on the date of termination of employment or the date as soon as reasonably possible thereafter, when the company determines the extent to which the performance conditions, if applicable, and/or any further conditions have been fulfilled. Vested shares that are subject to a post-vesting holding period will be released to the employee.

Instruments

Performance awards
- Company financial performance: 75%
- Company non-financial performance: 25%
- Deferred bonus awards
- Company financial performance: N/A
- Personal performance: 30%
- Cash awards: 70%
### Part 2: The remuneration policy

#### LTIP performance conditions (the same conditions apply to FY2021 and FY2022 awards)

<table>
<thead>
<tr>
<th>KPI</th>
<th>Below threshold (0%)</th>
<th>Threshold (50%)</th>
<th>Target (100%)</th>
<th>Stretch (180%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company financial</td>
<td>75%</td>
<td>+ non-financial performance</td>
<td>25%</td>
<td>= 100%</td>
</tr>
</tbody>
</table>

#### Company financial performance conditions

<table>
<thead>
<tr>
<th>Average aTR measured against Redefine’s target total return over three years</th>
<th>aTR &gt; +1% variance of targeted return over three years</th>
<th>aTR &lt; -1% variance of targeted return over three years</th>
<th>aTR equal to targeted return over three years</th>
<th>aTR &gt; +1% variance of targeted return over three years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute total return (aTR)</td>
<td>Total return = (closing TNAVps + opening TNAVps + DPS for the year) / opening TNAVps</td>
<td>Bottom quartile</td>
<td>Median quartile</td>
<td>Upper quartile</td>
</tr>
<tr>
<td>Relative total return (rTR)</td>
<td>Relative rTR measured against the FTSE/JSE SA REIT Index over three years</td>
<td>Bottom quartile</td>
<td>Median quartile</td>
<td>Upper quartile</td>
</tr>
<tr>
<td>Relative total shareholder return (RSS)</td>
<td>Relative rTR measured against the FTSE/JSE JLSA REIT Index over three years</td>
<td>Bottom quartile</td>
<td>Median quartile</td>
<td>Upper quartile</td>
</tr>
</tbody>
</table>

#### ESG goals

- Maintain management score in Sustainalytics ESG risk rating
- 6% improvement in management score in Sustainalytics ESG risk rating
- 8% improvement in management score in Sustainalytics ESG risk rating
- 10% increase in management score in Sustainalytics ESG risk rating

#### Historic LTIP structure for executives

Although no new LTIP awards will be made in terms of the previous LTIP structure, tranches of unvested awards are still in flight. The summarised overview of these structures below provides context for the vesting outcomes to be reported in the implementation report.

#### Linear interpolation applies between levels

#### Minimum sharing 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 20% of their TIP, which must be accumulated over five years from the date of the introduction of the MSR policy (i.e. from 1 September 2015) or the appointment of the executive.
- The executive must maintain this target shareholding throughout their 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 selling shares that have already vested under the DTI and the LTIP.
- Executives will not be entitled to a larger-than-normal bonus or bonus on shares that have already vested under the DTI and/or the LTIP.
- Executives may be required to hold the shares pledged towards the MSR in a separate account.
- When assessing compliance with the MSR, the Remco will take into account unforeseeable circumstances that may render it impractical to achieve the MSR by the due date.

Refer to page 159 for the MSR text as at 31 July 2021.

#### Malus and clawback

The malus and clawback policy applies to all awards granted under the STI and LTIP for all participants, except those awards and participants which the Remco designates as being excluded from the ambit of this policy. The Remco has full and final authority to make all decisions and determinations under the malus and clawback policy. Where decisions and determinations relate to and/or will have an effect on executives, the Remco will make the relevant recommendations to the board for its ultimate approval.

**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 has vested in a participant on a pre-tax basis due to a trigger event, which, in the judgement of the Remco, arose within the three years preceding, or during, the clawback period. The clawback will run for three years from the payment or vesting date of the award.

In the event of a breach of duties by a participant, Redefine reserves the right to pursue remedies available to it in terms of the clawback policy, as well as common and statutory law.

For LTIPs, the clawback policy provides for the implementation of certain methods of recovery in the event that the participant disposed of the shares after the vesting date but before the clawback period ends, as well as in the event that the shares are retained through the clawback period. Redefine’s revised malus and clawback policy applies to any variable pay awards (excluding the SPS) made from 30 November 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:

- Actions or conduct (including omission) 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 APS
- 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 had a significant detrimental impact on the reputation of Redefine according to the Remco
- The discovery that any information used in the decision to grant an award or determine the quantum thereof was erroneous or inaccurate or misleading
Executive director service agreements

Executive directors are on standard employment contracts with three-month notice periods and there are no restrictions on trade in place. They are also subject to the company’s retirement 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 bonus 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. Redefine does not impose restrictions on trade of executives or employees, subject to the Remco’s discretion to negotiate a restraint of trade agreement where it deems it necessary.

Buy-out awards and termination payments

Redefine may make buy-out awards to new executives and key employees to enable it to attract and secure the necessary talent for the achievement of long-term objectives. It is acknowledged that it is sometimes necessary to compensate such employees for the loss of unpaid bonuses or unvested long-term incentive awards due to them leaving their previous employment. In the instance of unpaid bonuses, the buy-out award may be made in cash or in shares to the value of the unpaid bonus. In the instance of unvested long-term incentives, the fair value of the buy-out award will not exceed that of the award forfeited. The awards will generally be made subject to a minimum of a three-year vesting period. The award will also be subject to forfeiture should the employee leave the company during the vesting period and may be subject to prospective performance conditions as determined by Remco. Clawback applies for a period of three years following the vesting of the award. Should the executive or key employee leave the employment of the company during this period, the Remco has the discretion to claw back the vested buy-out awards.

External appointments

Neither executives nor employees may sit on other listed or unlisted companies’ boards as directors. The limit does not apply to seats held by executives or employees on the boards of Redefine subsidiaries, investee companies or on the boards of industry organisations or trusteeships or directorships of private companies in their personal capacities (subject to same being declared).

Non-executive director fee policy

Non-executive director fees are reviewed annually (based on inflation) and reflect the expertise, responsibilities, and contribution of the NEDs 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 159.

Non-executive directors are paid in cash. There are no international directors on the board. Non-executive directors do not receive consulting fees nor ad hoc fees for additional meetings. Non-executive directors are paid an annual board fee and a separate annual fee for the committees on which they sit.

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 following their appointment and thereafter at a minimum of three-year intervals.

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 20% 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. In addition to the engagement as a result of voting outcomes at an AGM, the Remco also undertakes proactive engagement prior to the AGM.

The Remco may engage with shareholders, using one or more of the following methods:

- One-on-one engagement is the preferred method (in-person and virtual meetings)
- Emails, telephone calls with individual shareholders (where one-on-one meetings are not feasible), and other methods of communication to the relevant contact persons at the shareholders
- 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 17 February 2022.

Non-executive directors’ proposed fees

In terms of sections 64(8) and 64(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.

<table>
<thead>
<tr>
<th>Committee and role</th>
<th>FY2021 fees excl. VAT</th>
<th>Proposed FY2022 fees excl. VAT</th>
<th>Proposed % increase in fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent non-executive chairperson</td>
<td>1 248 000</td>
<td>1 329 120</td>
<td>6.5%</td>
</tr>
<tr>
<td>Lead independent director</td>
<td>631 760</td>
<td>672 824</td>
<td>6.5%</td>
</tr>
<tr>
<td>Non-executive director</td>
<td>435 800</td>
<td>485 427</td>
<td>6.5%</td>
</tr>
<tr>
<td>Audit chairperson</td>
<td>289 000</td>
<td>298 200</td>
<td>6.5%</td>
</tr>
<tr>
<td>Audit member</td>
<td>152 000</td>
<td>161 880</td>
<td>6.5%</td>
</tr>
<tr>
<td>Risk, compliance and technology chairperson</td>
<td>230 000</td>
<td>244 950</td>
<td>6.5%</td>
</tr>
<tr>
<td>Risk, compliance and technology member</td>
<td>110 000</td>
<td>117 150</td>
<td>6.5%</td>
</tr>
<tr>
<td>Remuneration chairperson</td>
<td>212 000</td>
<td>244 950</td>
<td>15.5%</td>
</tr>
<tr>
<td>Remuneration member</td>
<td>106 000</td>
<td>117 150</td>
<td>10.5%</td>
</tr>
<tr>
<td>Nomination chairperson</td>
<td>130 000</td>
<td>138 450</td>
<td>6.5%</td>
</tr>
<tr>
<td>Nomination member</td>
<td>72 000</td>
<td>74 680</td>
<td>6.5%</td>
</tr>
<tr>
<td>Social, ethics and transformation chairperson</td>
<td>212 000</td>
<td>225 780</td>
<td>6.5%</td>
</tr>
<tr>
<td>Social, ethics and transformation member</td>
<td>106 000</td>
<td>112 890</td>
<td>6.5%</td>
</tr>
<tr>
<td>Investment chairperson</td>
<td>212 000</td>
<td>225 780</td>
<td>6.5%</td>
</tr>
<tr>
<td>Investment member</td>
<td>106 000</td>
<td>112 890</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

The fees paid to NEDs during the reporting period are included in the implementation report below.
Part 3: Implementation of the remuneration policy

Executive directors’ and prescribed officers’ remuneration

TGP adjustments

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.

No salary increases were awarded for FY2021 to employees, including executives. However, 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 1 September 2020 (for FY2021), for employees earning below R200 000 per annum. These employees received the greater of a fixed sum increase or a 5% increase in their TGP.

In addition to the salary increases, the LTIP will further assist in reducing the internal wage gap and gradually create wealth for our more junior staff.

Executive remuneration in single figure format

The table below provides an analysis of remuneration received in FY2021 (compared to FY2020), presented as the total remuneration of executives.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Salary and allowances</th>
<th>Bonuses and performance-related payments</th>
<th>Other benefits and payments</th>
<th>Share schemes</th>
<th>Retirement benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AJ König</td>
<td>4 506</td>
<td>–</td>
<td>205</td>
<td>1 387</td>
<td>689</td>
<td>6 787</td>
</tr>
<tr>
<td>NO Nyawo*</td>
<td>1 625</td>
<td>–</td>
<td>150</td>
<td>306</td>
<td>2 081</td>
<td></td>
</tr>
<tr>
<td>LC Kok</td>
<td>3 354</td>
<td>–</td>
<td>273</td>
<td>970</td>
<td>529</td>
<td>5 126</td>
</tr>
<tr>
<td>MJ Rutell*</td>
<td>2 683</td>
<td>–</td>
<td>–</td>
<td>611</td>
<td>0</td>
<td>3 294</td>
</tr>
</tbody>
</table>

| FY2020    |                      |                                        |                             |               |                   |       |
| AJ König  | 4 510                | –                                      | 150                         | 8 649         | 689               | 13 798|
| LC Kok    | 3 362                | –                                      | 223                         | 6 084         | 529               | 10 198|
| MJ Rutell*| 2 687                | –                                      | –                           | 2 650         | 5                 | 5 337 |

Buy-out award

The buy-out award compensates for the loss of unvested LTIP awards due to the executive leaving his previous employer. The vesting of the award will occur in three equal tranches and all three tranches of the R55 is subject to the vesting condition that requires the executive to remain in the employment of the company for the duration of the vesting period set out below.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Portion of award</th>
<th>Number of restricted shares</th>
<th>Vesting period</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO Nyawo*</td>
<td>(First tranche)</td>
<td>33.3%</td>
<td>392 687</td>
</tr>
<tr>
<td>NO Nyawo</td>
<td>(Second tranche)</td>
<td>33.3%</td>
<td>392 688</td>
</tr>
<tr>
<td>NO Nyawo*</td>
<td>(Third tranche)</td>
<td>33.3%</td>
<td>392 688</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>1 178 063</td>
</tr>
</tbody>
</table>

STI 2021 – Variable pay performance outcomes: company performance

<table>
<thead>
<tr>
<th>KPI</th>
<th>Below threshold (50%)</th>
<th>Threshold (50%)</th>
<th>Target (100%)</th>
<th>Stretch (20%)</th>
<th>Actual performance</th>
</tr>
</thead>
</table>
| Financial metrics | Absolute DIPS growth | Relative DIPS | Risk measures | Performance | \[
| Absolute DIPS growth | < 94% budget | Growth in DIPS measured against the relative performance benchmark comparator group | Reduce LTV | \[
| Relative DIPS | Bottom quarter | Lower quarter | At the median | Upper and top quartile | \[
| Risk measures | | | | | \[

STI 2021 – Variable pay performance outcomes: personal performance

The scorecards below show the STI outcomes of each executive against performance conditions.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Delivery on personal targets</th>
<th>Specific KPIs common to all executives linked to short-term value creation indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Employee engagement score: Lower than previous year’s score, Maintained top employer status and 5% improvement on score</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Top employer status: Not certified as a top employer, Maintained top employer status and 10% improvement on score</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethical cultural maturity: Developing ethical culture maturity descriptor (≤ 75%) (percentile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethical cultural maturity: Advanced ethical cultural maturity descriptor (75% to 90%) (percentile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethical cultural maturity: Advanced ethical cultural maturity descriptor (80% to 90%) (percentile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advanced ethical cultural maturity descriptor (90% or above)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High risk ethical behaviour: Risk maturity descriptor (50% to 89%) (percentile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Moderate risk ethical behaviour: Risk maturity descriptor (60% to 90%) (percentile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low risk ethical behaviour: Risk maturity descriptor (95% to 100%) (percentile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low risk ethical behaviour: Risk maturity descriptor (100%)</td>
</tr>
</tbody>
</table>

*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 FY2020.

*NO Nyawo was appointed 1 February 2021.

*MJ Rutell forms part of the executive committee and meets the definition of a ‘prescribed officer’ in terms of the Companies Act.
Part 3: Implementation of the remuneration policy

CONTINUED

<table>
<thead>
<tr>
<th>KPI</th>
<th>Below threshold (0%)</th>
<th>Threshold (50%)</th>
<th>Target (100%)</th>
<th>Stretch (200%)</th>
<th>Actual performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJ KÖNIG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.4%</td>
</tr>
<tr>
<td>Implement LTV reduction plan</td>
<td>Reduction initiatives &lt; 2%</td>
<td>Reduction initiatives totaling 3%</td>
<td>Reduction initiatives totaling 4%</td>
<td>Reduction initiatives totaling 8%</td>
<td>6.3% 119%</td>
</tr>
<tr>
<td>Re-evaluate every property asset’s growth prospects</td>
<td>Initiatives not implemented</td>
<td>Implementation of M1 Marki acquisition</td>
<td>Achieve capital uplift on developments in ELI</td>
<td>Achieved capital uplift on development in ELI</td>
<td>100%</td>
</tr>
<tr>
<td>Seek sustainable income opportunities</td>
<td>Active portfolio income growth of &lt; 4%</td>
<td>Active portfolio income growth of 4%</td>
<td>Active portfolio income growth of 5%</td>
<td>Active portfolio income growth of 6%</td>
<td>1.7% 0%</td>
</tr>
<tr>
<td>NG NYAWO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>Broaden funding sources</td>
<td>No new funding sources introduced</td>
<td>Introduced one new funding source</td>
<td>Introduced two new funding sources</td>
<td>Introduced three new funding sources</td>
<td>50%</td>
</tr>
<tr>
<td>Credit rating</td>
<td>Regressed on the credit matrix</td>
<td>Maintained the credit matrix</td>
<td>Improved on the national scale rating by one level</td>
<td>Part of the digitalisation strategy implemented</td>
<td>200%</td>
</tr>
<tr>
<td>Harness technology</td>
<td>No improvement/change to digitalisation</td>
<td>Identified convergence process to be digitalised</td>
<td>Significant part of the digitalisation strategy implemented</td>
<td>Staged implementation of the digitalisation strategy</td>
<td>50%</td>
</tr>
<tr>
<td>LC KOK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15.3%</td>
</tr>
<tr>
<td>NOI margin</td>
<td>Prior year’s margin not maintained</td>
<td>Maintained prior year’s margin</td>
<td>Improved by 0.5%</td>
<td>Improved by 1%</td>
<td>3.4% 200%</td>
</tr>
<tr>
<td>Tenant retention</td>
<td>Regressed by more than 100bps</td>
<td>Regressed by 100bps</td>
<td>Maintained prior year’s level</td>
<td>Improved by 100bps</td>
<td>-0.3% 83.5%</td>
</tr>
<tr>
<td>Vacancy</td>
<td>Regressed by more than 100bps</td>
<td>Regressed by 100bps</td>
<td>Maintained prior year’s level</td>
<td>Improved by 100bps</td>
<td>-0.02% 99%</td>
</tr>
<tr>
<td>MJ RUTTELL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15.3%</td>
</tr>
<tr>
<td>Develop for capital uplift</td>
<td>Below 4%</td>
<td>4.5%</td>
<td>5%</td>
<td>6%</td>
<td>38% 200%</td>
</tr>
<tr>
<td>Development to specification</td>
<td>84% of projects delivered to specification</td>
<td>85% of projects delivered to specification</td>
<td>100% of projects delivered to specification</td>
<td>100%</td>
<td>46.7% 0%</td>
</tr>
<tr>
<td>Development to timeline</td>
<td>84% of projects met agreed timeline</td>
<td>85% of projects met agreed timeline</td>
<td>90% of projects met agreed timeline</td>
<td>100%</td>
<td>100% 0%</td>
</tr>
<tr>
<td>Development activity to support climate resilience (Green Star)</td>
<td>GRESB development rating of 70% or less</td>
<td>GRESB development rating of 75% to 80%</td>
<td>GRESB development rating of 75% to 80%</td>
<td>GRESB development rating of 81% to 100%</td>
<td>72% 62.5%</td>
</tr>
</tbody>
</table>

STI 2021 – Variable pay performance outcomes: summary

The summary shows the STI outcomes of each executive against performance conditions.

<table>
<thead>
<tr>
<th>KPI</th>
<th>AJ KÖNIG</th>
<th>NG NYAWO</th>
<th>LC KOK</th>
<th>MJ RUTTELL</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vesting percentage</td>
<td>126.4%</td>
<td>129.8%</td>
<td>133.1%</td>
<td>133.1%</td>
<td>-</td>
</tr>
<tr>
<td>On target award allocation</td>
<td>90%</td>
<td>85%</td>
<td>85%</td>
<td>80%</td>
<td>-</td>
</tr>
<tr>
<td>Max vesting (stretch)</td>
<td>180%</td>
<td>170%</td>
<td>170%</td>
<td>160%</td>
<td>-</td>
</tr>
<tr>
<td>TDP</td>
<td>R5 302 663</td>
<td>R3 500 000</td>
<td>R4 071 889</td>
<td>R2 679 784</td>
<td>R15 553 708</td>
</tr>
<tr>
<td>Cash vesting value</td>
<td>R6 030 396</td>
<td>R2 251 192</td>
<td>R4 605 106</td>
<td>R2 851 437</td>
<td>R15 739 121</td>
</tr>
<tr>
<td>DTI allocation %</td>
<td>33%</td>
<td>30%</td>
<td>30%</td>
<td>28%</td>
<td>-</td>
</tr>
<tr>
<td>Shares’ allocation value</td>
<td>R1 910 033</td>
<td>R6 755 595</td>
<td>R1 381 532</td>
<td>R7 978 658</td>
<td>R4 865 416</td>
</tr>
<tr>
<td>Award price*</td>
<td>4.35</td>
<td>4.35</td>
<td>4.35</td>
<td>4.35</td>
<td>-</td>
</tr>
<tr>
<td>Number of shares</td>
<td>457 478</td>
<td>135 309</td>
<td>317 593</td>
<td>183 553</td>
<td>1 113 934</td>
</tr>
</tbody>
</table>

*The five-day VWAP price on 2 December 2021 – the date on which the award was made

STIP 2021 – unvested awards

The table illustrates on an individual executive level the value of LTIPs allocated, settled and forfeited and the current value of shares not yet settled.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Financial year granted</th>
<th>Allocated in the year</th>
<th>Forfeited</th>
<th>Vested</th>
<th>Closing share price</th>
<th>Total estimated Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJ KÖNIG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RSS</td>
<td>2018/2019/2020</td>
<td>1 214 586</td>
<td>-239 063</td>
<td>-207 687</td>
<td>748 056</td>
<td>4.4</td>
</tr>
<tr>
<td>MESS</td>
<td>2018/2019/2020</td>
<td>904 000</td>
<td>-230 857</td>
<td>-200 381</td>
<td>674 762</td>
<td>4.4</td>
</tr>
<tr>
<td>Deferred STI</td>
<td>2018</td>
<td>289 387</td>
<td>-</td>
<td>-164 669</td>
<td>164 493</td>
<td>4.4</td>
</tr>
<tr>
<td>LTIP</td>
<td>2021</td>
<td>-</td>
<td>820 444</td>
<td>-</td>
<td>820 444</td>
<td>4.4</td>
</tr>
<tr>
<td>NG NYAWO</td>
<td>2018/2019</td>
<td>1 178 063</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.4</td>
</tr>
<tr>
<td>LTIP</td>
<td>2021</td>
<td>-</td>
<td>484 988</td>
<td>-</td>
<td>484 988</td>
<td>4.4</td>
</tr>
<tr>
<td>LTIP</td>
<td>2021</td>
<td>-</td>
<td>564 178</td>
<td>-</td>
<td>564 178</td>
<td>4.4</td>
</tr>
<tr>
<td>MESS</td>
<td>2018/2019/2020</td>
<td>173 880</td>
<td>-95 649</td>
<td>-78 631</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred STI</td>
<td>2018</td>
<td>147 667</td>
<td>-</td>
<td>-73 823</td>
<td>73 824</td>
<td>4.4</td>
</tr>
<tr>
<td>LTIP</td>
<td>2021</td>
<td>-</td>
<td>352 766</td>
<td>-</td>
<td>352 766</td>
<td>4.4</td>
</tr>
</tbody>
</table>

*NG Nyawo was appointed 1 February 2021
Part 3: Implementation of the remuneration policy

CONTINUED

The table below relates to the November 2018 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 2018 to 31 August 2021, except for the individual performance component, which was measured from 1 September 2019 to 31 August 2021. The 25% retention component has been removed for the 2018 RSS award.

The company introduced a new LTIP in 2021 as the company's sole comprehensive long-term plan, which replaces the Redefine Executive Incentive Scheme of which the RSS and MSS formed part.

### LTIP – RSS awarded in 2018, vesting in 2021

<table>
<thead>
<tr>
<th>Executive</th>
<th>Weighting</th>
<th>50%</th>
<th>20%</th>
<th>10%</th>
<th>20%</th>
<th>100%</th>
<th>調整後LTIP得分*</th>
<th>預期股數可獲得</th>
<th>2021 LTIP得分</th>
<th>2021 LTIP得分</th>
<th>2021 LTIP得分</th>
<th>2021 LTIP得分</th>
<th>2021 LTIP得分</th>
<th>2021 LTIP得分</th>
<th>2021 LTIP得分</th>
<th>2021 LTIP得分</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJ König</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>146,694</td>
<td>146,694</td>
<td>146,694</td>
<td>146,694</td>
<td>146,694</td>
<td>146,694</td>
<td>146,694</td>
<td>146,694</td>
<td></td>
</tr>
<tr>
<td>LC Kok</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>116,394</td>
<td>116,394</td>
<td>116,394</td>
<td>116,394</td>
<td>116,394</td>
<td>116,394</td>
<td>116,394</td>
<td>116,394</td>
<td></td>
</tr>
<tr>
<td>MJ Ruttell</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>73,823</td>
<td>73,823</td>
<td>73,823</td>
<td>73,823</td>
<td>73,823</td>
<td>73,823</td>
<td>73,823</td>
<td>73,823</td>
<td></td>
</tr>
</tbody>
</table>

*Limited to 100%

### LTIP – MSS awarded in 2018, vesting in 2021

| Executive | 50% | 20% | 10% | 20% | 100%  |調整後LTIP得分* | 預期股數可獲得 | 2021 LTIP得分 | 2021 LTIP得分 | 2021 LTIP得分 | 2021 LTIP得分 | 2021 LTIP得分 | 2021 LTIP得分 | 2021 LTIP得分 |
|-----------|-----|-----|-----|-----|-------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| AJ König  | 0%  | 0%  | 0%  | 0%  | 0%    | 0%            | 146,694       | 146,694       | 146,694       | 146,694       | 146,694       | 146,694       | 146,694       | 146,694       |
| LC Kok   | 0%  | 0%  | 0%  | 0%  | 0%    | 0%            | 116,394       | 116,394       | 116,394       | 116,394       | 116,394       | 116,394       | 116,394       | 116,394       |
| MJ Ruttell | 0%  | 0%  | 0%  | 0%  | 0%    | 0%            | 73,823        | 73,823        | 73,823        | 73,823        | 73,823        | 73,823        | 73,823        | 73,823        |

*Limited to 100%

### STI – Deferred portion under the RSS

<table>
<thead>
<tr>
<th>Executive</th>
<th>STI award 2018 third tranche</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJ König</td>
<td>146,695</td>
</tr>
<tr>
<td>LC Kok</td>
<td>116,396</td>
</tr>
<tr>
<td>MJ Ruttell</td>
<td>73,823</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares vested November 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJ König</td>
</tr>
<tr>
<td>LC Kok</td>
</tr>
<tr>
<td>MJ Ruttell</td>
</tr>
</tbody>
</table>

### LTIP – 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.

<table>
<thead>
<tr>
<th>执行董事</th>
<th>夏 2020</th>
<th>购买</th>
<th>卖出</th>
<th>夏 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJ König</td>
<td>333,143</td>
<td>–</td>
<td>–</td>
<td>333,143</td>
</tr>
<tr>
<td>LC Kok</td>
<td>1,200,000</td>
<td>–</td>
<td>–</td>
<td>1,200,000</td>
</tr>
<tr>
<td>MJ Ruttell</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

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.

Given the significant changes to the FY2019 STI non-financial and individual performance conditions used for the individual element of the LTIP, these have been measured over two years, i.e. 1 September 2019 to 31 August 2021.
Part 3: Implementation of the remuneration policy

CONTINUED

Approved LTIP dilution limits

The board has resolved that the company settle the LTIP awards made in terms of the LTIP by buying shares in the market, thus no shares were issued to settle any LTIP obligation.

Minimum shareholding requirement

The table that follows sets out compliance with the MSR as at 31 August 2021. Due to the impact of COVID-19 on Redefine’s share price, one of the executives have not met their MSR targets – it should be noted that the executives have increased the number of shares they hold since the previous review of progress made towards meeting the MSR targets, through the vesting of deferred and LTIP awards.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Target</th>
<th>Compliance (target achieved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJ König</td>
<td>226%</td>
<td>200% Yes</td>
</tr>
<tr>
<td>NO Nyawo*</td>
<td>–</td>
<td>200% Not yet applicable</td>
</tr>
<tr>
<td>LC Kok</td>
<td>200%</td>
<td>200% Yes</td>
</tr>
<tr>
<td>MJ Ruttile</td>
<td>193%</td>
<td>200% No</td>
</tr>
</tbody>
</table>

*Appointed 1 February 2021. In terms of the MSR policy the shareholding should be met five years from the appointment date of the executive.

Non-executive directors’ fees

The table below shows the fees paid to non-executive directors in FY2021, as approved by the Remco and the board under the authority granted by shareholders at the AGM held on 23 February 2021. Please note that these fees were deemed to be VAT exclusive.

<table>
<thead>
<tr>
<th>Non-executive director</th>
<th>Fees paid in FY2021</th>
<th>Fees paid in FY2020</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Dambuza</td>
<td>744</td>
<td>744</td>
<td>–</td>
</tr>
<tr>
<td>B Mathews^</td>
<td>1 174</td>
<td>1 102</td>
<td>6.5%</td>
</tr>
<tr>
<td>D Naidoo</td>
<td>952</td>
<td>872</td>
<td>9.2%</td>
</tr>
<tr>
<td>D Radley#</td>
<td>982</td>
<td>–</td>
<td>100%</td>
</tr>
<tr>
<td>L Sennelo</td>
<td>944</td>
<td>944</td>
<td>–</td>
</tr>
<tr>
<td>M Barkhuysen**</td>
<td>778</td>
<td>562</td>
<td>38.4%</td>
</tr>
<tr>
<td>N Langa-Royds</td>
<td>846</td>
<td>866</td>
<td>–</td>
</tr>
<tr>
<td>SM Pityana**</td>
<td>1 590</td>
<td>1 696</td>
<td>-6.3%</td>
</tr>
</tbody>
</table>

^B Mathews was appointed as member of the nomination and governance committee, effective September 2020
#D Radley was appointed to the board in July 2020
**M Barkhuysen was appointed to the social, ethics and transformation, as well as the risk, compliance and technology committees in September 2020
***SM Pityana was previously the chairperson of the investment committee and is a member only.

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.

Adherence to the remuneration policy

As noted above, a number of implementation changes were introduced to the remuneration policy during the year under review, following the outcomes of a detailed review of our remuneration policy and extensive engagement with our shareholders. This predominantly included changes to our existing variable pay structures to better align these structures to best market practice and the feedback received from our shareholders. Furthermore, the performance conditions for the FY2021 STI and LTI awards were set after publication of the FY2020 report (when the Remco had more detailed insight into the effects of COVID-19 on the business and the wider economy and was able to determine meaningful performance conditions and targets) and extensive engagement with our shareholders. The Remco monitored the implementation of the revised remuneration policy in FY2021 and is satisfied that there were no deviations and that it achieved its objectives.

Approval

This remuneration report was approved by the Remco of Redefine on 10 December 2021. The implementation report in this section is subject to a non-binding advisory vote by shareholders at the AGM dated 17 February 2022.
Definitions

AC  Audit committee
ACI  African, Coloured and Indian
aTR  Absolute total return
AFS  Annual financial statements
AGM  Annual general meeting
BBBEE  Broad-based black economic empowerment
BkSA  Business for South Africa
board  Board of directors
capex  Capital expenditure
CDP  Formerly the Carbon Disclosure Project
CEO  Chief executive officer
CFO  Chief financial officer
CO₂  Carbon dioxide equivalent
COBIT  Control Objectives for Information technologies
Companies Act  Companies Act, No 71 of 2008 (as amended)
COO  Chief operating officer
COVID-19  Coronavirus disease 2019
S&P Global CSA  S&P Global Corporate Sustainability Assessment
CSI  Corporate social investment
DIPS  Distributable income per share
DJSI  Dow Jones Sustainability Index
EBP  Existing Building Performance
ELI  European Logistics Investment B.V.
ERM  Enterprise risk management
ESD  Enterprise and supplier development
ESG  Environmental, social and governance
EVP  Employee value proposition
FD  Financial director
FY  Financial year
GBCSA  Green Building Council South Africa
GHD  Greenhouse gas
GLA  Gross lettable area
GRESB  Formerly the Global Real Estate Sustainability Benchmark
HVAC  Heating, ventilation and air conditioning
IC  Investment committee
ICT  Information and communications technology
IFRS  International Financial Reporting Standards
ILO  International Labour Organization
IT  Information technology
ITIL  Information Technology Infrastructure Library
ISO  International Organisation for Standardisation
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
LTIP  Long-term incentive plan
LTV  Loan-to-value
MOI  Memorandum of Incorporation
MSCI  Morgan Stanley Capital International
MSR  Minimum shareholding requirement
MSG  Matching share scheme
MWh  Megawatt hour
MWp  Megawatt peak
NAV  Net asset value
NIST  National Institute of Standards and Technology
NGO  Non-governmental organisation
NDI  Net operating income
NOM  Nominations and remuneration committee
NPO  Non-profit organisation
OECD  Organisation for Economic Co-operation and Development
OHS  Occupational health and safety
PID  Property Industry Group
PV  Photovoltaic
RC  Risk, compliance and technology committee
Redefine  Redefine Properties Limited
REIT  Real Estate Investment Trust
Remco  Remuneration committee
RSS  Restricted share scheme
SA  South Africa
SAREIT  SA REIT Association
SAPOA  South African Property Owners Association
SASB  Sustainability Accounting Standards Board
SDGs  Sustainable Development Goals
SET  Social, ethics and transformation committee
SIS  Staff incentive scheme
SMME  Small to medium enterprise
SPS  Share purchase scheme
STI  Short-term incentive
TCFD  Task Force on Climate-related Financial Disclosures
tCO₂  Tonnes of carbon dioxide equivalent
TGP  Total guaranteed package
TNAV  Tangible net asset value
UN  United Nations
UNGC  United Nations Global Compact
UNGC  United Nations Global Compact
VAT  Value-added tax
VDC  Volatile organic compounds
VWAP  Volume weighted average price
WEPs  Women Empowerment Principles