



SUSTAINABILITY REPORT 2024



NAVIGATION

The following icons are used throughout this report to indicate the connectivity between sections:

CAPITALS

- MANUFACTURED CAPITAL**
- FINANCIAL CAPITAL**
- NATURAL CAPITAL**
- SOCIAL & RELATIONSHIP CAPITAL**
- HUMAN CAPITAL**
- INTELLECTUAL CAPITAL**

¹⁷ Details on the Group's capitals can be found [here](#).

STRATEGIC OBJECTIVES

- MAXIMISE SHAREHOLDER VALUE**
- BALANCE SHEET MANAGEMENT**
- PORTFOLIO GROWTH**
- SOURCE AND UTILISE LAND**
- UPLIFT COMMUNITIES**
- EMPOWER EMPLOYEES**

¹⁸ The Group's strategic objectives can be found [here](#).

MATERIAL MATTERS

- MACROECONOMIC ENVIRONMENT**
- INFRASTRUCTURE & SERVICE DELIVERY**
- MANAGING RELATIONSHIPS**
- BASELINE SPECIFICATION**
- TOWN PLANNING**

⁹ The Group's material matters can be found [here](#).

TOP 10 RESIDUAL RISKS

- Signifies the relevant risks and its ranking, with 1 being the highest risk.
- ²⁵ The Group's risks can be found [here](#).

KEY STAKEHOLDERS

- TENANTS** – Mainly large national or large listed retailers, 3PL and FMCG companies in SA and the UK.
- FINANCIAL INSTITUTIONS** – Banks, listed debt market and other institutions that safeguard the Group's financial capital, facilitate its transactions and provide access to funding.
- INVESTORS** – Private and institutional investors.
- VENDORS & BROKERS** – Suppliers, brokers and development contractors.
- COMMUNITIES** – Informal communities surrounding the Group's SA development nodes.
- EMPLOYEES** – Diverse workforce of 40 employees in SA, and 2 in the UK.
- ENVIRONMENT** – Government representatives or regulatory bodies, environmental groups and greater society, with an interest or concern in environmental activities.



QUICK NAVIGATION TOOLS

This report is best viewed in **Adobe Acrobat**. Navigation tools at the top right of each page are indicated below:

- RETURN TO PREVIOUS VIEW**
- PREVIOUS 1 PAGE**
- CONTENTS PAGE**
- NEXT 1 PAGE**

The following icons are used to indicate additional information:

- CLICK FOR MORE ON WWW.EQUITES.CO.ZA**
- SCAN/CLICK FOR VIDEO CONTENT**
- REFER TO PAGE IN THE INTEGRATED REPORT**
- REFER TO PAGE IN THIS REPORT**
- CLIMATE RELATED**



ABOUT THIS REPORT

Equites’ sustainability report is an opportunity to provide stakeholders with a concise overview of how the Group’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of sustainable value over the short, medium and long term.

REPORTING SCOPE AND BOUNDARY

This is the Group’s 2024 Sustainability Report which outlines its environmental, social and governance impacts over the period 1 March 2023 to 29 February 2024. Any material events after this date and up to the date of approval of the report have been considered. The information included in this report relates to the Group’s operations in SA and the UK.

76 The Group’s organisational structure can be found **here**.

MATERIALITY

The Group applies the principle of materiality in assessing the information to include in the SR. Material matters are those issues that have the potential to substantively affect the Group’s ability to create, preserve or erode value for stakeholders and forms the basis of boardroom discussions.

9 The Group’s materiality determination process and material matters can be found **here**.

ASSURANCE

The following accredited service providers and agencies have verified selected performance metrics contained in this report:

- Honeycomb BEE Ratings Proprietary Limited independently verified the Group’s contributor rating in accordance with the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and the amended property sector code (Gazette No 40910 of June 2017).
- GCX makes use of customised tools for the assessment process that follows international best practice methodologies of the GHG Accounting Protocol (WBCSD & WRI) and complies with ISO 14001.
- EBS Advisory independently verified the sustainability performance targets of the sustainability-linked funding (SLB) that was issued in line with International Capital Market Association’s SLB Principles.

REPORTING FRAMEWORK

The Group aligns with best reporting practices and is guided by the principles and requirements of:

- International Financial Reporting Standards
- International Integrated Reporting Council’s Integrated Reporting <IR> Framework
- King IV Report on Corporate Governance
- JSE Listings Requirements
- South African Companies Act No.71 of 2008
- SA REIT BPR, 2nd addition
- The Global Reporting Initiative’s (GRI) Sustainability Reporting Standards
- Task Force on Climate-related Financial Disclosures (TCFD)

King IV index can be found **here**.

133 SA REIT BPR can be found **here**.

25 TCFD and GRI indices can be found **here**.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements about the Group’s future performance and prospects. These forecasts involve risk and uncertainty, as they relate to events and circumstances that occur in the future. Actual results may differ materially from those expressed or implied by these forward-looking statements and readers are cautioned not to place undue reliance on them. Forward-looking statements have not been reviewed by the auditors and reflect the Group’s expectations as of 31 May 2024.

BOARD RESPONSIBILITY & APPROVAL

The Social, Ethics and Transformation (SET) Committee is a statutory committee in terms of section 72(1) and section 72(4) of the Companies Act 71 of 2008 of South Africa. The Committee is responsible for the oversight of and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, and ensuring that the disclosure of the Group’s SET values and goals are accurate, complete and transparent.



FEEDBACK
 Your feedback is important to us, and we encourage your input to enhance the quality of our SR. Please send your comments to: investors@equites.co.za.



HIGHLIGHTS



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

2 7 8

20.2 MW

ROOFTOP SOLAR GENERATION CAPACITY (FY23: 9.5 MW)

31.0%

REVENUE FROM GREEN BUILDINGS AS A % OF TOTAL REVENUE (FY23: 24.0%)

LEVEL 2

B-BBEE RATING (FY23: LEVEL 3)

79.9%

VERIFIED BLACK OWNERSHIP (FY23: 75.7%)

41.0%

VALUE OF GREEN BUILDINGS AS A % OF PORTFOLIO (FY23: 32.0%)

83.3%

OF ALL UK PROPERTIES ARE BREEAM VERY GOOD CERTIFIED (FY23: 60.0%)

29.5%

OF ALL SA PROPERTIES ARE EDGE CERTIFIED (FY23: 18.0%)

IFC EDGE CHAMPIONS

2023

SC MC NC

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SUSTAINABILITY AT EQUITES



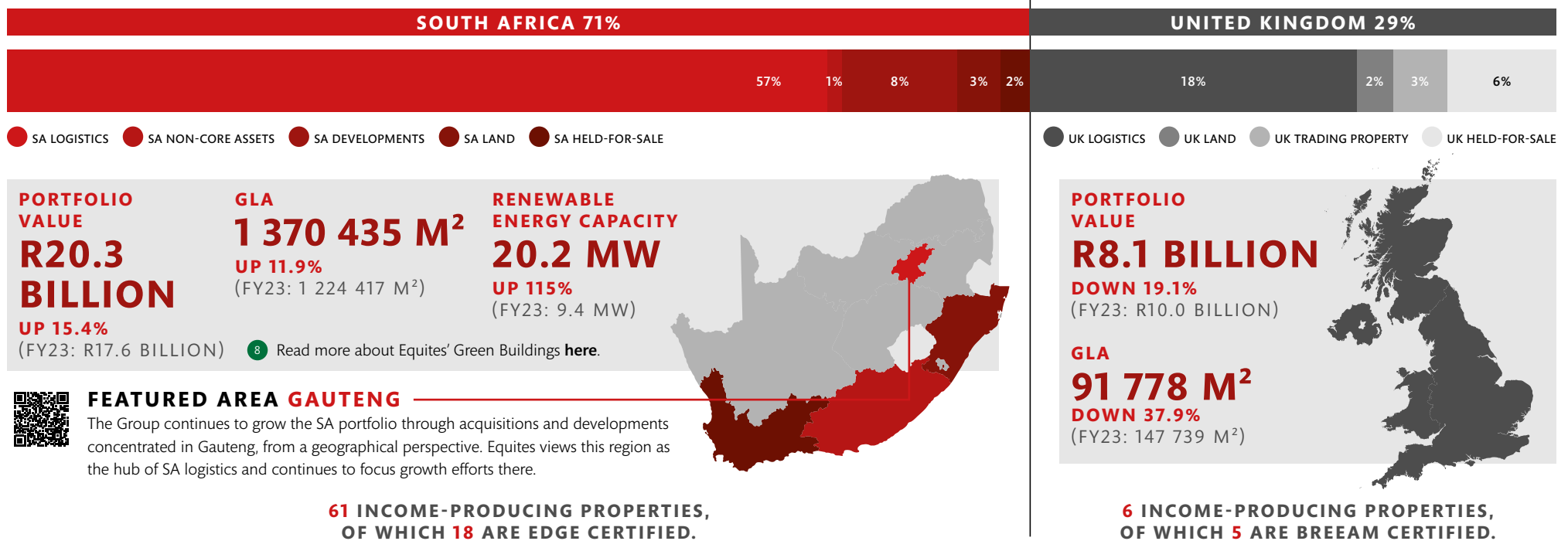


EQUITES' PORTFOLIO MC NC

Equites is a **SA REIT** with a focus on developing and acquiring best-in-class logistics facilities in prime locations in SA and the UK. Equites is listed on the JSE with a portfolio value of R28.4 billion as at 29 February 2024.

With the acquisition of the Canelands campus in KZN and the completion of five developments, four in Gauteng and one in the Western Cape, total GLA grew from 1.37 million m² in FY23 to 1.46 million m² in FY24.

PORTFOLIO COMPOSITION



PORTFOLIO VALUE
R20.3 BILLION
UP 15.4% (FY23: R17.6 BILLION)

GLA
1 370 435 M²
UP 11.9% (FY23: 1 224 417 M²)

RENEWABLE ENERGY CAPACITY
20.2 MW
UP 115% (FY23: 9.4 MW)

[8](#) Read more about Equites' Green Buildings [here](#).

FEATURED AREA GAUTENG

The Group continues to grow the SA portfolio through acquisitions and developments concentrated in Gauteng, from a geographical perspective. Equites views this region as the hub of SA logistics and continues to focus growth efforts there.

61 INCOME-PRODUCING PROPERTIES, OF WHICH 18 ARE EDGE CERTIFIED.

PORTFOLIO VALUE
R8.1 BILLION
DOWN 19.1% (FY23: R10.0 BILLION)

GLA
91 778 M²
DOWN 37.9% (FY23: 147 739 M²)

6 INCOME-PRODUCING PROPERTIES, OF WHICH 5 ARE BREEM CERTIFIED.





SUSTAINABILITY FRAMEWORK

Equites continues to infuse environmental and social targets into its business approach and operations, and is committed to transparency and accountability to ESG goals and progress.

The Group continues to be assessed by global ESG rating firm, Sustainalytics. Equites' overall risk rating score of 9.0 improved by 18.9% and its risk management score of 66.9 improved by 14.9%, compared to the previous year. This resulted in Equites retaining the leading position in its global peer group by value, ranking in the Top 3% for low ESG risk globally.



CONTINUOUS CONSIDERATION OF SDGS OVER TIME



STRATEGIC IMPERATIVE



ENVIRONMENTAL STEWARDSHIP

GREEN BUILDINGS

Equites has formalised sustainability initiatives in its baseline specification ensuring that all new SA developments are, at a minimum EDGE "Advanced" certified.

REDUCED CARBON EMISSIONS

Increasing energy efficiency, using renewable energy sources, and promoting sustainable transportation.

ENHANCED BIODIVERSITY

Implementing green infrastructure, using sustainable landscaping practices and supporting local biodiversity initiatives.

RESOURCE EFFICIENCY

Reducing consumption of water, materials, and energy, promoting circular economy practices, and reducing waste generation on development sites.

COMMUNITY ENGAGEMENT

Engaging communities on all development sites.

DISPOSAL PROGRAMME

Recycling capital to replace older assets with suboptimal sustainability credentials with Green Buildings.



EMPLOYEE WELLNESS

TRAINING & SKILLS DEVELOPMENT

Comprehensive in-house training programme.

MENTORSHIP & SUPPORT

Ensuring employee specific goals and aspirations are managed and achievements are recognised and rewarded.

DIVERSITY & TRANSFORMATION

HR policy designed to promote a workforce that is representative of the demographic of the country while ensuring diversity of race, gender, age and culture.

OCCUPATIONAL HEALTH & SAFETY

Providing employees access to the ICAS health and wellness programme.



SOCIAL RESPONSIBILITY, COMMUNITY DEVELOPMENT & EDUCATION

SOCIAL DEVELOPMENT

Supporting community initiatives and educating learners from disadvantaged backgrounds through MLF bursary programme and the Equites student work experience programme.

ENTERPRISE SUPPLIER DEVELOPMENT

Providing learning and mentorship through the AmpCore programme.

TRANSFORMATION

Facilitating the creation of black property-owning businesses through Statement 102 Transactions.

CUSTOMER CENTRICITY

Fostering strong tenant relationship

²² Read more about Equites' stakeholder engagement [here](#).

PERFORMANCE

Executive remuneration that includes sustainability targets

²¹ Read more about the Group's performance against targets [here](#).

RISK MANAGEMENT FRAMEWORK

Robust approach to climate risk management

²⁵ Read more about Equites' risk management framework [here](#).

GOOD GOVERNANCE

Equites adheres to the principles of King IV

²¹ Read more about Equites' approach to Good Governance [here](#).

⁸ More information about Equites' sustainable development goals can be found [here](#).



ENVIRONMENTAL STEWARDSHIP





ENVIRONMENTAL STEWARDSHIP

MANAGEMENT APPROACH

The Group evaluates the following environmental variables through its business activities:



Energy consumption, efficiency, intensity, renewable energy



Carbon intensity, embodied carbon, carbon emissions



Water use efficiency, intensity, scarcity



Renewable materials, hazardous materials, consumption, waste



Land use, land use change, conservation of flora and fauna

STAKEHOLDER INTEREST



STRATEGIC OBJECTIVE



VALUE CREATED IN FY24

- Increased number of Green Buildings
- Improved Sustainability rating
- Energy intensity improved from 98 kWh/m² to 91 kWh/m²

BUSINESS ACTIVITIES

DEVELOPMENTS

The responsible usage of natural resources is considered essential to the activities of the Group. The utilisation of shared resources such as water, energy and land, weigh heavily on preserving natural capital, from a short-term and long-term perspective.

A sustainability consultant is appointed to the professional team of each development to ensure that the design, procurement and execution includes environmentally conscious methods from inception, and to monitor this process throughout construction against approved environmental management plans. This philosophy is carried through to the structured handover and commissioning.

Equites recognises that anthropogenic-induced climate change requires innovative approaches to mitigate against its impact. Through a multidisciplinary process, each input of the development process is continually assessed to identify areas of improvement.

ACQUISITION OF TENANTED PROPERTY AND VACANT LAND

All acquisitions are subject to a comprehensive due diligence process which considers both environmental and social risks associated with the project. These are quantified to assess the risk of a stranded asset and the remedial measures that need to be undertaken in order for the facility to meet the Equites sustainability requirements.



PROPERTY MANAGEMENT

Sustainability audits continued across the portfolio. This programme is targeted at assessing energy and water usage as well as evaluating the sustainability profile of the portfolio. Through this process, the Group has been able to better understand the environmental impact as well as the measures that can be taken to improve its carbon footprint. This process is collaborative, with many tenants already prioritising sustainability as a strategic imperative.

Equites considers this to be a significant factor in shared value to prolong the life of the asset with positive benefits for its tenants through reduced utility costs and carbon emissions.

The Group has committed to retrofit its existing portfolio in line with these interventions with the goal of having existing properties to the value of R1 billion certified to EDGE standards over the medium term.

Additionally, the Group is implementing green lease clauses on all new and existing leases.

¹⁷ The Group's business model can be found [here](#).

CAPITAL MANAGEMENT

The Group deploys its financial capital in an environmentally responsible manner and has underpinned its commitment using sustainability-linked funding.

Equites is strategically focused on improving the quality of its portfolio and has implemented a disposal programme of older assets with suboptimal sustainability credentials. The capital generated from these disposals will be 'recycled' to invest in modern logistics facilities that meet its Green Building certification requirements.

⁹⁷ Read more about the Group's sustainability-linked funding [here](#).





ENVIRONMENTAL STEWARDSHIP (CONTINUED)



ENERGY CONSUMPTION, EFFICIENCY, INTENSITY, RENEWABLE ENERGY

LOADSHEDDING & ENERGY WHEELING

The SA operating environment is challenged by intensifying levels of loadshedding, impacting tenant business continuity, and fast tracking the demand for sustainable Green Buildings.

RENEWABLE ENERGY

Renewable energy is a key component in the Group's sustainability initiatives. The integration of solar PV systems in its property portfolio enables the Group to generate clean, renewable energy, reducing the use of fossil fuels and minimising the carbon footprint associated with tenant energy consumption. Furthermore, incorporating solar PV offers long-term financial benefits to tenants by reducing energy costs and promoting energy independence.

The Group's renewable energy generating capacity through solar PV systems doubled since FY23 and generated an additional 10 143 MWh of renewable energy during FY24.

SOLAR POTENTIAL

As a property owner with expansive roof space, Equites believes its portfolio is well positioned to ease the impacts of loadshedding by maximising the solar potential of its properties and injecting additional energy into the grid. Based on estimated projections, the portfolio has a potential roof space of roughly 1 million m² which can produce approximately 246 000 MWh of renewable energy per year. This is enough energy to power an estimated 83 000 average South African households. The outcome of this on carbon emissions is equivalent to an estimated abatement of 256 000 tCO₂e annually.

ENERGY WHEELING

During FY23, the City of Cape Town announced the launch of its electricity wheeling pilot project to diversify its electricity supply going forward. Equites was accepted into this pilot project and successfully completed its power purchase agreement with an offtaker. This project will afford the Group an opportunity to play an active role in transforming the energy landscape in SA. It will provide an additional revenue stream for the Group, while promoting clean, renewable energy, reducing reliance on fossil fuels and contributing to environmental sustainability.

The Group targets to increase its renewable energy generating capacity, with an additional 8.3 MW expected to be installed by 2026.

Equites' commitment to increasing the use of renewable energy is embedded as a KPI to its sustainability-linked debt, which requires renewable energy as a proportion of total energy consumption to increase by 15% - 20% per annum.

Read more about the Group's sustainability-linked funding [here](#).

GREEN BUILDINGS

The Group's Green Buildings are those properties that have been certified as sustainable in terms of the Building Research Establishment Environmental Assessment Method (BREEAM) in the UK, and Excellence in Design for Greater Efficiencies (EDGE) in SA.

Equites has successfully achieved multiple EDGE "Advanced" and BREEAM "Very Good" green building certifications. To promote good governance and uphold the Group's ambitious standards, Equites has formalised sustainability initiatives in its baseline specification ensuring that all new SA developments are, at a minimum, EDGE "Advanced" certified.

Through its strict baseline specification, the Group aims to achieve a minimum efficiency of 20% in energy and water metrics and is striving towards realising a goal of 40% energy efficiency to align with EDGE advanced certification.

Equites' long-term vision is to achieve the EDGE "Zero Carbon" certification on more of its SA buildings.

MATERIAL MATTER
MM2

STAKEHOLDER INTEREST:

STRATEGIC IMPERATIVE:
3

CAPITALS IMPACTED:
FC **MC** **SC** **NC**

RISKS & OPPORTUNITIES:
R²

SOLAR PV INSTALLATION	FY24	FY23
Number of buildings	29	15
Solar output (MWh)	21 564	11 400
Avoided emissions (tCO ₂ e)	21 780	11 846
Grid consumption (MWh)	94 411	111 914
Renewable energy generation	18.6%	11.3%

20.2 MW
ROOFTOP SOLAR GENERATION CAPACITY (FY23: 9.4 MW)



Click or scan for an interactive overview of Equites' baseline specification.



ENVIRONMENTAL STEWARDSHIP (CONTINUED)



CARBON INTENSITY, EMBODIED CARBON, CARBON EMISSIONS

CLIMATE CHANGE

Fossil fuels are by far the largest contributor to global climate change, accounting for over 75% of global greenhouse gas emissions and nearly 90% of all carbon dioxide emission.

MONITORING & VERIFYING EQUITES' CARBON EMISSION

The Group's third annual carbon emission assessment was conducted during the year and is based on the GHG Protocol. FY24 total emissions increased by 17.2% from the previous year, primarily due to improved data collection processes for Scope 3 emissions. Grid controlled electricity consumption for Scope 3 has however decreased by 9.0%. This was achieved by implementing energy-efficient technologies and increasing the use of renewable energy sources. Scope 1 and 2 emissions are expected to be reduced with the commissioning of the wheeling project and installation of solar battery storage.

29 A detailed overview of our carbon emissions can be found [here](#).

PHYSICAL EFFECTS OF CLIMATE CHANGE

Global warming is changing weather patterns and disrupting the usual balance of nature. Extreme weather events have a direct impact on the Group's developments, and stakeholders and poses many risks. These risks are assessed at each critical stage of the asset life cycle i.e. acquisition, development, management and disposal.

To mitigate against these risk, the Group has integrated certain design elements into its baseline specification and conducted professional site assessments prior to development to ensure that additional relief measures are put in place, where appropriate. The Equites baseline specification includes flood risk management systems that provide attenuation for peak runoff attributed to 1 in 100-year (extreme weather) events. These climate adaptation strategies minimise disruption and maintain business continuity while providing fiscal benefits through reduced maintenance costs and lesser risk of destruction. The Group also has insurance against flood risk.

Where land parcels are acquired, these are assessed for their exposure to flood, drought and fire risk as part of the due diligence process, and where required, fitted with enhanced structural modifications to cope with the acute impacts of changing weather patterns.

21 The Group's climate risk assessment can be found [here](#).

NET-ZERO SBTi COMMITMENT

The Net-Zero SBTi commitment is a pledge by companies to reduce their emissions to net zero by 2050, in alignment with the Paris Agreement's goal of limiting global warming to 1.5°C above pre-industrial levels. To achieve this commitment, companies must set science-based targets that are consistent with the latest climate science and best practices in the industry.

Equites is committed to fostering a sustainable and resilient future that supports the prosperity of its business, the communities it operates in, and the planet at large.

The Group pledges to reduce its near-term GHG emissions by 42% from its 2021 baseline and to measure and reduce its scope 3 emissions during this period. In line with the 1.5°C target, the Groups long-term goal is to reach net zero by 2040. This commitment encompasses Scope 1, 2, and 3 emissions, which cover direct emissions from owned or controlled sources, indirect emissions from the generation of purchased energy, and all other indirect emissions that occur in a company's value chain, respectively.

The Group's net zero commitment is underpinned by its sustainability framework which is focused on improving energy efficiency, transitioning to renewable energy sources, investing in low-carbon technologies, and promoting a circular economy.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

STAKEHOLDER INTEREST:



STRATEGIC IMPERATIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:



EMISSIONS	FY24	FY23
Scope 1 & 2 emissions (tCO ₂ e)	184	113
Scope 3 emissions (tCO ₂ e)	191 003	162 967

EQUITES' LONG-TERM VISION IS TO ACHIEVE EDGE ZERO CARBON CERTIFICATION, WITH SBTi NET ZERO BY FY2040



ENVIRONMENTAL STEWARDSHIP (CONTINUED)



WATER USE EFFICIENCY, INTENSITY, SCARCITY

WATER MANAGEMENT

Increasing water scarcity due to changing rainfall patterns, pollution and ageing infrastructure, requires a responsible approach to ensure that this fundamentally important resource is competently managed. According to the World Resources Institute, SA is considered at high risk of water stress by 2040.

In response, Equites has implemented water management measures to increase efficiencies and minimise usage together with facilitating access to alternative water sources. The Group believes these interventions contribute to the preservation of this essential resource and importantly, also enables the continuity of the Group's client's operations during periods of water scarcity.

The Group has installed smart water meters across 50% of its portfolio and monitors consumption in real time through a dedicated online portal. By analysing consumption patterns, Equites can identify areas of high usage and implement measures to optimise water efficiency. This data enables the Group to roll out targeted water conservation strategies. These involve retrofitting water-saving fixtures, irrigation system improvements, and educating tenants about responsible water usage.

A number of Equites sites also make use of rain harvesting systems to augment their water supply. Water reserve tanks are installed at newer developments to provide water in instances of supply interruptions from utility providers. Some properties have well points installed and the Group continues to adopt a stakeholder approach to ensure that water reserve capacity is aligned to the tenant's needs. In FY25, Equites plans to install an ecological wastewater treatment plant at two pilot sites to further improve water reuse efficiencies.

Additionally, stormwater attenuation ponds contribute to the artificial recharge of the aquifer and replenishment of the groundwater with runoff that would normally be discharged into municipal drains.

To prevent pollution, storm water systems in our baseline specification are designed to eliminate excess grease, oil, sediment and litter, before draining to onsite retention ponds. This ameliorates the water draining into the municipal system and alleviates the impact on public infrastructure.



STAKEHOLDER INTEREST:



STRATEGIC IMPERATIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:



21 The Group's climate risk assessment can be found [here](#).



ENVIRONMENTAL STEWARDSHIP (CONTINUED)



RENEWABLE MATERIALS, HAZARDOUS MATERIALS, CONSUMPTION, WASTE



WASTE MANAGEMENT

The Group's waste footprint includes waste generated during construction and through day-to-day operations.

As construction related activities remain the largest contributor to the organisational waste profile, all site-specific environmental management plans contain dedicated waste handling and management protocols that are monitored and documented by an environmental control officer (ECO) on a monthly basis. The creation of waste is minimised and avoided where possible and recycling, separation at source and safe disposal of unavoidable waste is encouraged in line with the guidelines of the National Environmental Management Act.

Waste management during the construction phase is the responsibility of the main contractor who must establish a system acceptable to the ECO for control during execution of the works.

POLLUTION PREVENTION

There are defined procedures in place to ensure no polluted water from the washing of mechanical plant or equipment is discharged to the ground. All runoff from any activities including batching plants, work areas and mixer washings are contained in suitable sedimentation ponds. Additionally, these ponds are dried out regularly and solid waste removed and disposed of at a site approved by the local authority.

SITE CLEAN UP & REHABILITATION

Responsibility for the post construction clean-up is mandated to the main contractor to ensure that all structures, equipment, materials and facilities used on site construction activities are removed once the project has been completed. The construction site must be cleared and cleaned to the satisfaction of the ECO.



STAKEHOLDER INTEREST:



STRATEGIC IMPERATIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:





ENVIRONMENTAL STEWARDSHIP (CONTINUED)



LAND USE, LAND USE CHANGE, CONSERVATION OF FLORA AND FAUNA



BIODIVERSITY & CONSERVATION

Biodiversity enhancement and conservation of the natural environment is essential to the Group’s long-term sustainability. Equites considers the conservation of endangered species that are located within the surrounds of influence as an obligation to protect, as part of its corporate responsibility.

The Group’s professional team conducts due diligence assessments on all vacant land earmarked for development to ensure that vulnerable species or sensitive ecological systems are not harmed. The storm water systems in its baseline specification is designed to eliminate excess grease, oil, sediment and litter before draining to onsite retention ponds to alleviate pollution to the groundwater systems. Only indigenous vegetation species may be used as part of the landscaping of the development and open space area associated with the wetlands, thus reinstating faunal and floral habitats. This is to ensure that the current levels of ecological service provision of the systems are maintained and where feasible, improved.

DEVELOPMENTS

A biodiversity and ecological assessment of the site is conducted as part of the comprehensive environmental impact assessment for each new development. These include baseline assessments on terrestrial ecology and fauna with detailed findings and recommendations that are contained in the environmental management plan (EMP) to ensure preservation, relocation and/or rehabilitation for critical biodiversity and species of conservation concern where appropriate. The purpose of the EMP is to set environmental objectives and targets for the developer, professional consultants, contractors and subcontractors to achieve during the construction of the project.

Biophysical management measures ensure that prior to vegetation clearing, demarcated development footprints must be surveyed for threatened plant SCC by an Environmental Control Officer or similarly qualified person and a search-and-rescue operation undertaken for species that are suitable for translocation. These must be translocated during cooler and wetter periods of the year (e.g. autumn or winter) to minimize stress on the plants and the survival rate of all plants must be monitored and recorded monthly for the first year, the results of which must be shared with the South African National Biodiversity Institute.

Specific management plans have been developed as part of the policy requirements of authorities and applicable legislation to ensure that the construction and operations of all proposed developments are managed in a responsible way. This includes alien invasive eradication management plans which provide a framework for the management of alien and invasive plant species during the construction and operation of a project. These plans ensure that alien plants do not become dominant in parts or the whole site through the control and management of alien and invasive species presence, dispersal and encroachment. It also promotes the natural re-establishment and planting of indigenous species in order to retard erosion and alien plant invasion.

ECOLOGICALLY SENSITIVE SITE

Equites has taken responsibility for the preservation of an ecologically sensitive site consisting of a critically endangered species of shrubland endemic to the Western Cape region of South Africa, known as the Renosterveld Hill Section. This area is home to up to 40 bird species and 191 confirmed flowering plants, of which 21 are threatened. The preservation of this key ecological area was undertaken as part of a multi-stakeholder committee consisting of the landowner, Equites and other interested and affected parties. The Renosterveld is adjacent to one of Equites’ properties, which has an erf size of 72 087m² and is primarily used as administration offices and distribution warehousing.

SEASONAL SURVEYS AND ANNUAL AUDIT

A suitably qualified specialist is required to undertake a survey of this Conservation Area on a regular basis. An independent environmental auditor conducts a compliance audit on an annual basis. All findings are recorded on iNaturalist, and data recorded for the Renosterveld Hill can be found here:

<https://www.inaturalist.org/places/atlantic-hills-Tygerberg>

STAKEHOLDER INTEREST:



STRATEGIC IMPERATIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:



SPECIES IDENTIFIED	MAR-24	MAR-23
Critically endangered	1	1
Endangered	2	2
Vulnerable	10	10
Near threatened	5	5
Data deficient	3	3
Species of conservation concern	21	21
Least concern	170	170
Total species recorded	191	191



SOCIAL





EMPLOYEE WELLNESS

MANAGEMENT APPROACH

Equites' strength lies in the consistent ability to bring together unique talents and capabilities in a collaborative environment where they can formulate innovative and effective solutions.

Equites' approach is focused on the following:

- Remuneration
- Training and skills development
- Mentorship and support
- Transformation
- Diversity
- Occupational health & safety

STAKEHOLDER INTEREST:



STRATEGIC OBJECTIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:



VALUE CREATED IN FY24

- Four employees were granted bursaries for tertiary degrees
- Two employees were provided with short-courses, worth R22k on average per employee
- 2 382 man-hours spent on training (of which 82% relates to black employees)

The Group has a wide representation of skills, gender, experience and diversity in the organisation.

REMUNERATION

The Group follows a compensation mix of fixed pay benefits, performance-linked variable pay and a conditional share scheme. Individual pay is determined by both Group and individual performance. There is no prejudice in the remuneration of employees against age, gender, race, ethnicity, religion, sexual orientation or social identity. The short-term remuneration scheme rewards employees who have met their KPIs with an annual bonus, through a process that is supportive and consists of ongoing feedback. The long-term incentive is measured on individual KPI's and the Group's performance over a three-year period. This is remunerated in the form of share awards in Equites.

TRAINING, SKILLS DEVELOPMENT & SUPPORT

Through on-the-job training and mentoring, scope is created to transfer job-specific skills, which further enhances employee development and promotes continuity in operations. Through annual performance reviews, employees' functions are aligned to the Group's strategic objectives and are able to effectively monitor and address areas where development is needed. This process also allows employees to perform a critical self-evaluation against key performance areas, and it has proven to be an effective mechanism for identifying areas of growth and self-development.

OCCUPATIONAL HEALTH & SAFETY

Through the leave policy, wellness assessments and semi-flexible work hours, Equites aims to ensure that employees can manage their personal commitments with work and maintain a balanced lifestyle. Equites encourages a lifestyle-based corporate culture with frequent outdoor activities that includes walks, hikes, runs, yoga sessions, and informal afternoon get togethers, which are open to all team members. Employees have access to ICAS, an independent service provider that provides all employees and their direct family members with unlimited free access to counsellors, legal and medical professionals to assist them through any personal difficulties they may be experiencing. The Group subsidises private medical aid benefits for all staff. Through the extensive health and safety processes and procedures, the safety feasibility of projects are assessed from an occupational health perspective before being undertaken. A project will not be pursued if it presents health and safety risks to staff. No work-related injuries or fatalities were reported.

EMPLOYEE COMPOSITION (NUMBER OF EMPLOYEES)

AGE GROUP	2024		JOINERS		LEAVERS		2023	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
20 to 29	4	2	2	-	-1	-2	3	6
30 to 39	4	13	-	2	-2	-3	6	14
40 to 49	7	6	1	1	-1	-	7	3
50 to 59	3	3	-	2	-	-1	3	2
TOTAL	18	24	3	5	-4	-6	19	25



REMUNERATION RATIO

	2024	
	MALE	FEMALE
Gauteng		
Associate	0%	2%
Executive	3%	4%
Experienced	6%	3%
UK		
Executive	0%	8%
Experienced	4%	0%
Western Cape		
Associate	2%	6%
Executive	33%	10%
Experienced	8%	11%
Grand Total	55%	45%



SOCIAL RESPONSIBILITY, COMMUNITY DEVELOPMENT & EDUCATION

MANAGEMENT APPROACH

By incorporating social justice into the sustainability practices, Equites aims to foster an environment where individuals and communities can thrive without compromise, where the benefits of economic development are fairly distributed, and where every voice is heard and valued.

STAKEHOLDER INTEREST:

STRATEGIC OBJECTIVE:

CAPITALS IMPACTED:

RISKS & OPPORTUNITIES:

- VALUE CREATED IN FY24**
- Increased verified black ownership to 79.9%
 - Improved to a Level 2 B-BBEE rating
 - 135 man-hours contributed towards skills training and development under the Statement 102 transaction

SOCIAL RESPONSIBILITY

DIVERSITY, EQUITY & INCLUSION

The Group recognises the historic inequity within SA, and the current high unemployment and income inequality that exists. Equites aims to make a difference through:

- Its HR policy that promotes a workforce that is representative of the demographic of SA;
- Regular assessment of the workforce to ensure an inclusive work environment;
- Enhanced black ownership by supporting and mentoring previously disadvantaged enterprises through the Equites AmpCore programme;
- Procurement practices include a higher proportion of previously disadvantaged groups; and
- Engagement with local stakeholders and communities of interest through an independent community consultant.

Equites improved its B-BBEE certification to a level 2 in 2024.

B-BBEE SCORECARD	FY24	FY23
Ownership	26.00	26.00
Management and control	6.82	8.33
Employment equity	9.11	6.69
Skills dev.	11.14	11.34
Enterprise supplier dev.	35.21	32.67
Socio-economic dev.	2.00	-
Economic dev.	5.00	5.00
TOTAL	95.28	90.03

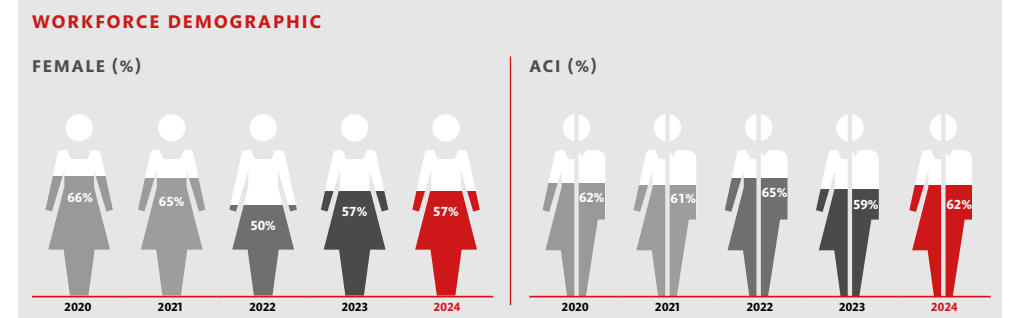
HUMAN RIGHTS

Equites supports the United Nations Universal Declaration of Human Rights. All Equites stakeholders are treated fairly and with respect, and the Group does not consciously act in ways that could infringe on anyone's rights or in a manner that they may perceive as being unjustly wronged. All stakeholders are encouraged to report any acts of known or suspected human rights violations, or unethical practices, through its anonymous whistleblowing platform EthicsDefender. The SET Committee has oversight of this function as part of their terms of reference. All incidents are reported to the Chair of the SET Committee, Board, Risk & Capital Committee and Audit Committee.

STATEMENT 102 TRANSACTIONS

A Statement 102 transaction involves the disposal of assets to black owned enterprises. The transaction must result in the creation of viable and sustainable businesses or business opportunities, and the transfer of critical and specialised skills, managerial skills, and productive capacity to black people, as stipulated by SA's B-BBEE codes.

Equites concluded its second statement 102 transaction during the year whereby a 35% undivided share in three Gauteng assets were sold to Mpande Property Fund Manager (Pty) Ltd and a third transaction whereby a KZN asset was sold to Unique Properties 4048 (Pty) Ltd. As part of the Unique transactions, Equites will provide training, facilitate the skills transfer process to Unique and ensure a smooth transition for the tenants of each of the properties. In addition, Equites will provide on-going mentorship and guidance to Unique to allow them to further develop and enhance their property expertise. Equites continues to transfer skills and mentor Mabel as part of the first statement 102 transaction completed in the prior year.





SOCIAL RESPONSIBILITY, COMMUNITY DEVELOPMENT & EDUCATION (CONTINUED)

MANAGEMENT APPROACH

In SA, Equites aims to make a lasting impact on society through various interventions that focus on:

- Community upliftment and enterprise supplier development through the Equites AmpCore programme
- Facilitating the creation of black property-owning businesses through Statement 102 transactions
- Improving procurement practices

16 Read more about Equites' Statement 102 transactions [here](#).

STAKEHOLDER INTEREST:



STRATEGIC OBJECTIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:



VALUE CREATED IN FY24

- Increased focus on improving impact on local communities through expanded scope of community engagement process
- Doubled ESD spend
- Average economic value transferred to local communities through labour participation was R6.8 million per project

COMMUNITY DEVELOPMENT

SERVING OUR COMMUNITY

A common cause of unrest during construction is poor communication and a non-transparent allocation of opportunities to the surrounding communities. The Group has mandated an independent consultant to identify suitable contractors to be appointed on projects, should the opportunity arise. In the interests of fair representation, the forums from which contractors are sourced are vetted to ensure that they are legitimate and that the broader community considers them to be representative.

AMPLIFYING CORE POTENTIAL

Equites AmpCore was established in October 2020 as a property management initiative to uplift SMMEs affected by Covid-19. It was envisioned as an Enterprise Supplier Development programme and geared towards the assistance and development of local SMMEs in various fields of maintenance and soft services. The Group's commitment to the programme is reflected in its sustainability-linked funding which requires a 20% annual increase in Enterprise and Supplier Development spend.

PROCUREMENT POLICY

The Group's procurement process is formally governed by its procurement policy to secure its use of resources, protect it from fraud and corruption, ensure compliance with regulations and manage risk. Consequences of non-compliance with the procurement policy is escalated to the Chief Operation Officer and follows the normal disciplinary process per the Labour Relations Act.

ENTERPRISE SUPPLIER DEVELOPMENT

The programme consists of two soft service providers, five contractors and one supplier to provide contractual and ad-hoc services within property management. Four vendors are 100% female owned and one 50% female owned, all having Level 1 B-BBEE ratings. The programme is focused on property management services such as cleaning, electrical, plumbing and gardening services. Its primary objective is to identify SMMEs which are able to provide these services, assisting them with training or development, providing administrative support (including obtaining relevant health and safety documents, registration with professional bodies and accounting and statutory assistance), and promoting them to become registered vendors with Equites. This initiative enables SMMEs to diversify and increase their turnover, thereby improving their quality of life, as well as creating scope for their business growth and advancement

In low-income communities throughout South Africa, emerging and micro enterprises face hurdles in evolving due to growing industry standards, and stringent company procurement policies. These small businesses often do not have the knowledge, financial means and networks to compete in formal business processes that provide access to opportunities. Through the **AmpCore** programme, the Group is focused on bridging these gaps and offering a platform where SMME's are provided with the necessary support and mentorship that facilitates their growth and inclusion within the broader economic environment.



SOCIAL RESPONSIBILITY, COMMUNITY DEVELOPMENT & EDUCATION (CONTINUED)

MANAGEMENT APPROACH

Educational initiatives are managed through Equites' partnership with The Michel Lanfranchi Foundation NPC. MLF offers bursaries to previously disadvantaged students and engages them in a learnership programme through Equites. This opportunity provides students with practical skills to prepare them for work in the property industry.

STAKEHOLDER INTEREST:



STRATEGIC OBJECTIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:



VALUE CREATED IN FY24

- Seven bursaries awarded through the MLF learnership programme
- More than doubled donations to non-profit organisations

COMMUNITY EDUCATION

EDUCATIONAL INITIATIVES

The total spend on education in the MLF bursary programme consists of seven students with a total of R1.2 million being disbursed. In addition to the funding provided in the form of bursaries, the recipients also receive mentoring and practical business experience that provides them with insight into the corporate world and allows them to put their studies into practice.

	FY24	FY23
Number of bursaries offered	8	7
Value of bursaries offered	R1.2 million	R1.2 million
Number of learnerships in progress	7	12
Number of learnerships completed during the year	12	10
Number of graduates during the year	1	1

CHARITABLE DONATIONS

The following charitable donations were made during the year through MLF:

	FY24
Beneficiaries	R1 387 500
Peninsula School Feeding Association	R500 000
Gift of the Givers Education and Health Interventions	R287 000
Just Grace NPC	R200 000
The Mitchells Plain Bursary and Role Model Trust	R200 000
Tsiba Education NPC	R200 000

INTERNSHIP PROGRAMME

The success of the vacation working programme for the bursary students led to the implementation of the internship programme for young graduates. Graduate students with an academic background in the built environment are given the opportunity to gain work experience at Equites for a period of three to six months and are exposed to all areas of the organisation. This provides the interns with a comprehensive understanding of how a REIT functions and they are mentored to develop their professional skills. The Group believes this contributes to addressing youth unemployment and equips them with a skill set that sets the foundation for future growth.





CUSTOMER CENTRICITY

MANAGEMENT APPROACH

Equites' tenant-driven approach creates a solid foundation for building trust, transforming once-off development projects or deals into long-term mutually beneficial relationships. Equites' approach is focused on the following:

- Determining tenant needs
- Devising innovative ways to meet tenant requirements
- Monitoring and identifying opportunities for improvement
- Ensuring tenant health, safety and confidentiality

22 Read more about Equites' stakeholder engagement [here](#).

STAKEHOLDER INTEREST:



STRATEGIC OBJECTIVE:



CAPITALS IMPACTED:



RISKS & OPPORTUNITIES:



VALUE CREATED IN FY24

- Expanded existing facilities for Shoprite and TFG and developing new facilities for them
- In the process of implementing recommendations of sustainability audits
- Enhanced security measures at logistics parks

ASSISTED MAINTENANCE PROGRAMME

The Group's assisted maintenance programme helps tenants by ensuring that they meet their maintenance obligations in respect of their lease obligations. The programme provides administrative assistance relating to the servicing and maintenance of major building elements on behalf of tenants. This reduces the maintenance administrative burden on tenants while ensuring properties are well-maintained.

TENANT ENGAGEMENT & SATISFACTION SURVEY

Tenant satisfaction is of key importance to the Group, affording Equites with a niche reputation as development partner of choice. Regular engagements with tenants are undertaken to understand their needs and manage their expectations. Both the Executive and the property management team provide constant oversight to ensure all tenant requirements are addressed. These interactions identify areas of improvement, resolve queries and ensure continuity of the relationship with tenants.

Tenant meetings are conducted bi-annually and feedback is provided to the Executive and the Board on the outcomes of the engagements. An online occupier satisfaction survey is sent out that requests feedback on various aspects of the tenant experience, including maintenance, service delivery and responsiveness amongst other indicators. These results are collated through an automated process and the results shared with the management team.

There have been no reported incidents relating to health and safety issues on any Equites' properties during the year, and no reported complaints or breaches to customer privacy or loss of data.

PRODUCT SAFETY AND QUALITY

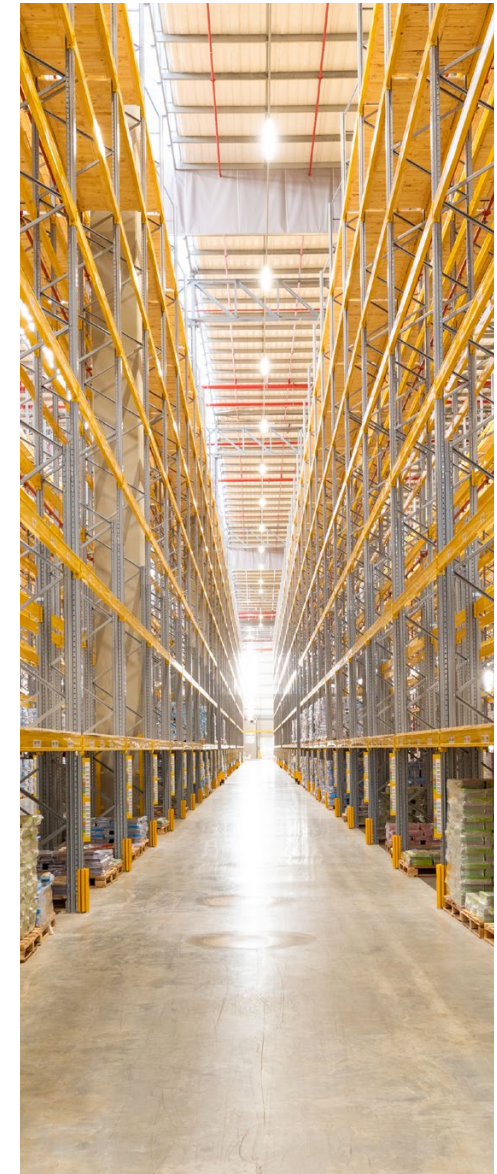
The safety and quality of Equites' properties and developments are of paramount importance. Where a property was previously occupied, a take-back inspection is conducted with the exiting tenant. This is to ensure that Equites receives all service records, and that the property is reinstated. A take-on inspection is subsequently conducted with the incoming tenant to highlight any remedial work before the tenant assumes responsibility for the building.

On new developments, property inspections are conducted by Equites and the tenant prior to occupation. This includes a strict health and safety check to ensure that the building is safe for occupation.

Equites offers optional training to tenants on the importance of Occupational Health and Safety regulations and best practices.

EXTERNAL SAFETY AUDIT

All properties are subject to ongoing monitoring. An annual structural assessment is undertaken by an independent professional service provider. Building maintenance schedules are inspected to verify that the manufacturers servicing guidelines have been followed.





GOOD GOVERNANCE





GOOD GOVERNANCE

MANAGEMENT APPROACH

The oversight of ESG falls under the auspices of the Social, Ethics and Transformation Committee.

- The Committee, in support of the Board, is responsible for reviewing and approving the climate risks and opportunities and integrating them into the Company strategy and risk management framework.
- Climate targets are integrated into management incentives where appropriate.
- The Committee also provides direction and guidance regarding the organisation's approach to ethics and maintaining a sound ethical culture.
- Acting with integrity and maintaining high ethical standards are critical and this is held in high regard throughout the organisation.
- Being a good corporate citizen is prioritised at all times.
- The Group subscribes to the King IV Code on Corporate Governance in South Africa and has aligned its governance processes with the 11 principles espoused by the Code.

MEMBERSHIPS

Equites is a member of the SA REIT Association and South African Property Owners Association.

Two Executives of Equites hold committee positions at the SA REIT association. Through these bodies the Group is involved in furthering the objectives of good governance and sustainability as it relates to the built environment.

BRIBERY & CORRUPTION

The Group has a zero-tolerance approach towards fraudulent and illegal activity. The SET Committee approved and implemented the anti-bribery and corruption policy in FY23. All employees received comprehensive training on bribery and corruption during the prior year. The training clearly articulated various forms of bribery, corruption, facilitation payments, and other practices that could be construed as being fraudulent or illegal. The training was concluded with a scored test to ensure employees are able to identify, prevent and report any unethical behaviour. Through the EthicsDefender whistleblower programme, staff and external parties can anonymously report any incidents of bribery or corruption, and all submissions are directly received by the Board.

38 Read more about the Board's approach to bribery & corruption [here](#).

REGULATORY COMPLIANCE

All new developments comply with the prescribed standards contained within national legislation of the respective operating jurisdiction. In South Africa, all developments comply with the South African National Environmental Management Act and are subject to Environmental Impact Assessments in line with regulations. Construction only commences upon the approval of an Environmental Impact Authorisation by the prevailing authority and a site-specific Environmental Management Plan. During the building process, all sites are monitored by an independent Environmental Control Officer who submits a monthly report to the Equites development team. This team logs any breaches and engages with the responsible parties to ensure that the proper corrective action is taken to remedy the infringement. Should a contravention persist, this would be reported to the Risk and Capital Committee.

In preparation for the implementation of Energy Performance Certificates (EPC's) the Group initiated extensive discussions with EPC practitioners and South African National Energy Development Institute to validate the requirements as promulgated. As most Equites buildings are classified as 'J1 Industrial', the Group has already kick started the certification process to ensure compliance ahead of the new deadline in December 2025.

INTERNAL AUDIT & RISK MANAGEMENT

Risk management at Equites is overseen by the Risk and Capital Committee. A robust control environment is managed through structured policies and procedures, organisational structure and Board oversight. Equites has established a risk based internal audit function which reports to the Audit Committee. The internal audit function's scope and objectives include providing assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control environment, responding to the changes in the risk landscape of the Group.

25 Read more about the risk management framework [here](#).

CLIMATE RISK ASSESSMENT

The ESG Officer monitors and reports on all climate related risks under the guidance of the Social, Ethics and Transformation Committee. The ESG steering committee is responsible for identifying and implementing solutions pertaining to climate risk mitigation strategies and other sustainability initiatives. The Group has incorporated climate risk identification into its risk management strategy and reports these based on the guidelines of the TCFD framework. The Executive have managerial oversight over climate risk management, which is characterised by frequent interactions on sustainability in a transparent feedback process. This mechanism ensures that there is an alignment with the strategy of the Group and informed decisions are based on material information.



GOOD GOVERNANCE (CONTINUED)

EQUITES' CLIMATE RISK ASSESSMENT CONSIDERS THE FOLLOWING TYPE OF RISKS

PHYSICAL RISKS

These involve risks to property resulting from climate change, such as increased severe weather events (e.g. floods, wildfires, water scarcity). These risks can cause physical damage to properties, increasing the cost of maintenance and repairs, insurance premiums, devaluations, or even leading to complete property loss. This involves an evaluation of the location and resilience of Equites' assets, taking into consideration the predictions of climate models.

TRANSITION RISKS

These risks arise from the global transition towards a low-carbon economy. This transition is accompanied by changes in policy and regulation, technological improvements, market shifts, and reputational impacts. As a REIT, the Group recognises that it may face increased costs of compliance with regulations (e.g. building codes, energy efficiency standards), potential devaluation of assets not aligned with a low-carbon economy, and changes in tenant preferences towards more sustainable properties, that could result in stranded assets.

LIABILITY RISKS

This includes potential legal actions taken against the Group for failure to implement climate related regulatory requirements. These risks may result in reputational damage and/or financial losses.



EQUITES OVERARCHING CLIMATE RISK RESPONSE

CLIMATE RISK ASSESSMENT*

Annual climate risk assessments to identifying properties at risk, assessing the degree of risk, and estimating potential costs of damage or adaptation measures.

SUSTAINABLE INVESTMENT

Investing in energy-efficient properties, that employ renewable energy sources, and are resilient to physical risks posed by climate change.

POLICY ADVOCACY

Actively participating in policy discussions related to climate change and real estate, to support the transition to a low-carbon economy and climate resilience.

STAKEHOLDER ENGAGEMENT

Frequent communication with key stakeholders about Equites' climate risk strategy, reinforcing its commitment to managing these risks and ongoing actions.

CLIMATE RISK REPORTING

Aligning with best practice recommendations to ensure transparent disclosure of the Group's climate-related risks and opportunities.

* Planned to commence in FY25.



GOOD GOVERNANCE (CONTINUED)

EQUITES' CLIMATE RISK ASSESSMENT

PHYSICAL RISKS

MATERIAL MATTER:

MM2 MM4 MM5

STRATEGIC OBJECTIVE:

3 4

TRANSITION RISKS

MATERIAL MATTER:

MM2 MM4 MM5

STRATEGIC OBJECTIVE:

1 2 3 4

LIABILITY RISKS

MATERIAL MATTER:

MM4

STRATEGIC OBJECTIVE:

1 2

SHORT TERM

RISK IDENTIFIED

Increased **severity** of extreme weather events.

POTENTIAL IMPACT

Damage to properties; Tenant disruption and rent concessions

10 Read more about the Group's response to the physical effects of climate change **here**.

MC NC

RISK IDENTIFIED

Shift in tenant preference to meet sustainability goals.

POTENTIAL IMPACT

Low demand for properties with sub-optimal sustainability credentials; Diminishing tenant profile

MC SC

RISK IDENTIFIED

Enhanced emissions-reporting obligation.

POTENTIAL IMPACT

Lack of resources with the necessary skills

HC

RISK IDENTIFIED OPPORTUNITIES IDENTIFIED:

- Competitive advantage due to higher demand for Green Buildings.
- More resilient tenant supply chains and reduced costs.
- Innovative solutions to manage emissions data and reporting.
- Access to new emerging markets through partnership with government.
- Diversification of financial assets such as green bonds.
- Preferential interest rates on sustainability-linked funding
- Additional revenue from solar energy generation.

RISK IDENTIFIED

Not meeting sustainability-linked funding requirements.

POTENTIAL IMPACT

Higher interest rates

FC SC

MEDIUM TERM

RISK IDENTIFIED

Lower demand for properties in areas of 'high-risk' for extreme weather events, or changes in precipitation patterns.

POTENTIAL IMPACT

Transport and supply chain disruptions; Lower rental; Inadequate water supply

11 Read more about the Group's water management initiatives **here**.

MC NC

RISK IDENTIFIED

Pricing associated with GHG emissions and/or exorbitant costs to retrofit older properties with sustainability features.

POTENTIAL IMPACT

Increased direct cost associated with GHG emissions; Devaluation of properties with sub-optimal sustainability credentials

9 Read more about the Group's Green Buildings **here**.

MC FC NC

RISK IDENTIFIED

Held responsible for business disruption or injury caused by lack of mitigation strategies.

POTENTIAL IMPACT

Claims for damages

FC SC

LONG TERM

RISK IDENTIFIED

Rising mean temperatures and increased severity of extreme weather events in 'high-risk' areas. Reduced availability of insurance for properties located in 'high-risk' areas.

POTENTIAL IMPACT

Higher operating costs; Higher insurance premiums; Devaluation or stranded properties in 'high-risk' areas

10 Read more about the Group's Net-Zero SBTi commitment **here**.

MC FC NC

RISK IDENTIFIED

Reduced investor confidence over portfolios with limited sustainability initiatives and risk of stranded properties with sub-optimal sustainability credentials.

POTENTIAL IMPACT

Limited access to funding; Unable to grow the business; Write-offs

MC FC SC NC

RISK IDENTIFIED

Legal action for failure to implement regulatory requirements

POTENTIAL IMPACT

Claims for damages; Reputational damage

FC SC



OTHER INFORMATION





TCFD INDEX

	1. GOVERNANCE DISCLOSE THE ORGANISATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES	2. STRATEGY DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING WHERE SUCH INFORMATION IS MATERIAL	3. RISK MANAGEMENT DISCLOSE HOW THE ORGANISATION IDENTIFIES, ASSESSES, AND MANAGES CLIMATE-RELATED RISKS	4. METRICS AND TARGETS DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL
DISCLOSURE REQUIREMENT	a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	a) Describe the organisation's processes for identifying and assessing climate related risks	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
ADDITIONAL INFORMATION	The Board is supported by the Social, Ethics and Transformation Committee which provides direct oversight of ESG-related matters, including climate change. All members of the Social, Ethics and Transformation Committee are also members of the Risk and Capital Committee, responsible for risk management, controls and governance processes within the Group. The SET Committee meets twice a year, and the Risk and Capital Committee meets three times a year. The SET committee focused its efforts on sustainability and ESG. The Committee oversaw the adoption and implementation of the TCFD framework through the Group's in-house ESG function.		The ESG Officer is responsible for ensuring that all climate related risks are identified and assessed.	
SR/IR	Governance mechanisms into which climate-related issues are integrated: <ul style="list-style-type: none"> ■ Reviewing and guiding strategy ■ Reviewing and guiding major plans of action ■ Reviewing and guiding risk management policies ■ Reviewing and guiding annual budgets ■ Reviewing and guiding business plans ■ Setting performance objectives ■ Monitoring implementation and performance of objectives ■ Overseeing major capital expenditures, acquisitions and divestitures ■ Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	Risk assessment matrix Climate risk assessment	Risk assessment matrix Climate risk assessment	Net-Zero SBTi commitment Performance against strategy Remuneration report



TCFD INDEX (CONTINUED)

	1. GOVERNANCE DISCLOSE THE ORGANISATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES	2. STRATEGY DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING WHERE SUCH INFORMATION IS MATERIAL	3. RISK MANAGEMENT DISCLOSE HOW THE ORGANISATION IDENTIFIES, ASSESSES, AND MANAGES CLIMATE-RELATED RISKS	4. METRICS AND TARGETS DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL
DISCLOSURE REQUIREMENT	b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning	b) Describe the organisation's processes for managing climate-related risks	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks
ADDITIONAL INFORMATION	The Board delegates authority to the Executive to implement operational activities in line with the strategic objectives. Performance against these strategic objectives are linked to executive remuneration (STI and LTI) which includes climate related KPIs. The executive has managerial oversight of climate risk management, which is characterised by frequent interactions on sustainability in a transparent feedback process.	The Group's risk management framework includes mitigating actions undertaken by the Group to reduce or transfer risk, such that the remaining residual risk is acceptable to the Group. The Group's material matters include an assessment of risks and opportunities and influence the Group's strategy and governance, and inform short-, medium- and long-term targets. The Board reviews the Group's strategy annually with the aim of ensuring that the strategy is aligned to the core values of the Group, risks identified and long-term stakeholder interests. The Board delegates authority to the Executive directs to implement operational activities in line with the strategic objectives.		The Group undertakes an annual GHG assessment by an independent third party to discloses its Scope 1, Scope 2 and Scope 3 GHG emissions.
SR/IR	Strategic objectives Climate risk assessment	Material matters Strategic objectives Risk management framework Climate risk assessment	Material matters Strategic objectives Risk management framework Climate risk assessment	Emissions data Climate risk assessment Assurance
DISCLOSURE REQUIREMENT		c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets
ADDITIONAL INFORMATION				
SR/IR		Climate change Strategic objectives	Material matters Risk management framework Climate risk assessment	Net-Zero SBTi commitment



GRI INDEX

STANDARD	DISCLOSURE	DESCRIPTION	REFERENCE	OMISSION
GRI 2				
General disclosure	2-1	Organisational details	31	
	2-2	Entities included in the organisation's sustainability reporting	76	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	2	
	2-5	External assurance	2	
	2-6	Activities, value chain and other business relationships	17	
	2-7	Employees	24 15 16	
	2-9	Governance structure and composition	32	
	2-10	Nomination and selection of the highest governance body	33	
	2-11	Chair of the highest governance body	12 32	
	2-12	Role of the highest governance body in overseeing the management of impacts	35 36	
	2-13	Delegation of responsibility for managing impacts	39 40	
	2-14	Role of the highest governing body in sustainability reporting	41 42	
	2-15	Conflicts of interest	34	
	2-16	Communication of critical concerns	35	
	2-17	Collective knowledge of the highest governance body	33 36	
	2-18	Evaluation of the performance of the highest governance body	33 43	
	2-19	Remuneration policies	48	
	2-20	Process to determine remuneration	45 46 47	
	2-21	Annual total compensation ratio	57	Metrics relevant to pay ratio and pay gap disclosure will be thoroughly researched and analysed.

STANDARD	DISCLOSURE	DESCRIPTION	REFERENCE	OMISSION
GRI 2 (CONTINUED)				
	2-22	Statement on sustainable development strategy	31 6	
	2-23	Policy commitments	37 38 39 40 15 16 17 21	
	2-24	Embedding policy commitments	37 38 39 40 15 16 17 21	
	2-25	Processes to remediate negative impacts	35 38 21	
	2-26	Mechanisms for seeking advice and raising concerns	38 21	
	2-27	Compliance with laws and regulations	35 37 39 40 21	
	2-28	Membership associations	21	
	2-29	Approach to stakeholder engagement	22	
GRI 3				
Material topics	3-1	Process to determine material topics	9	
	3-2	List of material topics	9	Part omitted: Report changes to the list of material topics compared to the previous reporting period.
	3-3	Management of material topics	9 10 11	
GRI 201				
Economic performance	201-2	Financial implications and other risks and opportunities due to climate change	28 42 22 23	
GRI 203				
Indirect economic impacts	203-2	Significant indirect economic impacts	17 9	
GRI 205				
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	17 40 42 21	



GRI INDEX (CONTINUED)

STANDARD	DISCLOSURE	DESCRIPTION	REFERENCE	OMISSION
GRI 302				
Energy	302-1	Energy consumption within the organisation	29	
	302-2	Energy consumption outside of the organisation	29	
	302-3	Energy intensity	29	
	302-4	Reduction of energy consumption	29	
GRI 303				
Water and effluent	303-1	Interactions with water as a shared resource	29	11
GRI 304				
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	13	
	304-2	Significant impacts of activities, products and services on biodiversity	13	
	304-3	Habitats protected or restored	13	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	13	
GRI 305				
Emissions	305-1	Direct (Scope 1) GHG emissions	29	
	305-2	Energy indirect (Scope 2) GHG emissions	29	
	305-3	Other indirect (Scope 3) GHG emissions	29	
	305-4	GHG emissions intensity	29	
	305-5	Reduction of GHG emissions	29	
GRI 306				
Waste	306-1	Waste generation and significant waste-related impacts	12	Further disclosure to be researched to provide greater specificity and transparency going forward.
	306-2	Management of significant waste-related impacts	12	

STANDARD	DISCLOSURE	DESCRIPTION	REFERENCE	OMISSION	
GRI 401					
Employment	401-1	New employee hires and staff turnover	15		
GRI 403					
Occupational health and safety	403-3	Occupational health services	15		
	403-6	Promotion of worker health	24	15	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	15		
	403-9	Work-related injuries	19		
GRI 404					
Training and education	404-1	Average hours of training per year per employee	15	Part omitted: Average training hours per employee Reason: Information unavailable Explanation: Equites records total man-hours spent on training per year	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	20	24	
GRI 405					
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	32	33	16
	405-2	Ratio of basic salary and remuneration of women to men	15		
GRI 413					
Local communities	413-1	Operations with local community engagement, impact assessments and development programmes	16	17	18
GRI 416					
Customer health and safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	19		



ENVIRONMENTAL INDICATORS

GHG EMISSIONS

SCOPE 1 & 2 EMISSIONS	Units	FY23	FY24	% change
GHG emissions				
Scope 1 GHG emissions ¹	tCO ₂ e	3.8	6.2	62
Scope 2 GHG emissions	tCO ₂ e	109.3	177.5	57
Total Scope 1 and Scope 2 GHG emissions	tCO₂e	113.1	183.7	57
MARKET- VERSUS LOCATION-BASED GHG EMISSIONS FY24	Units	Market Based	Location Based	
GHG emissions				
Scope 2 GHG emissions	tCO ₂ e	109	178	
Scope 2 GHG emissions intensity	tCO ₂ e/m ²	0.27	0.17	
SCOPE 3 EMISSIONS	Units	FY23	FY24	% change
GHG emissions				
Scope 3 GHG emissions	tCO ₂ e	162 967	191 003	17.2
ENERGY INTENSITY				
GHG emissions				
Scope 1 & 2 emissions per GLA	tCO ₂ e/m ²	0.11	0.17	56
Scope 3 emissions per GLA	tCO ₂ e/m ²	0.10	0.08	-19
ENERGY REDUCTION INITIATIVES (REDUCTION IN SCOPE 3 EMISSIONS)				
Initiative description				
Rooftop solar PV	tCO ₂ e	11 846	21 780	84
LED retrofit	tCO ₂ e	117	–	–
ENERGY USAGE				
Direct Energy				
Diesel	MWh	4.3	4.8	12
Fuel	MWh	–	–	n/a
Scope 1 (Fuel and Gas)	MWh	4.3	4.8	12
Purchased electricity (grid supplied)	MWh	105	176	67
Renewable electricity purchased ²	MWh	8.1	6.1	-24
Scope 2 (electricity)	MWh	113.2	182.1	43
Total energy consumption	MWh	117.5	186.9	55
WATER USAGE				
Water usage				
Groundwater	kl	–	–	–
Municipal water	kl	384 511	626 286	63
WATER USE INTENSITY				
Water usage				
Water usage per GLA	kl/m ²	0.5	0.4	-20

¹ Emissions are calculated using the GHG Protocol Standard.

² Eskom wind pilot project was ended. A new project has been implemented which will increase this in FY25.



GLOSSARY

3PL	third party logistics	FMCG	Fast-moving consumer goods	REIT	Real Estate Investment Trust
B-BBEE	Broad-Based Black Economic Empowerment	FY	Financial year	SA	South Africa
Black	Black as defined in the B-BBEE Act	GHG	Greenhouse Gas	SBTI	Science Based Targets Initiative
Board	Equites Property Fund Limited's board of directors	GLA	Gross lettable area	SCC	Species of conservation concern
BREEAM	Building Research Establishment Environmental Assessment Method	GRI	Global Reporting Initiative	SDG	Sustainable Development Goals
CEO	Chief Executive Officer	Group	Equites Property Fund Limited and its subsidiaries	SET	Social, Ethics and Transformation
CFO	Chief Financial Officer	ICAS	Independent Counselling and Advisory Services	Shoprite	Shoprite Checkers Proprietary Limited
Chair	Chairperson	IR	Integrated report	SLB	Sustainability-linked Bond
Companies Act	the Companies Act, No. 71 of 2008, as amended from time to time	JSE	Johannesburg Stock Exchange	SMME	Small, medium and micro-enterprises
Company	Equites Property Fund Limited	KING IV	King IV Report on Corporate Governance for South Africa	SR	Sustainability report
COO	Chief Operating Officer	KI	Kilo litres	STI	Short-term incentive
EBS	Advisory Subsequently acquired by EY South Africa	KPI	Key performance indicator	tCO₂e	Greenhouse gasses emitted measured in tonne
ECO	Environmental Control Officer	KWh	Kilowatt-hour	TCFD	Task Force on Climate-related Financial Disclosure
EDGE	Excellence in Design for Greater Efficiencies	KWP	Kilowatt-peak	TFG	Foschini Retail Group (Pty) Ltd
EMP	Environmental Management Plan	KZN	KwaZulu-Natal	UK	United Kingdom
Equites	Equites Property Fund Limited	LTI	Long-term incentive	UN	United Nations
ESD	Enterprise and Supplier Development	Mabel	Mabel Black Knight Investments 1 Proprietary Limited	Unique	Unique Properties 4048 (Pty) Ltd
EPC	Energy Performance Certificate	MLF	The Michel Lanfranchi Foundation NPC	WBCVSD	World Business Council for Sustainable Development
ESG	Environmental, Social and Governance	MW	Megawatt	WRI	World Resources Institute
Executive directors	CEO, CFO and COO	MWh	Megawatt-hour	YOY	Year-on-year
		NPC	Non-profit company		
		PV	Photovoltaics		



COMPANY INFORMATION

EQUITES PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2013/080877/06)
Share code: EQU ISIN: ZAE000188843
JSE alpha code: EQU1
(Approved as a REIT by the JSE)

DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

PL Campher (Chairman), MA Brey, E Cross, K Ntuli, AD Murray, N Mkhize, F Tonelli

NON-EXECUTIVE DIRECTOR

AJ Gouws

EXECUTIVE DIRECTORS

A Taverna-Turisan (CEO), GR Gous (COO), L Razack (CFO)

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TRANSFER SECRETARY

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AUDITORS

PricewaterhouseCoopers Inc.

EQUITY SPONSOR

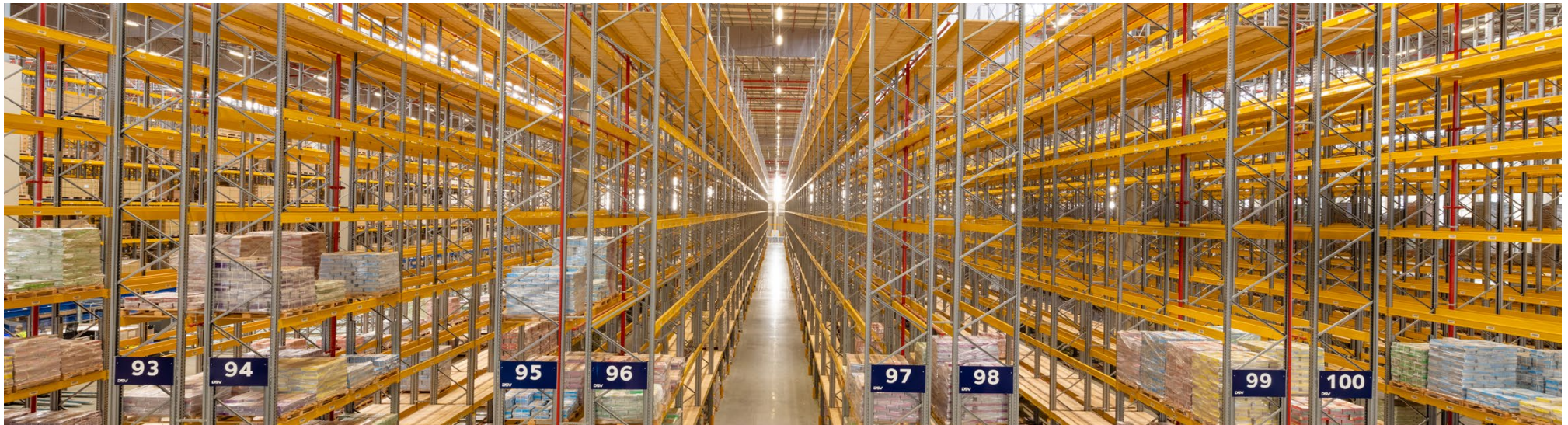
Java Capital Trustees and Sponsors Proprietary Limited

DEBT SPONSOR

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

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