

SA CORPORATE
REAL ESTATE

INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA



2023

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

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ABOUT THIS REPORT

The Environmental, Social and Governance ("ESG") report ("the report", "ESG report") forms part of the annual suite of reports for SA Corporate Real Estate Limited ("the Group") and covers the year ended 31 December 2023. The ESG report is aimed at all stakeholders that have an interest in the activities of the Group, with an emphasis on investors, employees, debt providers, communities and tenants. The ESG report is intended to be read in conjunction with the 2023 Integrated Annual Report ("IAR").

SCOPE OF THE ESG REPORT

The report covers the governance aspects and the social as well as environmental impact of all wholly-owned property investment subsidiaries (including the recently acquired Indluplace Properties Limited ("Indluplace")) and SA Corporate Real Estate Fund Managers (RF) (Pty) Ltd ("Manco"). The property management in respect of the Zambian joint ventures ("JV/JVs") has been outsourced to our Zambian partners.

In terms of our carbon footprint reporting, a total of 264 properties were included in the assessment, which was done on an equity share approach. The operational boundaries include scope 1 direct emissions (mobile combustion, stationary combustion and refrigerant gases), scope 2 indirect emissions (SA Corporate, Afhco and Indluplace common area electricity consumption) and scope 3 indirect emissions (tenants' electricity and water consumption). Non-Kyoto gases have been calculated and are reported separately.

BASIS OF PREPARATION

The report has drawn on the six capitals identified by the International Integrated Reporting Council as a basis of an organisation's value creation, as well as aspects of the Sustainability Reporting Guidelines developed by the Global Reporting Initiative, the United Nations ("UN") Global Compact, and recommendations of the King Report on Corporate Governance ("King IV™"). These criteria have been used for guidance only, with the reporting predominantly focusing on issues

that are material to the Group's stakeholders. The Group has also considered the 17 Sustainable Development Goals ("SDGs") set out in the UN Department of Economic and Social Affairs' SDG Report and identified five areas of business or society where the Group can make the most significant impact, and which is particularly relevant in the current South African/African context.



QUALITY
EDUCATION



GOOD HEALTH
AND WELL-BEING



GENDER
EQUALITY



PEACE, JUSTICE
AND STRONG
INSTITUTIONS



AFFORDABLE
AND CLEAN
ENERGY

ASSURANCE

The Board of directors ("Board") of SA Corporate identifies the material matters that need to be addressed in the IAR as well as the ESG report to provide a balanced view of all matters that are salient to the ability of the Group to continue adding value to its stakeholders. The content of both the IAR and the ESG report is selected and prepared by management, with oversight and input from the Board and its respective Committees. The ESG report was reviewed by the Social, Ethics and Environmental Committee ("SEEC") and approved by the Board.

Under the concept of combined assurance, as recommended by King IV™, certain elements within the IAR and ESG report have been assured for internal and/or external reporting purposes and independently verified, by the following entities:

Key Activities	Company
External auditor for the Group Annual Financial Statements ("AFS")	PricewaterhouseCoopers Inc. ("PwC")
External Auditor for Indluplace	BDO South Africa
Internal Auditor for SA Corporate Group	BDO Advisory Services ("BDO")
B-BBEE level verification	AQRate
Group property portfolio valuation (excl. Indluplace)	Quadrant Properties
Indluplace portfolio valuation	Real Insight Yield Enhancement Solutions
Carbon footprint assessment	Terra Firma Solutions
Traditional portfolio property management	Broll Property Management ("Broll")

ETHICAL CODE OF CONDUCT

The Board is the custodian of the Group's ethical leadership and corporate governance. A Code of Ethics and a Code of Conduct are in place, which require all directors and employees to apply high

moral standards in all business dealings. These codes set out the expected foundational behaviours internally and externally, which include standards of good, proper and fair conduct in support of the Group's values.

MATERIAL MATTERS

SA Corporate's strategy and sustainability are closely aligned with the material matters and requirements of all its stakeholders. As these inform and shape SA Corporate's strategic direction, they are identified and endorsed by the Group's Board and management team via ongoing input from all the Group's stakeholders, including employees, investors and shareholders, as well as analysts, regulators and the media.

We consider issues to be material if they reflect on the six capitals in a manner that could substantially impact and influence the decisions of stakeholders in assessing the Group's ability to create value in the short, medium and long term. As such, we have identified the following as our key material issues:

- 1 Macro-economic conditions** affect our vacancies, reversions and property values, among others. IAR, page 37
- 2 Value extraction within our portfolio** is key to generating sustained shareholder returns. IAR, page 8
- 3 Talented and engaged people reflecting gender equity and social diversity**, without whom we cannot operate. Page 23
- 4 Sustainable development** is essential to our role as a responsible corporate citizen. Page 18

FORWARD-LOOKING STATEMENTS

The ESG report contains certain forward-looking statements. By their very nature, such statements cannot be considered guarantees of future performance and outcomes as they are dependent on events and circumstances, the predictability of which is uncertain and not entirely within the Group's control.

SA CORPORATE AT A GLANCE

SA Corporate is a JSE-listed Real Estate Investment Trust ("REIT") and, together with its subsidiaries, owns a diversified portfolio of quality industrial, retail and residential buildings, primarily located in the major metropolitan areas of South Africa, with a secondary node in Zambia.

SA Corporate, established in 1995, is one of the oldest established property companies in the South African market.

OUR VISION

Our vision is to produce sustainable distribution growth and long-term capital appreciation for investors, through investment in a well-diversified, defensive and balanced property portfolio. We will remain cognisant of our role as responsible corporate citizens and aim to achieve our vision in a manner that benefits all our stakeholders, while preserving the environment.



**LEVEL 1 B-BBEE
CONTRIBUTOR**

OUR VALUES

Integrity
Innovation
Accountability
Respect

**PURSuing THE HIGHEST STANDARDS OF
ETHICAL BEHAVIOUR AND ACCOUNTABILITY**

REIT STATUS

Since 2015

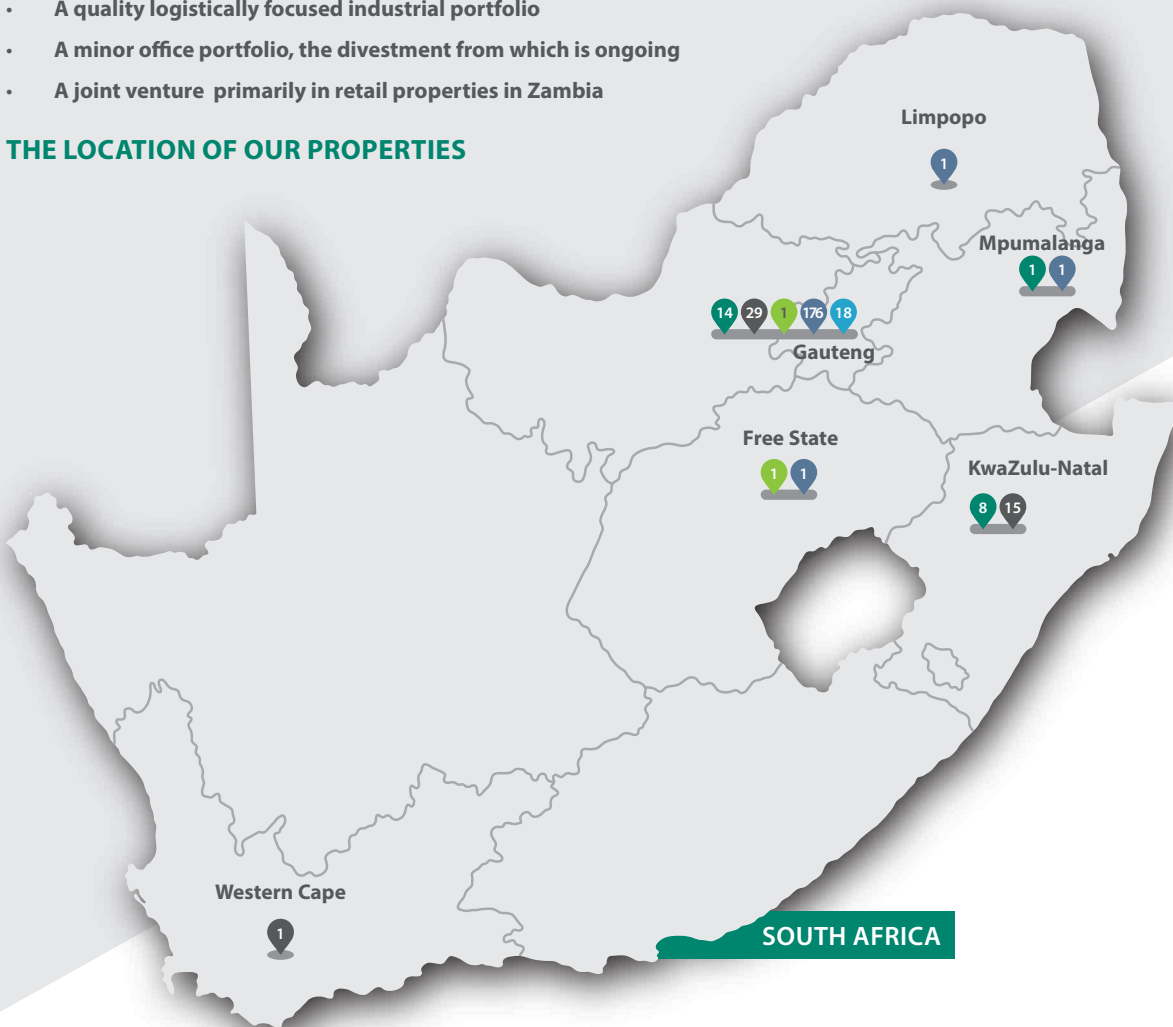


OUR PROPERTY PORTFOLIO

PORTFOLIO ATTRIBUTES

- A defensive retail portfolio specialising in convenience (which includes storage facilities)
- A best-in-class residential rental portfolio
- A quality logistically focused industrial portfolio
- A minor office portfolio, the divestment from which is ongoing
- A joint venture primarily in retail properties in Zambia

THE LOCATION OF OUR PROPERTIES



NUMBER OF PROPERTIES



Assets under management

R19.0 billion

267 properties

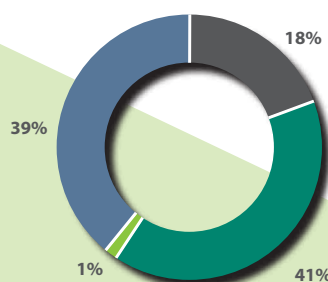
Valued at R17.7 billion (excluding three Zambian properties, which are held in JVs)

Gross lettable area

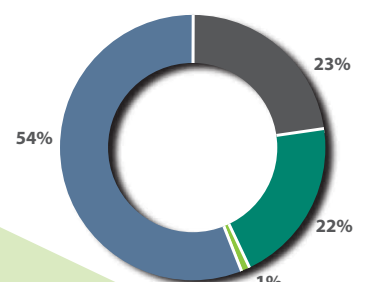
("GLA") (m²)

1.7 million

REVENUE (R'000)



RENTAL AREA (m²)



■ Afhco ■ Industrial ■ Retail ■ Commercial

ESG PERFORMANCE REVIEW



VALUE CREATION



VALUE PRESERVATION



VALUE EROSION



ENVIRONMENT

+ RENEWABLE ENERGY
Generated **14 003 MWh**, a saving of **R26 million** in costs and **12 758 tonnes** of CO₂e ("tCO₂e")

+ ENERGY EFFICIENCY
Electricity consumption (tCO₂e per m² of GLA) has decreased by **38%** against 2016 baseline

+ CARBON FOOTPRINT
11% decrease in Scope 1 and 2 emissions and **1%** increase in Scope 1, 2 and 3 emissions

+ WASTE
1 812 m³ of waste, representing **1 812 tonnes**, recycled

- WATER
70% increase in water used*

+ RECYCLING
Efforts equated to **7 190 500 litres** water saved and **13 854 702 KWh** energy saved

*Due to the Indluplace acquisition



SOCIAL

+ CORPORATE SOCIAL INVESTMENT
Spent R731.2 thousand

+ B-BBEE
Level 1

+ CityKidz
852 scholars
R2 million bursaries to **626** beneficiaries

+ STUDENT ACCOMMODATION
Increased by **134%** to **4 291 beds***

+ RETAIL CENTRE SOCIAL INITIATIVES
Various social events and fundraising activities held with the proceeds used to uplift communities

+ EMPLOYEES

84% of our employees are from previously disadvantaged groups, of which **46%** are female

86% of employees trained are from previously disadvantaged groups

+ TRAINING
R2.9 million spent on employee training

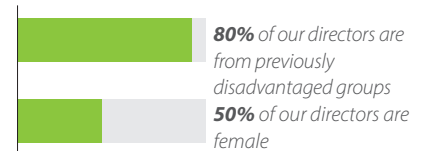
R0.98 million spent on external bursaries and learnerships

+ ENTERPRISE AND SUPPLIER DEVELOPMENT
R0.68 million spent on enterprise development and **R1.8 million** on supplier development



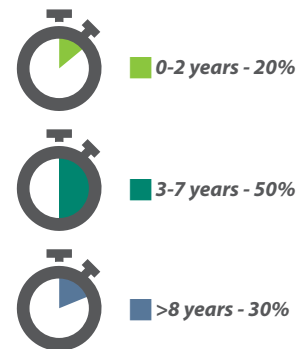
GOVERNANCE

+ DIVERSE BOARD



+ STRONG OVERSIGHT
100% Board meeting attendance
99.4% Committee meeting attendance

✓ BOARD TENURE



✓ BOARD INDEPENDENCE
100% non-executive directors are independent

+ SHAREHOLDER VOTE AT AGM
92.3% approval of Remuneration Policy
89.1% approval of implementation report



OUR APPROACH TO SUSTAINABILITY

Dear stakeholder

The Board has appointed the Social, Ethics and Environmental Committee ("SEEC") to provide strategic direction and diligent oversight for all social, ethical and environmental matters across the entire Group. The SEEC is also responsible for fostering and promoting an uncompromising ethical culture throughout the Group. The SEEC's work is carried out within a comprehensive framework that covers all pillars of economic development, workplace practices, as well as all social and environmental initiatives.



Ms EM Hendricks
Chairman of the SEEC

More information on the SEEC's composition and mandate is set out on page 14.

The Group acknowledges that maintaining a holistic balance of its performance is crucial to achieving long-term prosperity in business. To ensure a comprehensive approach, the SEEC oversees and monitors the Group's ESG strategy and ensures that all relevant dimensions are proportionately addressed across its business operations. The Group recognises and concurs with the growing significance that investors, tenants, consumers and society attach to appropriate management of these ESG matters by businesses. Consequently, the SEEC is proud to approve and present the 2023 ESG report which reflects the Group's commitment to promoting relevant and impactful ESG initiatives within the Group.

LEVEL 1 B-BBEE RATING

The Group is exceptionally pleased with SA Corporate's enhanced B-BBEE contributor status which was awarded for the 2023 verification period. The rating was the culmination of a concerted focus to improve or maintain scores achieved in the past and mitigating possible impacts of the Indluplace acquisition.



HIGHLIGHTS OF OUR PROGRESS ACROSS ALL ESG DIMENSIONS DURING 2023 INCLUDE:

Retail properties generated 12% of their total energy requirement through renewable energy this year, leading to significant cost savings and lower emissions.

- SA Corporate (excluding newly acquired Indluplace) reduced total carbon emissions by 15% in 2023, because of improved recoveries and increased solar PV generation.
- Board diversity targets of 40% female directors were exceeded, with gender parity at the Board level.
- A formal, externally facilitated Board evaluation was conducted for the year under review. Outcomes of evaluations are considered and improvement plans are developed.
- A new Employee Bursary programme to encourage employees to obtain formal qualifications was especially beneficial to employees in Afhco and Indluplace.
- School fees of 626 children at CityKidz Pre- and Primary School were covered by SA Corporate bursaries in 2023.
- CityTotz, a new Early Childhood Development Centre was opened in the Johannesburg inner city.
- No critical concerns were raised by stakeholders relating to SA Corporate's conduct in its operations and its business relationships.

The 2023 ESG report is a supplement to the 2023 SA Corporate IAR. Stakeholders are invited to review both for a comprehensive discussion on how we create and preserve value.






OUR SUSTAINABLE DEVELOPMENT GOALS

The Group considered all 17 SDGs outlined in the SDG Report from the UN Department of Economic and Social Affairs to determine the sectors of business or society where the Group could have the biggest impact.

Based on its relevance to the Group's operations and stakeholder requirements, five priority SDGs have been selected and the Group continues to develop strategies and priorities to optimally apply its resources towards achieving these SDGs in a manner relevant and proportional to the Group.



THE GROUP'S PRIMARY SDGS ARE AS FOLLOWS:

UN SDG Goal	SA Corporate Group's actual and envisaged progress	Linked to material matter
 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> Employee well-being programme implemented to address and promote holistic dimensions of well-being Lyra Wellbeing (formerly know as ICAS) counselling and advisory support available to employees Public space upgrades by Afhco at Albert Street Park and End Street Park, as well as improvements at South Hills Lifestyle Estate Afhco's participation in the Johannesburg Inner City Partnership Urban Agriculture Initiative 	   
 QUALITY EDUCATION	<ul style="list-style-type: none"> CityKidz bursaries/initiatives, as well as the recently opened CityTotz Early Development Centre (EDC) and envisaged CityTeenz High School Residential tenant bursary opportunities offered Employee bursaries and study support provided Afhco Movers Mentorship Programme 	  
 GENDER EQUALITY	<ul style="list-style-type: none"> Gender equality promoted in succession planning for management, employees and at the Board level Board-approved gender diversity targets for non-executive directors implemented and exceeded Robust Remuneration Policy to ensure fair and equitable remuneration 	 
 AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> Renewable energy, solar power installations, waste and water harvesting Performance measured and independently assured Sustainability-linked debt funding implemented 	 
 PEACE, JUSTICE AND STRONG INSTITUTIONS	<ul style="list-style-type: none"> A whistleblowing hotline is in place Whistleblowing matters are reported to the Audit and Risk Committee ("ARC") and SEEC at scheduled meetings A Group Code of Conduct and Code of Ethics Development of anti-bribery and anti-corruption ("ABAC") training and inclusion of ABAC provisions in supplier contracts and tenant due diligence processes A strong framework for the management and administration of the Group's governance processes Robust compliance- and reporting risk management processes 	 

GOVERNANCE AND COMPLIANCE

SA Corporate's governance and compliance framework simplifies the application of King IV™'s guiding principles and recommended procedures as well as the JSE Listings Requirements. SA Corporate is conscious that ensuring the Group's sustainability, value creation, and long-term success depends heavily on the ESG framework as a whole.

The Group continually strives to attain *best-in-class* governance practices proportional to its structure, size and operations, and regularly assesses these to ensure that it is conforming with all relevant legal requirements while operating in the best interests of stakeholders.

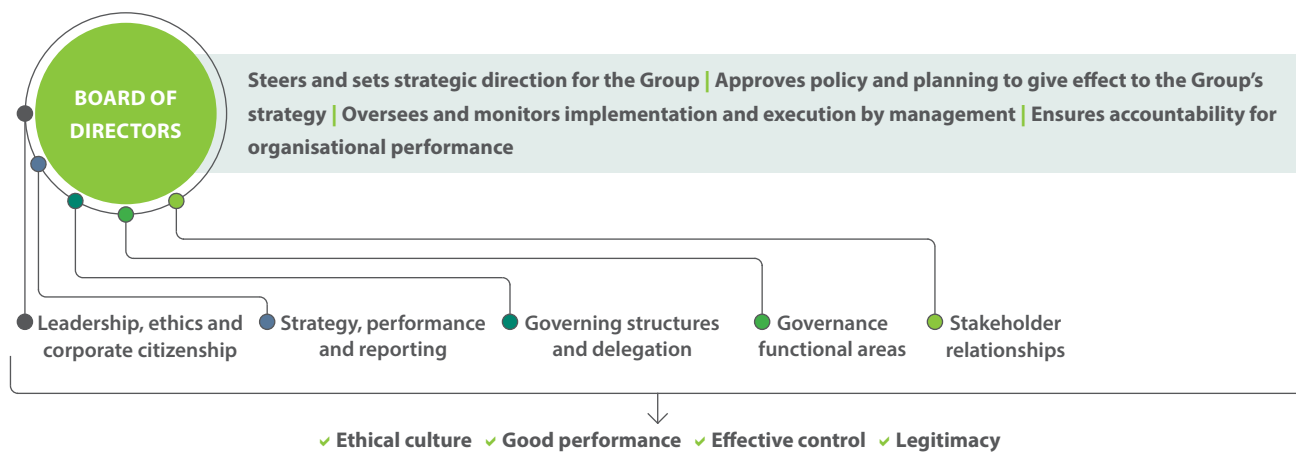


EFFECTIVE OVERSIGHT

Eight scheduled and special Board meetings in 2023 – 100% attendance

The Board, with the support of its Committees, annually assesses the Group's compliance with the King IV™ principles and is satisfied that the Group complies with all the corporate governance requirements prescribed by the listed entities, as set out in paragraph 3.84 of the JSE Listings Requirements and in line with King IV™'s "apply and explain" approach, to the extent relevant to the Group.

KING IV™ APPLICATION



The Group's King IV™ disclosure is available on the website.

OUR GOVERNANCE FRAMEWORK



GOVERNANCE AND COMPLIANCE CONTINUED

ORGANISATIONAL ETHICS AND CORPORATE CITIZENSHIP

The Board governs the Group's ethics in a way that supports the development of an ethical culture. The SEEC is responsible for overseeing organisational ethics and receives periodic reporting on Group ethics and related matters.

 *Refer to the SEEC's mandate and activities on page 14.*

Board members, management and employees at all levels subscribe to the Group's Code of Conduct and Code of Ethics. These Codes comprise six ethical principles, guiding values-based decision-making and conduct which underpin key behaviours that the Group regards as the foundation of acceptable and expected conduct towards all stakeholders.

 *The Group's Code of Ethics and Code of Conduct are available on the website.*

Whistleblowing reports, as received from the Group's independent service provider, WhistleBlowers (Pty) Ltd ("WhistleBlowers"), are tabled at the SEEC and the ARC for discussion and are investigated and actioned by the Board, as required.

For the year under review, two new whistleblowing reports were received from WhistleBlowers – both were consumer-related complaints and were resolved.

 *The Group's Whistleblowing Policy is available on the website.*

Through its various Committees, and in particular the SEEC and ARC, the Board oversees and monitors how SA Corporate's activities affect its good corporate citizen status. The Board, through its Committees and SA Corporate's management structures, proactively considers any critical concerns raised by stakeholders.

For the year under review, there were no material concerns raised through grievance mechanisms and other processes or channels relating to SA Corporate's conduct in its operations and its business relationships.

RESPONSIBILITIES OF THE BOARD AND DELEGATION FRAMEWORK

The Board is guided by a Board charter that has been aligned with the principles of good governance as set out in King IV™. The charter sets out rules for the Board's composition, frequency of meetings, the roles and responsibilities of the Board (including those of individual directors), the establishment of Committees, policies and procedures to be adopted, Directors' fees and Board evaluation. The principles of good governance make allowance for the specific responsibilities to be discharged by Board members collectively, while always acting in the best interests of the Group.

The Board charter further defines the roles of the Chairman and Chief Executive Officer ("CEO"), specifically providing that these roles are separate so that no individual has unfettered powers of decision-making.

The Group's approval framework sets out matters reserved for the Board and those delegated to its Committees and management. The approval framework applies to the Group, including all subsidiaries and JVs in which the Group has an interest.

The Board is satisfied that the delegation of authority framework contributes to role clarity and effective arrangements by which authority and responsibilities are exercised. The framework is reviewed periodically to ensure accuracy and relevance.

The Board reviews its charter annually and has established an annual work plan to ensure that all its duties and responsibilities are covered by the agendas of the meetings planned for the year.

The Board confirms that the Company complies with the provisions of the

Companies Act and has been operating in conformity with its Memorandum of Incorporation ("MOI") during the past financial year.

 *The Board charter is available on the Group's website.*

CONFLICT OF INTEREST

Directors are required to make specific and general declarations of any personal financial interest that poses a real or perceived conflict of interest through an opportunity given at each scheduled Board meeting, during an annual formal disclosure process, and at any other time if necessary. Where a conflict of interest may exist, the matter is dealt with as prescribed by section 75 of the Companies Act. Directors further receive regular guidance on the management of conflict of interest as part of their normal director development and training.

INDEPENDENCE OF THE DIRECTORS

All non-executive directors are subject to an independent review by the Board, with the assistance of the Nomination Committee. The Board considers, against the King IV™ indicators of independence, on a substance-over-form basis, whether a non-executive director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect or could appear to affect a director's independence. Based on the findings of this evaluation, **the Board concluded that all non-executive directors serving on the Board are independent.**

STATUTORY AND REGULATORY COMPLIANCE

A review of the Group's statutory and regulatory compliance landscape is undertaken periodically to ensure the proportionality, relevance and accuracy thereof. During such reviews, consideration is given to the completeness of the statutory and regulatory landscape, the structure and presentation of the compliance register and related monitoring, as well as the format of reporting on material compliance matters through the Group's governance structures.

SUCCESSION PLANNING

The Board considers its current composition to be suited to the business of the Group. The Nomination Committee considers non-executive director succession each year. **Overall, the Board is confident that it has the right level of knowledge, experience and skill to ensure objective and effective governance oversight, as well as the depth of skill among current directors to meet succession requirements.**

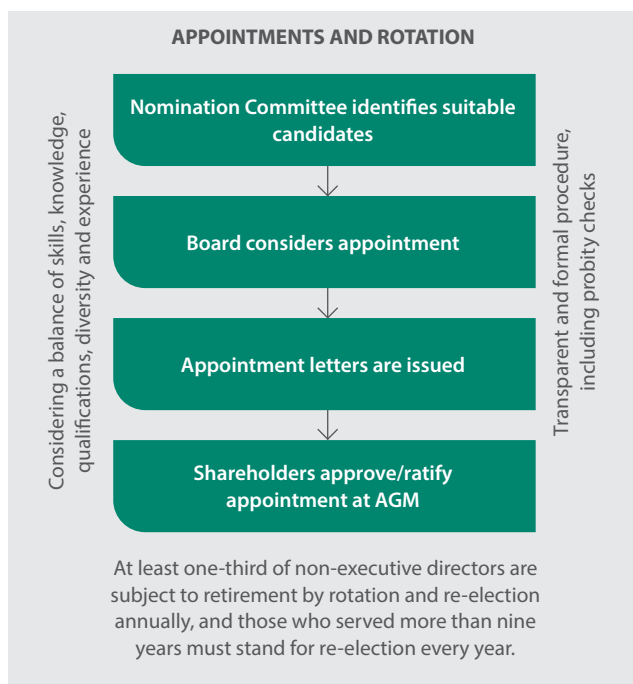
The Board's Remuneration Committee ensures that succession planning is in place for executive directors and senior management. The employment contract of the CEO was renegotiated such that his retirement has been postponed to 31 December 2024, and a process has commenced to identify a suitable successor and ensure a smooth handover.

DIRECTOR DEVELOPMENT AND TRAINING

Newly appointed directors are apprised of the Group's business and their duties and responsibilities as directors through a structured induction programme, which includes induction materials and sessions, site visits and meetings with management to ensure their appreciation for and understanding of the Group's governance practices and business.

To further develop and maintain an effective Board, **directors receive ongoing training** and are briefed on, among other matters, information relevant to the business undertakings of the Group, sector-specific matters, legal developments, sustainable development and changes in the risk and general business environment, as well as their duties and responsibilities. Where necessary, individual directors may request to receive specific training on topical matters to ensure that they can effectively contribute to the Board's work.

GOVERNANCE AND COMPLIANCE CONTINUED



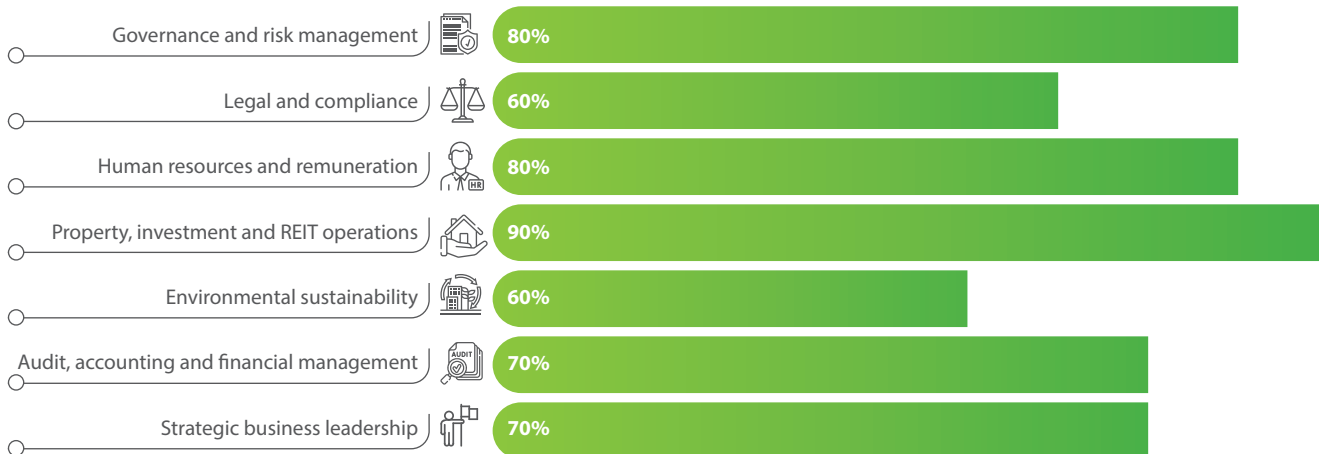
BOARD EVALUATION AND SKILLS ASSESSMENT

A formal performance evaluation of the Board, its Committees, individual directors, the Chairman and the Group Company Secretary is conducted at least every two years, and in every alternate year, an opportunity is provided for reflection and discussion by the Board of its performance and that of its Committees, the Chairman, individual directors and the Group Company Secretary.

At the beginning of 2024, a formal, externally-facilitated, Board evaluation process was undertaken in accordance with the requirements of King IV™. The process assessed the performance and effectiveness of SA Corporate's Board, its Committees, the executive and non-executive directors individually, the Chairman, and the Group Company Secretary. In addition, a skills assessment was performed to assist the Board in determining the skills which are currently available within its structures as well as any additional skills that would be beneficial going forward.

The Board was satisfied with its performance and effectiveness, and the areas identified for improvement or enhancement will be addressed throughout the year.

Board areas of expertise, primary skills and experience:



DIVERSITY

Having due regard for the benefits of diversity in the widest sense, **the Board has adopted a broad Diversity Policy and voluntary targets aimed at the promotion of diversity and inclusiveness** at the Board level.

To this end, a voluntary target of at least 40% female representation on the Board was agreed upon, and the target was exceeded in 2023 with the appointment of Ms GZN Khumalo as an independent non-executive director, and Ms NNN Radebe, as an executive director and Chief Operating Officer, balancing gender diversity on the Board to 50/50 male and female. Of the total Board, 80% of directors are from previously disadvantaged groups, with 50% of these directors being women.

The Board's Diversity Policy and targets are reviewed periodically and adjusted as appropriate.

The Board's Diversity Policy is available on the Group's website.

TRANSFORMATION AND B-BBEE

The Group is committed to transformation and B-BBEE and has retained the Level 1 B-BBEE contributor status for the 2023 verification period.

In 2023, the Group continued its focus on Skills Development with the initiation of an Employee Bursary Programme to encourage employees to obtain formal qualifications. Afhco and Induplace employees specifically benefitted from this initiative.

Furthermore, as part of the Group's effort to make quality education accessible to tenants and low-income households, SA Corporate awarded bursaries totalling R2 million towards school fees for 626 scholars at CityKidz Pre- and Primary School. The bursaries helped cover outstanding school fees, a portion of the cost of books and stationery, and special award bursaries for worthy kids that honour academic performance and diligence.

GOVERNANCE AND COMPLIANCE *CONTINUED*

Many of its tenants in the same inner city residential properties have the opportunity to benefit from the ongoing relationship that the Group has with CityKidz and its mission of improving educational facilities for Johannesburg's inner city youngsters.

Enterprise Development initiatives included, amongst others, The Seed Project, an annual entrepreneurship competition to allow small businesses to trade in Umlazi Mega City rent-free for a year. Supplier Development contributions included ongoing rent-free office space to certain key suppliers. Socio-economic development included donations to schools in previously disadvantaged communities, and partnerships with non-profit organisations that promote literacy and a community radio station servicing Umlazi.

DIRECTORS DEALING IN SECURITIES

The Group's Policy on Disclosure of Dealings in SA Corporate Securities governs directors' dealings in SA Corporate shares. **All directors and the Group Company Secretary must receive written clearance from the Chairman before trading SA Corporate shares.** Directors must notify the Group Company Secretary of any dealings in the Company's shares, and this information is then disclosed on SENS in the prescribed format and within the timeframes provided for in the JSE Listings Requirements.


The Group operates a strict closed-period policy in line with the JSE Listings Requirements. In this regard, directors and other affected persons are prohibited from dealing in SA Corporate shares during a closed period, as defined in the policy, nor during any period in which there exists any matter which constitutes unpublished price-sensitive information.

 *The Policy on Disclosure of Dealings in SA Corporate Securities is available on the Group's website.*

DISCLOSURE CONTROLS

The Group regularly reviews its disclosure controls and procedures, as part of its Stakeholder Engagement Policy. In this regard, in SA Corporate's context, disclosure controls and procedures are designed to:

- ensure that information required to be disclosed in terms of all legal and regulatory requirements to which SA Corporate is subjected is recorded, processed, summarised and reported within the periods specified in terms of those rules or regulations relevant to SA Corporate;
- ensure that price-sensitive information is identified and disclosed adequately and timely to all investors;
- that unpublished price-sensitive information is kept confidential (for a limited period and subject to certain requirements) until it is disclosed; and
- ensure that the information disclosed is not misleading in any way.

 *For more information on the Group's Stakeholder Engagement Policy and Disclosure Controls, refer to the Group's website and the Stakeholder Engagement section on page 27.*

ACCESS TO INFORMATION AND PROFESSIONAL ADVICE

SA Corporate directors have unrestricted access to all Group information, records, documents and property. Information is distributed promptly before Board meetings to enable directors to prepare and apply their minds adequately.

The Board recognises that there may be occasions where one or more directors deem it necessary to seek independent, professional advice. In this regard, the Board's charter provides that **any director is empowered to consult independent experts when necessary** and within his/her duties as a director of SA Corporate. All requests for independent, professional advice should be directed in writing to the Chairman and/or the Group Company Secretary. Costs incurred as a result of the independent advice will be borne by SA Corporate, subject to approval by the Chairman.

GROUP COMPANY SECRETARY

All the directors have access to the advice and services of the Group Company Secretary, who acts as a channel between the Board and the Group and is not a director of the Group.

The Board is cognisant of the duties of the Group Company Secretary who is empowered to properly fulfil those duties. Adv Jacqui Grové is the Company Secretary. In addition to her statutory duties, she fulfils several functions in line with the Board charter and the Group's governance framework, including:

- provision of guidance to the Board and individual directors on how their responsibilities should be properly discharged in the best interests of the Group;
- provision of guidance to the Board on the duties of the directors, matters of law, ethics and good governance; and
- the administration and management of Board- and shareholder communications and meetings.


The Board assessed and was satisfied that the Group Company Secretary is competent and has the requisite qualifications and experience to effectively execute her duties.

The Group Company Secretary maintains an arm's length relationship with the Board and the directors, taking into account that the Group Company Secretary is not a director of the Company and is not related to any of the directors.

INFORMATION AND COMMUNICATION TECHNOLOGY ("ICT") GOVERNANCE

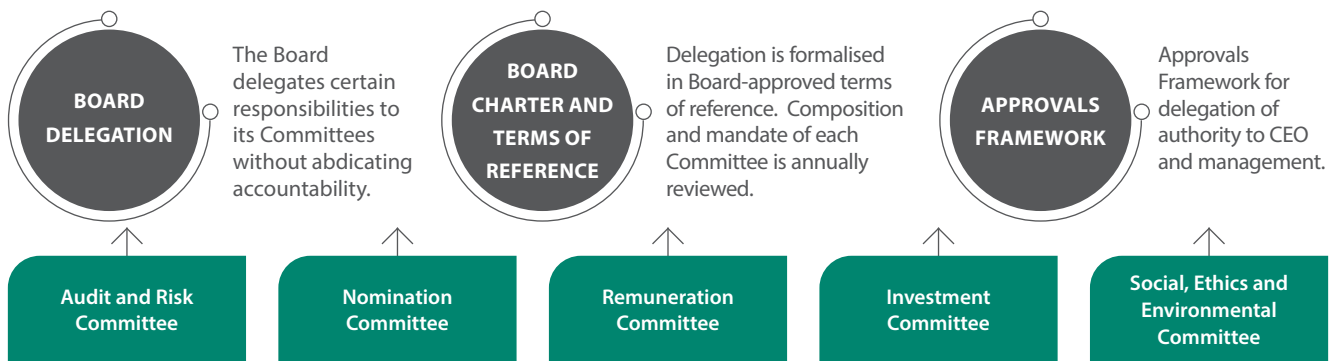
SA Corporate's ICT policies and procedures cover, inter alia, the use and safeguarding of the Group's information and systems, the use of social media, business continuity and disaster recovery plans, and the regular updating and improvement of technology.

The ARC is responsible for oversight of ICT risk, as integrated into the Group's risk management processes, and monitoring ICT governance. **An ICT Steering Committee, under the chairmanship of the CEO, is responsible for carrying out the ICT-related responsibilities assigned to it** in terms of a Board-approved term of reference. This includes, inter alia, motivating and monitoring ICT project budgets and progress, recommending policy and standards that articulate and give effect to the Group's direction on ICT, accounting for the implementation and execution of effective ICT management, and ensuring the implementation of reasonable independent assurance on the effectiveness of ICT management within the Group.

 *The Group's ICT Steering Committee terms of reference are available on the Group's website.*

GOVERNANCE AND COMPLIANCE CONTINUED

BOARD COMMITTEES



The Board may appoint ad hoc Committees from time to time to deal with specific matters that fall outside the scope of the existing Committees.

The Board is satisfied that its Committees fulfilled their respective mandates in compliance with each of their terms of reference, as approved by the Board.

AUDIT AND RISK COMMITTEE	Chairman: N Ford-Hoon (Fok)	Number of meetings: 8 Attendance: 100%
Members: GZN Khumalo*, GJ Heron, SS Mafoyane		
Primary mandate The ARC is constituted as a statutory Committee of SA Corporate (and the Group) in respect of its statutory duties in terms of section 94(7) of the Companies Act and as a Committee of the Board of in respect of monitoring and overseeing the Group's risk-, information technology and compliance governance, and such other duties assigned to it by the Board. <ul style="list-style-type: none"> Ensures the continued independence of the independent auditor. Oversees the external audit process, and the scope and effectiveness of the Group's external audit function. Ensures the quality and integrity of SA Corporate's integrated reporting, incorporating the financial statements, including the Group consolidated financial statements, external reports, SENS announcements and disclosures in respect of its financial results. Applies an appropriate and relevant combined assurance model to ensure a coordinated approach to all assurance activities. Reviews the expertise, resources and experience of the finance function, and the appropriateness of the expertise and experience of the CFO. Oversees the effectiveness of the Group's internal controls and internal audit function. Ensures that the Group implements and maintains an effective enterprise-wide risk management framework, complies with laws, regulations and relevant best practice codes, and that information technology is employed in support of the Group's strategy and direction, and further specifically oversees the management of financial and other risks that affect the integrity of external reports and disclosures issued by the Group and to oversee compliance with legal and regulatory requirements to the extent that it might have an impact on the financial results. 		
2023 Highlights <ul style="list-style-type: none"> Recommended the re-appointment of the External Auditor Reviewed the External Auditor's independence and terms of engagement, and approved the external audit fees Determined and approved the nature and extent of allowable non-audit services Reviewed the adequacy, effectiveness and quality of the internal- and external audit processes Assessed the adequacy of the expertise and resources of the Internal Audit function Met separately with the external- and internal auditors without management present Monitored compliance with applicable legislation and regulation Considered and applied the JSE's feedback on proactive monitoring of financial statements Reviewed the effectiveness of the Group's system of internal financial control and ensured that the Combined Assurance Framework was applied to provide a coordinated approach to all assurance activities Reviewed the integrity of the interim results, Group annual financial statements and the IAR, including the public announcements of the Group's financial results Recommended the Group- and Company annual financial statements and the IAR to the Board for approval Oversaw the management of financial and other risks that affect the integrity of external reports issued by the Group Reviewed the Group's insurance cover Reviewed the expertise, resources and experience of the CFO and the finance function Considered the acquisition and related accounting treatment of Indluplace As a consequence of the Indluplace acquisition, the ARC had to approve the refinancing of debt facilities, which included the approval of an acquisition facility from a lender 		2024 Focus <ul style="list-style-type: none"> Continued focus on further embedding enterprise risk management and combined assurance considerations Maintaining focus on continuous auditing from an internal audit perspective The Committee's composition, skill set and succession plan Overseeing the further automation of financial processes Overseeing financial and tax implications arising from corporate actions

* Appointed effective 1 February 2023

GOVERNANCE AND COMPLIANCE CONTINUED

INVESTMENT COMMITTEE	Chairman: GJ Heron	Number of meetings: 6 Attendance: 97%
Members: TR Mackey [^] , MA Moloto, OR Mosetlhi, N Ford-Hoon(Fok)		
Primary mandate The Investment Committee provides integrated strategic direction on group-wide acquisitions, disposals and capital expenditure, and makes appropriate recommendations to the Board regarding the Group's investment, divestment and capital expenditure strategy. <ul style="list-style-type: none"> Monitors and oversees the approval (or recommendation, as appropriate), of acquisitions, disposals and capital expenditure in line with Board approved policy and Group strategy. Evaluate targeted yields through post-acquisition and redevelopment reviews. Provides input into SA Corporate and the Group's annual budget, including capital expenditure budgets. Reviews property portfolio performance against targets. Reviews outsourced property managers' performance against agreed KPIs. Approves major leases, lease renewals, and development leasing. Approves the appointment of the Group's property valuers. Reviews SENS announcements and Circulars, to the extent relevant, relating to transactions requiring disclosure and/or shareholder approval in terms of the JSE Listings Requirements, Recommends revisions of the Group's Valuation Policy to the Board for approval. Supports the ARC and the Board in ensuring effective risk management oversight, specifically concerning material risks within its scope. 		
2023 Highlights <ul style="list-style-type: none"> Monitored the Group's disposal progress Evaluated targeted yields through post-acquisition reviews Reviewed Broll's performance against agreed KPIs Approved material transactions, recommended corporate action and approved leases within the Committee's mandate Reviewed the Group's property portfolio performance quarterly Recommended the acquisition of Indluplace and the creation of an unlisted residential fund to the Board for approval 		2024 Focus <ul style="list-style-type: none"> Monitor the ongoing execution of the Group's investment strategy and specifically recent corporate action Unlisted residential fund and divestment of non-core properties, predominantly in the Indluplace portfolio Monitor Broll's performance against agreed KPIs Consider new and future material transactions and leases within the Committee's mandate

[^] Executive Director

NOMINATION COMMITTEE	Chairman: MA Moloto	Number of meetings: 4 Attendance: 100%
Members: EM Hendricks, OR Mosetlhi		
Primary mandate The Nomination Committee provides integrated support and guidance to the Board in the execution of its broader governance responsibilities. <ul style="list-style-type: none"> Considers the extent to which the general corporate governance mechanisms and framework of SA Corporate are appropriate (proportional and relevant), and effective, given the developments within the Group. Recommends the appointment and re-appointment of non-executive directors to the Board and recommends the re-election of directors and ARC members for approval by shareholders. Reviews the independence of non-executive directors, taking into account all applicable corporate governance requirements, and makes appropriate recommendations to the Board. Reviews the Board structure, size and composition, taking into consideration the Board's succession plans, and makes recommendations to the Board concerning any adjustments that are deemed necessary in support of the promotion of broader demographic diversity and diversity in respect of the relevant skills, experience, business, and academic backgrounds of Board members. Identifies and nominates candidates for approval by the Board to fill Board and Committee vacancies. Considers succession plans for the Chairman of the Board, the Lead Independent Director and the Chairman of the Audit and Risk Committee. Reviews the number, structure, composition, and expertise of Board Committees and makes recommendations to the Board. Reviews and recommends the annual Governance Report to the Board (as part of the Integrated Annual Report) Assists the Chairman and the Board in evaluating the performance of the Board, its Committees, individual directors and the Group Company Secretary. Ensures the establishment of an annual programme for the continuous professional development of directors. Ensure that a formal and adequate induction process is followed with the appointment of new directors. Considers any other matter regarding the effective governance of the Group. Supports the ARC and the Board in ensuring effective risk management oversight, specifically concerning material risks within its scope. 		
2023 Highlights <ul style="list-style-type: none"> Recommended the election and re-election of directors retiring by rotation Recommended the election of ARC members Reviewed independence of non-executive directors Reviewed the Board and Board Committees' structure, size and composition, taking into consideration the Board's succession plans Assisted the Chairman and the Board in evaluating the performance of the Board, its committees, individual directors and the Group Company Secretary 		2024 Focus <ul style="list-style-type: none"> Consider the Board and Board Committees' structure, size and composition, taking into consideration the Board's succession plans, and making appropriate recommendations to the Board Recommending the notice of the AGM, including a recommendation on directors retiring by rotation and those recommended for election to the ARC

GOVERNANCE AND COMPLIANCE CONTINUED

REMUNERATION COMMITTEE	Chairman: OR Mosetlhi	Number of meetings: 4 Attendance: 100%
Members: GZN Khumalo*, MA Moloto		
Primary mandate The Remuneration Committee provides integrated strategic direction on group-wide remuneration matters and makes appropriate recommendations to the Board that articulate the Group's direction on fair, responsible and transparent remuneration practices. <ul style="list-style-type: none"> Oversees the development and regular review of a Group-wide Remuneration Policy that articulates and gives effect to the Board's direction on fair, responsible and transparent remuneration and that achieves agreed objectives. Review the appropriateness and relevance of the Remuneration Policy and ensure that the implementation and execution of the Remuneration Policy achieve the objectives thereof. Oversees the review and recommendation to the Board of the remuneration report, to be included in the integrated annual report. Ensures that the Remuneration Policy and implementation report is put to a non-binding advisory vote at the general meeting of shareholders every year. Monitors the overall cost of remuneration structures within the Group, including approving the cost of annual general salary increases, benefits, short-term incentive payments made and the value of long-term incentive awards granted. Ensures that the mix of fixed and variable pay, in cash, shares and other elements, meets the Group's needs and strategic objectives. Ensures that succession planning is in place for executive directors and senior management. Reviews remuneration practices and employment conditions across the Group when reviewing and setting the Remuneration Policy for employees, especially when determining annual salary increases, incentive and retention initiatives. Determines the total individual remuneration package of each executive director and other designated senior executives including bonuses, share incentive schemes and other share options. Considers remuneration structure for non-executive directors, recommending same for approval by the Board and shareholders at the next AGM. Considers the evaluation of the performance of the executive directors, both as directors and executives in determining remuneration. Review incentive and retention schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules. Supports the ARC and the Board in ensuring effective risk management oversight, specifically concerning material risks within its scope. 		
2023 Highlights <ul style="list-style-type: none"> Reviewed the appropriateness and relevance of the Remuneration Policy and oversaw the implementation and execution thereof Oversaw the review and approval of the Group's remuneration report, and recommended the report to the Board Recommended the appointment of the COO, and considered succession planning for senior management and executive directors, specifically the postponement of the retirement of the CEO Considered the evaluation of the performance of the executive directors, and reviewed the accuracy and relevance of performance measures that govern the vesting of incentives Reviewed remuneration practices and employment conditions across the Group Recommended the non-executive directors' fees to the Board for recommendation to the AGM Recommended the percentage annual salary increase for employees to the Board 		2024 Focus <ul style="list-style-type: none"> Consider succession planning for the executive directors and senior management Review and recommend the Remuneration Report to the Board Recommend the non-executive directors' fees to the AGM

* Appointed effective 1 February 2023

GOVERNANCE AND COMPLIANCE *CONTINUED*

SOCIAL, ETHICS AND ENVIRONMENTAL COMMITTEE		Chairman: EM Hendricks	Number of meetings: 3 Attendance: 100%
Members: SS Mafoyane, OR Mosetlhi, SY Moodley^			
<p>Primary mandate</p> <p>The SEEC provides integrated strategic direction on Group-wide social, ethical, and environmental matters, including acting as the statutory social and ethics committee for the Company and its South African subsidiaries, as contemplated in the Companies Act read with Regulation 43 of the Companies Act Regulations, 2011 (Regulation 43).</p> <ul style="list-style-type: none">Assists the Board to ensure that SA Corporate and the Group, through effective policy implementation, can achieve its strategic objectives whilst remaining a socially responsible corporate citizen and creating a sustainable business, having regard to the Group's social and environmental impactMonitors and oversees the Group's activities relating to:<ul style="list-style-type: none">social and economic development;good corporate citizenship;the environment, health and public safety;consumer relationships;labour and employment; andorganisational ethics.Oversees the Group's activities relating to records of sponsorship, donations and charitable giving.Supports the ARC and the Board in ensuring effective risk management oversight, specifically concerning material risks within its scope.			
<p>2023 Highlights</p> <ul style="list-style-type: none">Considered, monitored and oversaw the Group's economic, workplace, social- and natural environmental impactMonitored the Group's B-BBEE verification process and the action plans and initiatives to maintain the Group's recognition levelOversaw the Group's progress with the implementation and further development of its primary SDGsConsidered and measured the Group's in-progress and planned initiatives to reduce the environmental impact of its business and operations on the natural environmentApproved the Group's Human Rights Policy StatementRecommended the ESG Report to the Board for approval		<p>2024 Focus</p> <ul style="list-style-type: none">Monitor the implementation and further development of the Group's primary SDGsReview and recommend the ESG Report to the BoardOversee the finalisation of the Group's revised Code of ConductOversee the maintenance of the Group's Level 1 B-BBEE contributor status	

^ Executive Director

 *The full terms of reference of all the Committees are available on the Group's website.*



NURTURING OUR CAPITALS

“The Group believes that embracing Environmental, Social and Governance principles is not just a moral imperative, it is a strategic necessity in a world where sustainability, ethical conduct and responsible governance are increasingly defining factors of success.”

Ms EM Hendriks
Chairman of the SEEC

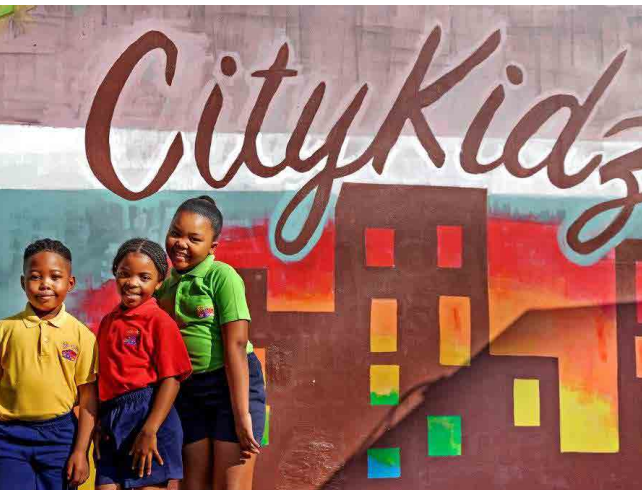


SOCIAL AND RELATIONSHIP CAPITAL

Our relationships with suppliers, tenants, property and asset managers, communities and other networks form the core of our social and relationship capital.

The Group recognises its responsibility to lessen inequality and hardship in society and engages in a range of social programmes, with an emphasis on advancing education.

CityKidz Pre-and Primary School, a non-profit company, was started in 2008 as a social initiative by Afhco. The school provides quality care and education for Grades RR to 7. Afhco's vision was to raise the standard of education in the inner city, with a focus on maths, science and computer studies.



SA Corporate donated **R2 million** in bursaries in 2023, benefitting **626 scholars**



852 learners registered for 2024, with an average of **28** children per class

In 2024, the CityKidz family grew with the opening of **CityTotz**, a brand-new **Early Childhood Development (“ECD”) Centre** in Mooi Street, Johannesburg.



42 learners registered for 2024

The remarkable vision of Principal, Sharon Reynolds, transformed a run-down space into an inviting, bright early learning centre. She envisioned a world where every child can thrive, regardless of background, identity or circumstance. She saw innovation not just as a means of progress but also as a powerful catalyst for transformative change and by so doing, converted a once-derelict warehouse into a stunning haven within only four months.



The new ECD centre is well-equipped with age-appropriate toys and equipment for both individual and group play. Designated areas for imaginative play, sensory activities and gross motor skill development will encourage young learners to climb on giant caterpillars, slide down a slide and shoot hoops in a mini basketball hoop.

NURTURING OUR CAPITALS CONTINUED

Innovative storage solutions have been added and these storage areas are labelled with pictures and words to encourage early literacy. Finally, smart boards and digital technology are also part of the learning environment, offering opportunities for young Totz to be exposed to 21st-century education.

CityTotz has created a space that reflects the multifaceted identities and aspirations of the local community it serves, celebrating their stories and honouring their experiences.



RETAIL CENTRE SOCIAL INITIATIVES

SA Corporate promotes and supports a range of social and community events. These initiatives, which include fundraising for charity, healthcare and education, are centred on assisting and improving the community in surrounding areas. Below are a few of the initiatives that the retail centres actioned:



SUPPORT OUR SCHOOLS

Support our Schools is an initiative launched by the SA Corporate Retail Portfolio in 2018 to give back to the community and assist with the improvement of schools.

The centres made the following donations in 2023 toward education facilities within their communities:

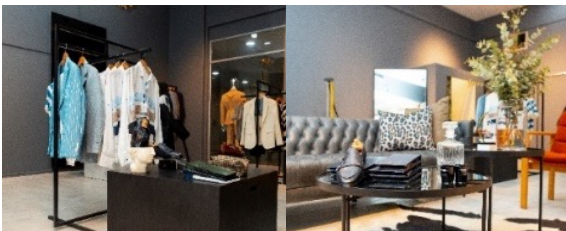
- **Hayfields Mall**
R12 000 was donated to Eastwood Secondary Primary and the funds were used to purchase desks.
- **Pine Walk Centre**
Jerseys to the value of R35 720 were donated to the learners of Vezamafa Primary School.
- **Southern Portfolio**
The Theo Jackson Scholarship Fund targets disadvantaged boys who are either orphaned or come from a single-parent family but have the determination and perseverance to perform despite their circumstances. These boys are given scholarships for Johannesburg's oldest government school, Jeppe High School for Boys.

Retail Centres in the SA Corporate Southern portfolio jointly contributed R140 850 to the scholarship fund, which enabled the bursary beneficiary to attend the school and boarding facility for a year.

ENTERPRISE DEVELOPMENT INITIATIVES

- **Mashumi Art Projects in Morning Glen Mall**
As an Enterprise Development initiative, a 297m² space is provided rent-free to Mashumi Art Projects to operate an Art Gallery with a specific focus on African Art. The gallery aims to weave a tapestry linking the artists, their artwork and art buyers, who become the keeper of a piece of time, history and today's African creativity.

- **Prince Bespoke in Musgrave Centre**



A tailor who offers customers locally-made garments. The shop launched in September 2023 and is still going strong.

- **The Seed Project in Umlazi Mega City**
This project provides local entrepreneurs with the opportunity to trade and sustain a retail business, with the vision that the operators will one day sign long-term lease agreements with the relevant centre.

- **Balloon Express**
The inaugural winner of the Seed Project at Umlazi Mega City in 2022 completed the second year of trading from the centre. The young entrepreneur said that while business is challenging, she remains committed to succeed.

- **Lisa Lona**
The second winner of The Seed Project began trading in April 2023. The company, which is founded by two sisters, specialise in hair products for ethnic hair.



- **CANCER ASSOCIATION OF SOUTH AFRICA ("CANS") CAMPAIGN**
The 7th Annual CANS Shades of Pink Davenport Square's five-kilometre fun run/walk attracted 687 participants and raised an impressive R67 705.



NURTURING OUR CAPITALS *CONTINUED*

STREET LIT INITIATIVE

The Denis Hurley Centre's Street Lit project is an award-winning entrepreneurship initiative which helps homeless people sell books, build better lives and afford homes. In 2023, three of our centres: Umlazi Mega City, Davenport Square and Bluff Towers, afforded free space for the sale of used books. The turnover generated with this initiative is used directly by the sellers of the books as their livelihood.



AFHCO INITIATIVES MANDELA DAY



To celebrate Mandela Day, three children's homes were selected: Salvation Army Ethembeni Children's Home, Leratong Joy of One Home and Malaika Orphanage Centre. The Afhco team provided groceries to the homes and spent some time playing with the children. The Afhco team also assisted with cleaning in and around the centre and other chores.

702 WALK THE TALK

On 20 August, the SA Corporate, Afhco and Indluplace employees took on the challenge of participating in the 702 Walk the Talk at the Cradle of Humankind in Maropeng. The event was well supported, with nearly 200 employees taking part in the day.



For information on other activities, refer to the Human Capital section on page 23.

PROMOTING HOME OWNERSHIP

As part of the Group's ESG objectives, we have identified the role that we can play in promoting home ownership to those households who find themselves in the property ownership gap, that being households that earn too much to qualify for the RDP subsidy, but too little to easily afford home ownership. These people generally earn between R 3 500 and R22 000 per month and target homes of between R300 000 and R500 000. A large portion of the assets held within SA Corporate's residential portfolio falls within this group's affordability range. With the increasing scale of our residential portfolio, we have data on tenants who are potentially eligible to qualify for various funding mechanisms, including FLISP, pension-backed home loans and the government employees housing scheme.

This initiative is to the benefit of both SA Corporate and our tenants. In 2023, we sold residential apartments for a total consideration of R132.5 million and our aim in 2024 and beyond is to increase this activity by increasing our partnerships with bond originators and with initiatives such as providing furnishing pack options and investigating rent-to-buy opportunities.



NURTURING OUR CAPITALS *CONTINUED*



NATURAL CAPITAL

SA Corporate has taken proactive steps to reduce the natural resources it uses and its environmental impact. Under the SEEC’s supervision, SA Corporate seeks to assess and reduce the environmental impact of its operations and property portfolios in all regions in which it conducts business, including those outside of South Africa where sustainability regulations may be less strict. Among the environmental initiatives SA Corporate carried out this year are:

SOLAR PHOTOVOLTAIC (“PV”) ELECTRICITY GENERATION

Solar Photovoltaic (“PV”) has been successfully installed on the roofs of all retail shopping centres where feasible, delivering some 11.6% of the total electricity of the retail portfolio. This has resulted in significant reductions in the cost of electricity.

The Group has installed 16.33 MWp of renewable energy across the portfolio.

The newly installed rooftop solar PV systems contributed toward a reduction of 2 147 tCO₂e.

Although solar PV is often not feasible in inner city buildings, installations at Affco Corner and Newgate were completed in 2023, and plans are in place to gradually expand solar, where possible, in the suburban portfolio. Some of our industrial properties also have solar installed, and the focus in 2024 will be to save diesel costs by integrating solar PV installations with our generators.

In 2023, SA Corporate generated **14 003 MWh** of renewable energy and saved **R26 million** in costs and **12 758 tonnes** of CO₂e, which is equivalent to **231 375 tree seedlings** grown in 10 years

Solar PV installations at East Point Shopping Centre



NURTURING OUR CAPITALS *CONTINUED*

RENEWABLE ENERGY AS A PERCENTAGE OF TOTAL ENERGY CONSUMPTION

The table below breaks down renewable energy consumption as a percentage of total energy consumption per sector.

	Unit	Afhco	Indluplace	SA Corporate	All portfolios
Solar-generated	MWh	148	1 223	12 632	14 003
Grid energy consumed	MWh	36 194	34 711	99 641	170 547
Diesel consumed	MWh	1 912	271	2 465	4 648
Total energy	MWh	39 230	36 205	114 738	219 215
Renewable as a % of total electricity	%	0.38	3.38	11.01	7.40

SAVING WATER

SA Corporate is concerned about the state of the water supply and water quality. The Group has begun to take action to lessen this risk and is investigating further investment into boreholes and water tanks for its locations for the 2024 fiscal year. At this point, the objective is to have backup tanks that are supplied with city water when it becomes available.

SA Corporate is also making an effort to reduce water consumption as well as its dependence on municipal water supply. Although the Group does not currently have specific water-saving goals in place, the following initiatives were implemented in 2023 to cut down on mainstream water use:

- Borehole water was being utilised at Umlazi Mega City and investigations are underway to install boreholes at East Point and Coachman's Crossing;
- Boreholes were installed at 16 Indluplace properties with further rollout planned for 2024 at five properties. In the Afhco portfolio, 15 properties have been identified for borehole installations in 2024;
- Bulk check meters have been put in place at 20 retail properties;
- Flow restrictors were installed on taps in the bathrooms at the retail centres;
- Waterless urinals were installed in bathrooms that undergo refurbishments;
- Indigenous plants were planted in gardens which require less frequent watering;
- Greywater harvesting and sewage and wastewater treatment systems are being investigated; and
- Information letters were routinely sent to all tenants regarding energy and water-saving initiatives which could be implemented on tenants' premises.

WASTE REDUCTION EFFORTS

As part of SA Corporate's commitment to minimise retail waste, recycling of waste takes place at all retail properties. These efforts have led to 1 812m³ of waste being recycled, totalling 1 812 tonnes.

CARBON FOOTPRINT

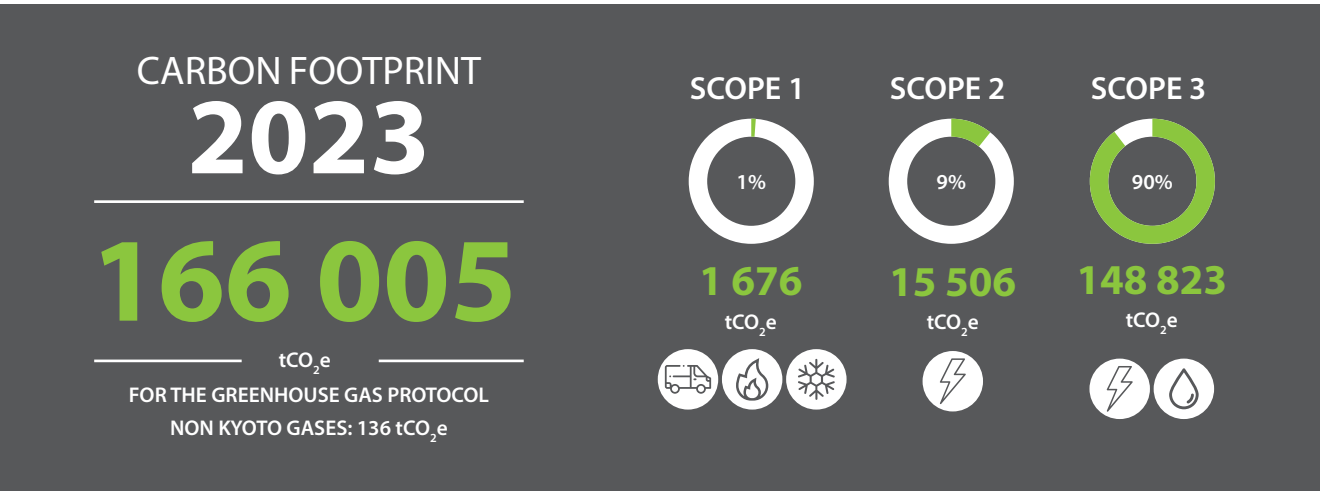
SA Corporate's carbon footprint is calculated annually based on the equity share approach, which means that SA Corporate accounts for its greenhouse gas emissions from operations according to its share of equity in the operations.

In 2023, 264 (2022: 147) properties formed part of the annual carbon footprint assessment done by an external company, Terra Firma Solutions (Pty) Ltd. The assessment comprised 79 SA Corporate properties (including eight disposals), 59 Afhco properties (including four disposals) and 126 Indluplace properties.

The operational boundaries include scope 1 direct emissions (mobile combustion, stationary combustion and refrigerant gases), scope 2 indirect emissions (SA Corporate, Afhco and Indluplace common areas electricity consumption) and scope 3 indirect emissions (tenants' electricity consumption and water).

For the SA Corporate portfolio, like-for-like emissions have decreased by 15% compared to 2022.

The total greenhouse gas emissions for the Group have been calculated at 166 005 tonnes of CO₂e, following the Greenhouse Gas Protocol. Non-Kyoto gasses were calculated at 136 tonnes of CO₂e.



NURTURING OUR CAPITALS *CONTINUED*

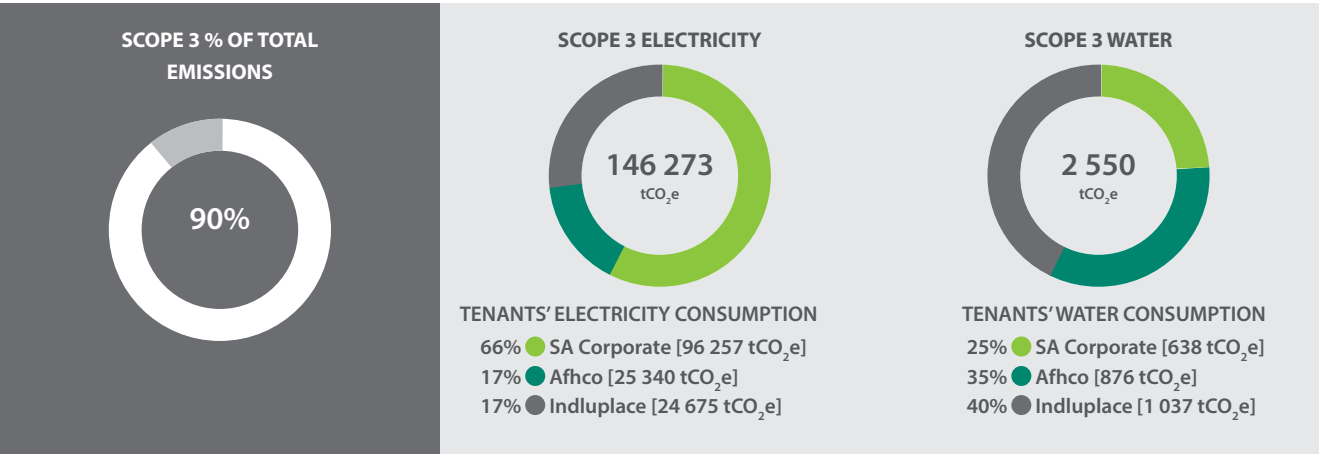
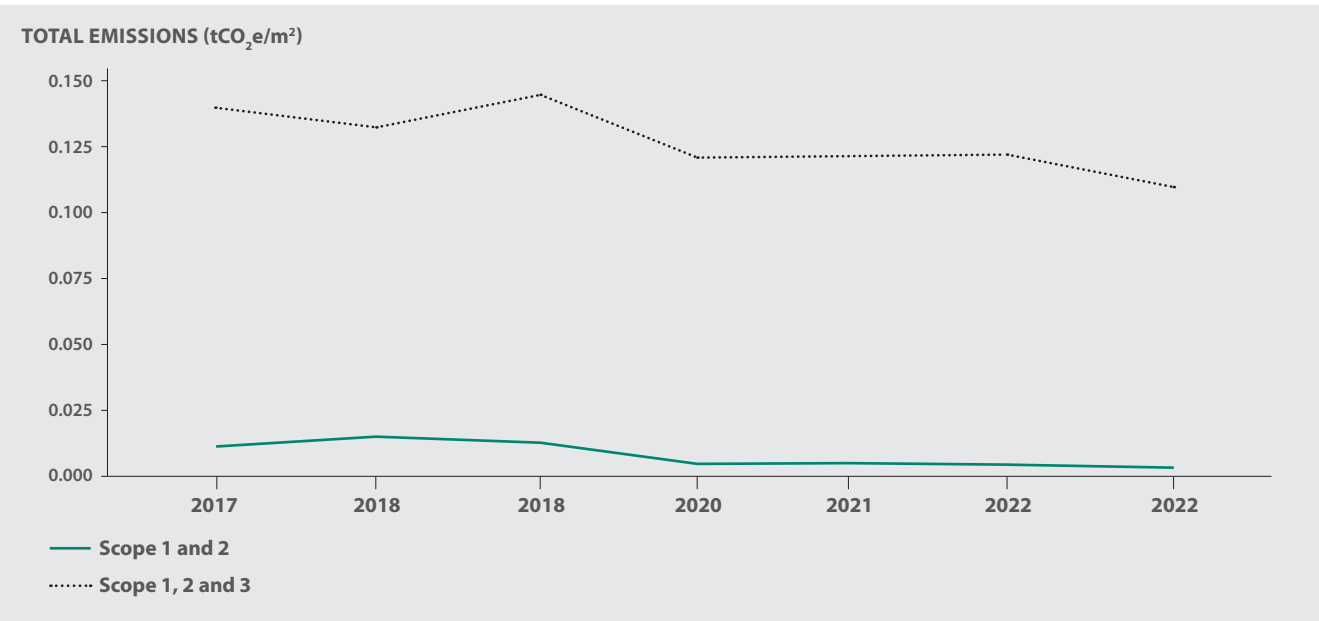
Emissions associated with electricity sold to tenants were the highest contributor to the carbon footprint at 146 273 tCO₂e (88% of emissions). Electricity consumed by SA Corporate, Afhco and Indluplace in vacancies and common areas follows at 15 506 tCO₂e (10% of emissions).

TOTAL EMISSIONS

The total emissions of SA Corporate, Afhco and Indluplace were as follows:

Emissions (tCO ₂ e)	2017	2018	2019	2020	2021	2022	2023
Scope 1	33	31	180	247	613	1 191	1 676
Scope 1 and 2	14 125	18 363	15 397	22 171	20 996	18 548	17 182
Scope 1, 2 and 3	218 027	220 564	214 640	179 189	166 675	164 209	166 005
Total non-Kyoto gasses	1 157	376	647	371	489	222	136

The total Scope 1, 2 and 3 emissions increased by 1% due to the acquisition of Indluplace. However, the acquisition also increased the overall square meterage, resulting in the tCO₂e/m² reducing by 21%, as shown in the graph below.



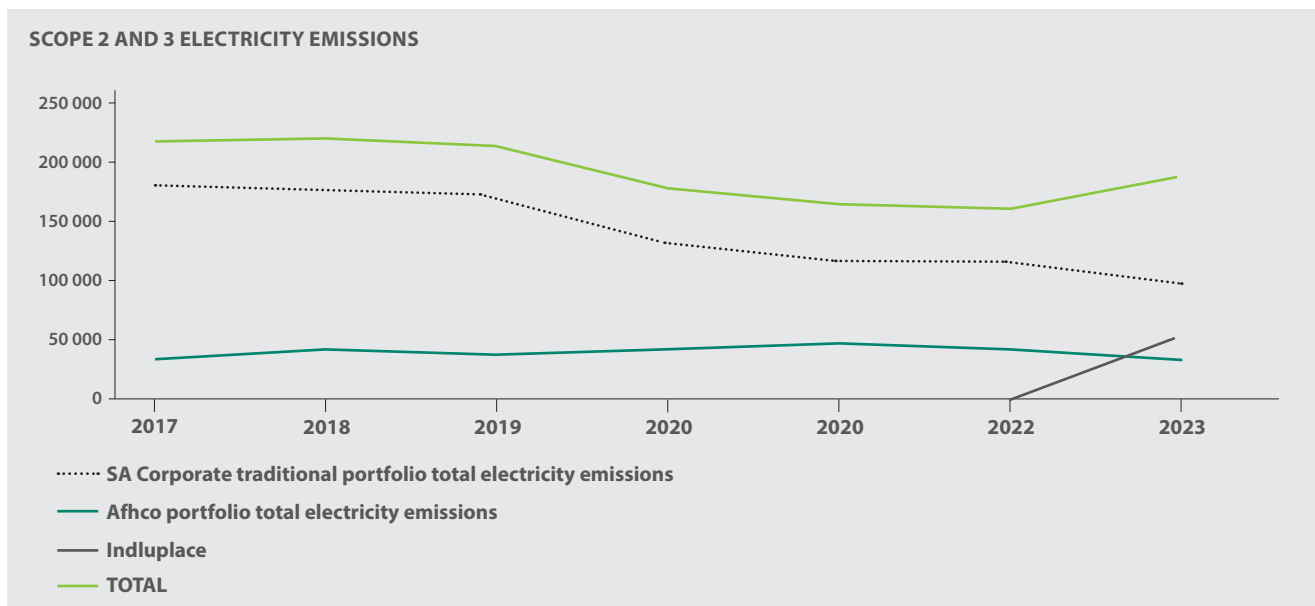
Emissions from electricity for SA Corporate's traditional portfolio and Afhco have **decreased by 17% and 19%** respectively in 2023, compared to 2022.

NURTURING OUR CAPITALS *CONTINUED*

TRACKING AGAINST BASELINE

SA Corporate tracks the emissions intensity of Scope 2 and Scope 3 electricity emissions per m² (GLA) against the 2016 baseline. The combined GLA of all three portfolios has increased by 20% from 2016 to 2023 due to the inclusion of Indluplace, which added 476 899m².

EMISSIONS CHANGES



- Scope 2 emissions have decreased overall. This is due to the improved recoveries and reduced vacancy and increased solar PV installations.
- Scope 3 emissions from sold electricity increased, compared to 2022, as a result of the inclusion of the Indluplace portfolio. Scope 3 emissions related to electricity sales to tenants were reduced for the Afhco and SA Corporate portfolios as a result of improved recoveries and increased solar PV generation.
- Scope 3 water emissions have increased due to the inclusion of the Indluplace portfolio.

BENCHMARKING PER SECTOR

Benchmarking per sector includes intensity benchmarking for each sector where tCO₂e includes Scope 2 and Scope 3 electricity emissions and m² is the GLA for each sector.

tCO ₂ e/m ²							
Sector	2018	2019	2020	2021	2022	2023	% change
Retail	0.25	0.31	0.2	0.22	0.21	0.19	(9)
Industrial	0.09	0.10	0.08	0.06	0.08	0.06	(32)
Office	0.12	0.14	0.10	0.08	0.08	0.05	(29)
Afhco	0.09	0.09	0.10	0.12	0.08	0.08	–
Indluplace	New	New	New	New	New	0.06	100

LIKE-FOR-LIKE KWH PER SECTOR

This comparison includes properties which were neither disposed of nor acquired in FY 2022 and FY 2023. Additionally, only properties where data was available (no extrapolations) in 2022 and 2023 were included in the like-for-like comparison.

Sector	2022 (kWh)	2023 (kWh)	% change
Industrial	17 435 651	10 132 413	(42)
Office	1 401 569	1 210 572	(14)
Retail	63 569 060	61 073 707	(4)
Afhco	32 503 432	27 834 146	(14)
Total	114 909 712	100 250 839	(13)

NURTURING OUR CAPITALS *CONTINUED*

KEY PERFORMANCE INDICATORS

Some of our key performance indicators are listed below :

Description	2023	2022	% change
Annual savings in costs due to Umlazi Mega City borehole	R280 351 ¹	R122 834	128
Scope 3 emissions:			
- electricity sold (tCO ₂ e)	146 273	144 737	1
- water (tCO ₂ e)	2 550	1 773	44
Energy optimisation and savings initiative savings:			
- power factor correction	0	R141 993	(100)
- water meter installations	0	R25 530	(100)
- tariff adjustments	0	R1 123 355	(100)
- energy-efficient lighting	0	R49 068	(100)
Waste:			
- by volume (m ³)	1 812	1 340	35
- by weight (kg)	1 812 508	1 340 196	35
Solar PV electricity:			
- renewable energy generated (MWh)	14 003	12 847	8
- electricity cost saving	R26 300 003	R20 918 618	26
- tonnes of CO ₂ saved (tCO ₂ e)	13 993	12 982	8
Water used (KI)	3 250 962 ²	1 916 739	70
The Group's recycling efforts equated to:			
- water saved (litres)	7 190 500	5 198 380	38
- energy saved (KWh)	13 854 702	12 847 000	8

¹ Operational for full year versus 10 months in FY22, plus annual tariff increase impact.

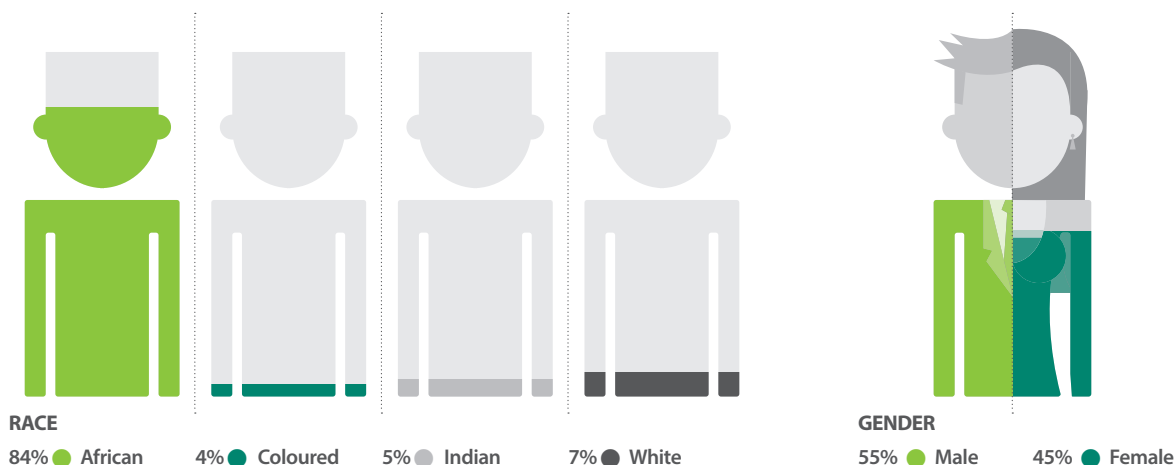
² Increase due to the Indluplace acquisition.

NURTURING OUR CAPITALS *CONTINUED*



HUMAN CAPITAL

The Group views its employees as an essential resource. Meeting strategic objectives and preserving stakeholder relationships depend heavily on the expertise, abilities, dedication and motivation of the employees. By providing training, recognition and awards, SA Corporate fosters a culture of employee growth and engagement as well as leadership development.



Some of our key human capital performance indicators are listed below – please note the substantial difference in the number of employees and the percentage of black employees as a percentage of total employees are due to the Indluplace acquisition:

Some of our key human capital performance indicators are listed below:

Description	2023	2022	% change
Number of permanent employees	499 ¹	230	117
Number of disabled employees with disabilities	15 ³	8	88
Average age of employees (years)	39.4	39.4	0
Average tenure of employees (years)	4.5	4.8	(6.3)
Total employee turnover %	11	19	-45
Number of employees trained during the year	90	55	64
Number of employee training interventions	78	36	117
Black employees as a % of employees trained	86	78	10
Total spent on training during the year	R2 895 317	R5 378 741 ⁴	2
Total remuneration ²	R124 292 217	R96 575 438	29
Black employees as a % of the number of employees	84 ¹	90	(6)

¹ Change is due to the Indluplace acquisition

² Includes executive directors

³ Includes learnerships

⁴ The higher training cost relates to a property skills programme attended by several employees

NURTURING OUR CAPITALS *CONTINUED*

EMPLOYEE ACTIVITIES IN 2023

WELLNESS WEEK

The notion of wellness is frequently associated with gym membership or green smoothies, limiting the scope to just physical wellbeing. In reality, wellbeing is a result of complex interactions among many dimensions that, when nurtured in harmony, improve health and quality of life.

To help employees improve their wellbeing across all dimensions and to create awareness, Afhco celebrated its annual wellness week as follows: 8 October – Hiking at Kliprivier Nature Reserve



- 9 October – Rejuvenation Day with head, shoulder and hand massages by external therapists
- 10 October – Mental Health Awareness in partnership with SADAG to commemorate World Mental Health Day
- 11 October – Health workers from Hillbrow Clinic performed health screening on employees
- 12 October – Financial awareness, in partnership with Alex Forbes

- 13 October – Fun day in the park with aerobics, a self-defence class, a community talk by SAPS and men's and women's soccer matches between Afhco and Indluplace employees



HERITAGE DAY

Afhco celebrated Heritage Day by getting employees to embrace a chosen cultural group by dressing the part and preparing food that represented the culture. Each group was given an opportunity to present their culture and was judged on their outfits, the food they prepared and the embodiment of their culture.



PADEL CHAMPIONSHIPS

The SA Corporate Johannesburg head office team arranged a team-building initiative where they competed in Padel championships and great fun was had by all.



YOUTH MONTH

In celebration of Youth Month, the SA Corporate team was invited to take a walk down memory lane to the days when they were babies. Baby pictures were posted on the notice board and the team had to match baby pictures with adult pictures. The overall purpose of this exercise was to allow colleagues to reflect on their journey from childhood to adulthood and to celebrate their development and achievements.

EMPLOYEE WELLNESS

The Group subscribes to the Lyra Wellbeing (formerly know as ICAS) Employee Wellness programme, which offers all employees (including Afhco and Indluplace) participation in a broad range of wellness areas, i.e. financial, health, legal, family and mental. This programme is not only available to the employees but also to their extended families.

DEVELOPMENT AND TRAINING

The skills development plan and training requirements for employees are based on needs identified in performance reviews and additional skills and qualifications required due to changes in legislation and best practices for the property sector. Employees are encouraged to join industry bodies and attend conferences to remain up to date with the latest trends and prospective industry changes that could be beneficial to, or impact the Group in any way. Opportunities for further development of employees as part of succession planning are also prioritised.

In 2023, 13 unemployed disabled people enrolled in various learnership programmes, including ICT Support and General Management (2022: 67), and 11 employed black people (2022: 11) enrolled in learnership programmes such as National Senior Certificate, Marketing and Project Management.

NURTURING OUR CAPITALS *CONTINUED*

EMPLOYEE BENEFITS

- Membership of a defined contribution pension fund for Manco employees or provident fund for Afhco employees
- Maternity benefits
- Annual leave ranges from 15 to 22 working days, depending on the role and level of the employee
- 10 days paid study leave for approved qualifications
- Free parking
- Employees who stay in a SA Corporate or Afhco residential property, qualify for a 10% discount on the monthly rental and do not pay a deposit, parking fee or administration fee
- Employee Health and Wellbeing Programme
- Reimbursing a proportion of the connectivity of work-from-home (“WFH”) costs

With the integration of Indluplace employees, employee benefits will be reviewed in due course to achieve a higher level of alignment.

NON-DISCRIMINATION

SA Corporate subscribes to a policy of zero tolerance for unfair discrimination in any shape or form, be it in terms of race, gender, ethnic or social origin, sexual orientation, religion, age, disability, political persuasion, conscience belief, culture or language. No incidents of unfair discrimination were reported during the year under review.

A South African Department of Labour’s new Code of Good Practice on the Prevention and Elimination of Harassment (“the Code”), came into effect during 2023. The Code, issued in terms of the Employment Equity Act (EEA), replaces the previous Code of Good Practice on Handling Sexual Harassment cases in the workplace and has been introduced to, among others, ensure that South Africa complies with international obligations while addressing the “prevention, elimination and management of all forms of harassment in the workplace. SA Corporate has adopted the Code in its workplace.

HEALTH AND SAFETY

SA Corporate strives to create a safe and healthy working environment at its offices, all its properties and at construction projects. Significant health and safety incidents are reported to the SEEC. In the 2023 reporting period, there were no serious workplace injuries (2022: 0).

PROPERTY MANAGER PERFORMANCE

Broll, SA Corporate’s outsourced property manager’s performance, is monitored and measured according to agreed and transparent KPIs, detailed in the table below.

PERFORMANCE AGAINST KPIS AS AT DECEMBER 2023

	Notes	Target 2023	Actual 2023	Target 2022	Actual 2022
Vacancies	1	2.1%	1.9%	3.7%	2.3%
Unsigned leases	2	5.0%	8.0%	5.0%	9.9%
Arrears management					
Arrears level	3	3.5%	4.7%	4.3%	4.7%
Collections	4	100.0%	100.3%	98.0%	99.6%
Net property income	5	712 709	717 312	728 583	751 616
Procurement	6	26	26	26	25
Expense to income ratio	7	47.0%	46.2%	45.3%	47.9%
Green strategy		Fully implemented	Superior performance	Fully implemented	Exceptional performance

1. % of GLA, standing portfolio

2. % of total leases

3. % of rolling 12 month’s income

4. % of a monthly billing

5. R’000

6. Broll B-BBEE procurement points

7. % of the expense to income

NURTURING OUR CAPITALS *CONTINUED*



INTELLECTUAL CAPITAL

The Group’s intellectual capital comprises its brands, knowledge, systems, procedures and protocols. We strive to grow SA Corporate as a property investment brand for prospective investors and for Afhco to become the residential property brand of choice.

Our systems and processes have been designed and implemented to provide maximum efficiency and support to achieving our strategic objectives.

The increase in digitisation in the residential business continued to receive focus, with several systems being introduced during the year and others being in the implementation phase. Strong focus is being given to the introduction of “predictive” Artificial Intelligence (“AI”) and Business Intelligence (“BI”) tools within the residential portfolio to assist with better understanding and decision-making capabilities. The continued roll-out of a real-time facility monitoring management system has progressed, as has the installation of AI-enabled CCTV cameras in various precincts. Further projects are also planned, possibly in conjunction with Jozi-My-Jozi, the newly established social initiative that aims to connect the private and public sectors to inspire sustainable solutions for the inner city.

The merging of Afhco and Indluplace systems is underway, thereby ensuring that the residential portfolio will be managed as a fully integrated business, with no system or process differentiation over time. Further enhancements have also been made to the ICT infrastructure to ensure that we maintain Afhco as a fully integrated business.

As consumer trends have changed, our marketing efforts across our portfolio have been broadened to make extensive use of social media to promote our properties through Facebook, Instagram YouTube, and more recently TikTok, where appropriate. “Influencer” marketing has also been adopted in the residential portfolio with influencers that align with the Afhco brand, thereby creating positive publicity for the brand.



MANUFACTURED CAPITAL


Our quality property portfolio forms the basis of our manufactured capital.

 For more information on our portfolios, please refer to the Integrated Annual Report on page 60 for the property review.



FINANCIAL CAPITAL

Access to funding is intrinsic to SA Corporate’s ability to create value, so debt and equity form the basis of our financial capital.

 Please refer to the Chief Financial Officer’s Review in the Integrated Annual Report on pages 26 and 27 for a comprehensive discussion of our efforts in this regard.

ACTIVE TWO-WAY ENGAGEMENT WITH OUR STAKEHOLDERS

The Group appreciates the importance of maintaining a sustainable balance with the interests of our stakeholders and recognises that the quality of these relationships supports our ability to create and protect value for the business as well as the stakeholders, while minimising the risk of value erosion. Engaging with our stakeholders, therefore, forms a critical part of our business strategy and value system. The Group invests in understanding stakeholders’ views and needs and ensuring that transparent, balanced and timely information is accessible to all.

SA Corporate maintains a formalised and Board-approved Stakeholder Engagement Policy, which includes disclosure control procedures and is aimed at identifying and prioritising all individuals, entities and groups who may impact or be impacted by the Group’s investments, operations and activities. The policy also sets a method of engagement with stakeholders who impact and influence the Group’s long-term resilience, guides the building and the maintaining of an open relationship between the Group and its stakeholders, develops and promotes a good understanding of stakeholders’ needs, interests, and expectations, offers guidelines on how the Group should be engaging with its stakeholders and reinforces the Group’s commitment to all its stakeholders. This commitment is based on the principles of:

- *Relevance:* Focusing on those issues of material concern to its stakeholders and the Group and identifying how best to address them for mutual benefit.
- *Responsiveness:* Engaging with stakeholders on these issues and giving relevant, timely and meaningful feedback.

The Board’s Committees, in particular the SEEC and, to the extent relevant, the ARC, Remuneration Committee, Investment Committee and Nomination Committee, assist the Board in carrying out this responsibility by considering and discussing specific stakeholder issues and disclosure matters at their meetings.



STAKEHOLDER GROUPS



The primary stakeholder engagements during 2023 and their outcomes are provided on the following pages.




ACTIVE TWO-WAY ENGAGEMENT WITH OUR STAKEHOLDERS

CONTINUED

	Quality of relationship	Engagement methods	Stakeholder priorities	Our response	Strategic objectives addressed
 <p>INVESTMENT COMMUNITY</p> <p>In the past year: The Group maintained active and regular engagement</p>	<p>The Group provides timeous, relevant and comprehensive information to investors, analysts and the media audiences</p> <p>The relationship is mutually beneficial with robust and healthy engagement</p>	<ul style="list-style-type: none"> • Perception surveys • Half-year and year-end results presentations and pre-close webinars • One-on-one meetings with major shareholders and analysts • Trading updates, SENS announcements and press releases • AGM • Investor roadshows • Corporate website • Integrated Annual Reporting suite 	<ul style="list-style-type: none"> • Acceptable and sustainable growth in distributions • Appropriate return on investment • Sound corporate governance, compliance and risk management • Consistent financial performance • Good corporate citizenship • Fair and transparent executive remuneration and incentives • Capital preservation • Loyalty and retention of tenants 	<ul style="list-style-type: none"> • We aim to achieve sustainable, quality returns, which deliver both profit and cash to our shareholders • Robust engagement keeps us abreast of shareholder needs and preferences 	 <p>Financial sustainability</p>
Relationship contribution to value creation		Risks		Opportunities	
<ul style="list-style-type: none"> • Shareholders provide capital to facilitate growth in the business • Analysts provide market intelligence on opportunities and peer comparisons • SA Corporate aims to build and maintain a broad base of well-informed and rewarded shareholders who will support the Group over the long term 		<ul style="list-style-type: none"> • Reputational damage • Increased cost of capital • Slowing or even negative distribution growth • Safeguarding against liquidity risks 		<ul style="list-style-type: none"> • A strengthened investment case • A share price valuation that reflects an appropriate value for the Group • Introducing new convenience, defensive retailer brands and concepts 	





ACTIVE TWO-WAY ENGAGEMENT WITH OUR STAKEHOLDERS

CONTINUED

	Quality of relationship	Engagement methods	Stakeholder priorities	Our response	Strategic objectives addressed
 <p>TENANTS</p> <p>In the past year: There was a significant focus on improving amenities and quality of the environment for tenants, as well as addressing challenges with loadshedding interruptions</p>	Engagements with tenants are aimed at gaining an understanding of their challenges and the Group's opportunities, so that mutually beneficial outcomes may be achieved	<ul style="list-style-type: none"> • Meetings with centre managers and on-site employees • Strategic relations with national retailers and blue-chip tenants • Partnering with tenants • Property manager meetings • On-site marketing consultants at retail centres • Tenant visits • Collaborating with tenants on corporate social investment ("CSI") initiatives • Walk-in Centre, email, WhatsApp, telephone, chatbot, notices and letters for residential tenants • Tenant bursaries • Student mentorship programme 	<ul style="list-style-type: none"> • Reasonability of cost of occupancy • Quality of property • Tenant safety and security • Location of property • Tenant mix improvements • Client service excellence • Increasing foot traffic • Increased competition • Environmental pressure as far as it impacts the tenant cost • Accurate measuring of water and electricity • B-BBEE rating • Administrative accuracy • Tenant amenities 	<ul style="list-style-type: none"> • We continuously strive to accommodate tenant requirements, within acceptable parameters • Installing solar panels as well as energy-efficient lighting and promoting energy-saving initiatives with tenants • Improving security and amenities in the residential portfolio: Afhco's Johannesburg portfolio is to be concentrated in mixed-use precincts in which it can ensure accessibility, good infrastructure, quality residential and retail products, a secure environment and a broad range of lifestyle amenities to enhance the Afhco offer to tenants. Similar initiatives are being investigated in the Indluplace portfolio • Installing generators to ensure ongoing operation of key building infrastructure during load shedding • Investigating borehole and water tank solutions where water issues are identified 	 <p>Operational optimisation</p>  <p>Execution discipline</p>
Relationship contribution to value creation		Risks		Opportunities	
<ul style="list-style-type: none"> • The Group aims to build and maintain a strong quality tenant base, and to enhance tenanting and administrative processes to optimise the customer service experience for our tenants • The renting of available space enables SA Corporate to grow its business 		<ul style="list-style-type: none"> • Tenant concerns may damage our reputation • Tenant safety and security • The inability of tenants to afford the cost of occupation • Lack of tenant retention 		<ul style="list-style-type: none"> • Early warning system to protect against reputational damage • Resolving tenant complaints quickly and effectively leads to increased tenant satisfaction and loyalty • High retention, reduces the costs of sourcing new tenants • Supporting tenants in challenging times improves retention, as well as SA Corporate's reputation as a landlord • Referrals from tenants • Providing affordable rental accommodation 	




ACTIVE TWO-WAY ENGAGEMENT WITH OUR STAKEHOLDERS

CONTINUED

	Quality of relationship	Engagement methods	Stakeholder priorities	Our response	Strategic objectives addressed
 COMMUNITIES In the past year: Focus on community upliftment New CityTotz Early Development Centre opened in 2024 to cater for pre-school children	The Group strives to be a responsible corporate citizen and recognises that its activities affect the broader community and impact the social- and natural environment within which it operates The relationship is mutually beneficial	<ul style="list-style-type: none"> • Retail centre social initiatives • Inner city community upliftment initiatives • Management of the Albert and End Street parks on behalf of the city • Urban agriculture initiatives • Facilitating broad-based community participation through other CSI initiatives • Enterprise Development support in the form of The Seed Project • Supplier Development in the form of office space • Building relationships with Ward Councillors in the inner city 	<ul style="list-style-type: none"> • Job creation • Safety, security and cleanliness • Responsible corporate citizenship • Environmental impact 	<ul style="list-style-type: none"> • We partner with our communities and strive to play our part in the success and well-being of the communities in which we operate • SA Corporate has this year, as part of our social investment, invested in funding skills development for the disabled and previously disadvantaged people • R2 million paid in bursaries to support CityKidz's parents with outstanding school debt and 2023 fees • Student bursaries from Afhco • Afhco contributes towards several City Improvement Districts ("CIDs") to ensure a cleaner and safer environment • Afhco has been managing End Street Park for the City of Johannesburg for over a decade and Albert Street Park for over five years • In conjunction with SAPS and Afhco-appointed private security, Afhco opened a control centre in its Frank & Hirsch building to ensure greater SAPS presence to combat crime • Afhco's annual Winter Drive and Mandela Day initiatives in support of various charities 	 Human capital development  Best-in-class residential portfolio  Convenience retail
Relationship contribution to value creation		Risks		Opportunities	
<ul style="list-style-type: none"> • Encourages community support for the business • A better understanding of the needs of the community aligns the business with the community's needs • Positive impact on the communities 		<ul style="list-style-type: none"> • A breakdown in relationships in a community could harm our reputation and increase vacancies • A deterioration in the environment surrounding our properties will ultimately impact their value 		<ul style="list-style-type: none"> • Strong community relationships will support mutually beneficial outcomes for community developments, as well as increased footfall in our malls and higher value for our residential properties 	





ACTIVE TWO-WAY ENGAGEMENT WITH OUR STAKEHOLDERS

CONTINUED

	Quality of relationship	Engagement methods	Stakeholder priorities	Our response	Strategic objectives addressed
 EMPLOYEES In the past year: Adjusting to returning to the office and hybrid working conditions and confirming ethical conduct with awareness initiatives	Employees are a key resource, and their knowledge, skills and commitment are essential to meeting the Group's strategic objectives The relationship is strong with mutual trust and understanding	<ul style="list-style-type: none"> Employee meetings Performance reviews, including 360-degree evaluations of executive directors, development discussions and opportunities for all employees Employee succession readiness assessment Participation in stakeholder presentations Lyra Wellbeing (formerly know as ICAS) Employee Wellness Programme consultation sessions Team building initiatives Wellness days 	<ul style="list-style-type: none"> Job security Fair remuneration and incentives Conducive work environment Group values Financial sustainability, including Group performance Training and career development opportunities 	<ul style="list-style-type: none"> We invest in skills development to ensure that our employees are equipped to provide excellent service We strive to remunerate our employees well and provide an appealing employee value proposition to attract high-calibre employees A hybrid model of working Engagement in the proposed new Code of Conduct Creating appropriate channels for concerns and grievances Awareness initiatives on the "Speak-up" campaign Offering bursaries to employees for further studies Providing employees with access to the Lyra Wellbeing (formerly know as ICAS) Employee Wellness programme Providing employees with growth opportunities through internal promotions Providing employees with a gym and relaxation area at GreenPark Corner 	 Operational optimisation  Human capital development
	Relationship contribution to value creation	Risks	Opportunities		
	<ul style="list-style-type: none"> Highly skilled and engaged employees who are adequately remunerated, incentivised and motivated to execute our strategic objectives Employee retention 	<ul style="list-style-type: none"> Negative perceptions from employees might cause disruption of operations and unproductive behaviour Lack of employee retention leads to disruptions and increased costs 	<ul style="list-style-type: none"> Ensuring a committed and engaged workforce will lead to a satisfied tenant base and profitable growth 		




ACTIVE TWO-WAY ENGAGEMENT WITH OUR STAKEHOLDERS

CONTINUED

	Quality of relationship	Engagement methods	Stakeholder priorities	Our response	Strategic objectives addressed
 <p>DEBT PROVIDERS</p> <p>In the past year: Engagement with lenders and the refinancing of facilities</p> <p>Lender approval for cover and relaxation while raising capital for the unlisted residential fund</p>	<p>Engagements with lenders are regular and aimed at proactively maintaining covenant compliance</p> <p>The relationship is sound and value-adding</p>	<ul style="list-style-type: none"> Regular meetings to provide feedback and maintain long-standing professional relationships Proactive management of, and compliance with, lender covenants Proactive engagements for relaxation of covenants Regular reporting on covenant adherence, requirements as well as risk tolerances and thresholds Predefined sustainability performance targets and KPIs on sustainability-linked funding 	<ul style="list-style-type: none"> Competent treasury function Ability to service debt Appropriate LTV and ICR covenant ratios Adhering to covenants and other contractual requirements Appropriate and adequate security 	<ul style="list-style-type: none"> We keep our lenders informed through regular reporting and engagement and manage the organisation within the required parameters to reduce the risk for ourselves and lenders alike Regular engagement with funders to proactively manage ongoing compliance with lender covenants Monthly reviews are circulated to the ARC to ensure that all risk tolerances and thresholds are monitored 	 <p>Financial sustainability</p>
Relationship contribution to value creation		Risks		Opportunities	
<ul style="list-style-type: none"> Provision of funding to facilitate business objectives 		<ul style="list-style-type: none"> Lack of capital Reputational damage Onerous financial covenants Breach of covenants 		<ul style="list-style-type: none"> Identifying opportunities for improved disclosure and value-add Increasing sources of funding and additional funding instruments to broaden the base of potential lenders Securing additional facilities and/or less onerous funding terms to ensure liquidity 	
	Quality of relationship	Engagement methods	Stakeholder priorities	Our response	Strategic objectives addressed
 <p>REGULATORS, INDUSTRY AND BUSINESS ORGANISATIONS</p> <p>In the past year: Maintained a social housing development in partnership with the Social Housing Regulatory Authority ("SHRA")</p>	<p>The Group maintains open, honest and transparent relationships and ensures compliance with all legal and regulatory requirements</p> <p>The Group supports and enables the efforts of industry bodies to promote and protect the Group and the sector's interests</p> <p>The relationship is mutually beneficial</p>	<ul style="list-style-type: none"> Attendance and participation with the SA REIT Association and related property industry forums Regular engagements with the JSE through SA Corporate's sponsor Communication on matters affecting the property industry and sharing of experiences, as well as joint lobbying on matters of mutual interest Engagement with the newly-formed South African Multi-Family Residential Rental Association ("SAMRRA") 	<ul style="list-style-type: none"> Sector-specific issues Introduction of new legislation 	<ul style="list-style-type: none"> We keep abreast of JSE Listings Requirements and changes in regulations Founding member of the newly-formed SAMRRA 	 <p>Operational optimisation</p>
Relationship contribution to value creation		Risks		Opportunities	
<ul style="list-style-type: none"> Guidance on matters affecting the property industry and sharing of experiences Financial savings Joint lobbying on matters of mutual interest 		<ul style="list-style-type: none"> Non-compliance with industry regulations Non-compliance with JSE/REIT requirements 		<ul style="list-style-type: none"> Co-operation with peers may lead to outcomes that benefit all parties 	

ACTIVE TWO-WAY ENGAGEMENT WITH OUR STAKEHOLDERS

CONTINUED

 LOCAL AND NATIONAL GOVERNMENT In the past year: Continued engagement with municipalities with respect to integrated urban development and traffic management Engagement with authorities in contributing to community upliftment projects and renewable energy generation	Quality of relationship	Engagement methods	Stakeholder priorities	Our response	Strategic objectives addressed
	<p>The Group endeavours to build relationships and a shared understanding of its business and its contribution to regions and local communities where it operates, as well as with local and national government departments and agencies</p> <p>SA Corporate's belief in strong and ethical leadership and collaboration for sustainable development underpins its relationships with government</p>	<ul style="list-style-type: none"> • Regular meetings and consultations • Employment equity reports • Participation in the Johannesburg Property Owners and Managers Association's interactions with the City of Johannesburg • B-BBEE scorecard and reporting on the Group's B-BBEE performance and transformation agenda • Collaboration with the Johannesburg City Council and establishing a more balanced public-private partnership 	<ul style="list-style-type: none"> • Compliance with legal and regulatory requirements • Service delivery • Contribution to economic development • Urban regeneration • By-law enforcement • Elimination of illegal dumping • Fight against poverty and unemployment • Transformation • Collection of billings • Maintenance of public open space and infrastructure • B-BBEE 	<ul style="list-style-type: none"> • We are committed to ethical business and governance practices and are active participants, willing to collaborate to maximise service delivery for tenants 	 Best-in-class residential portfolio  Financial sustainability
Relationship contribution to value creation		Risks		Opportunities	
<ul style="list-style-type: none"> • Partnering to encourage good service delivery for our tenants and community upliftment • Providing regulatory frameworks which are transparent and fair to all parties • Enforcing local and national laws and regulations to ensure compliance 		<ul style="list-style-type: none"> • Non-compliance or deterioration in relationship with regulators may jeopardise SA Corporate's licence to operate • Non-payment of utilities may lead to interrupted service delivery 		<ul style="list-style-type: none"> • Our established track record assists us in obtaining access to, and cooperation from, the relevant authorities 	

ESG DATA TABLES

Item	Unit of measure	2023	2022	2021
Board members	Number	10	8	9
Board members who are deemed non-executive	Number	7	6	7
Board members who are deemed executive	Number	3	2	2
Board members who are deemed independent	Number	7	6	7
Board members who are deemed Historically Disadvantaged South Africans (HDSA)	Number	8	6	6
Board members who are women	Number	5	3	4
Average length of executive director service	Years	5.0	5.5	10
Average length of non-executive director service	Years	5.7	5.5	4.6
Average length of director (full Board) service	Years	5.5	5.6	5.4
Average age of directors	Years	51	53	52
Overall Board and Committee meeting attendance	%	99.5	100	99.4
Auditor remuneration: % of non-audit fees	%	13.2	6.3	109.5
Length of current auditor's service	Years	4	3	2
Independence of Board Chairman	Y/N	Yes	Yes	Yes
Publicly available policy on Board conflicts of interest & politically exposed persons (PEPs)	Y/N	Yes	Yes	Yes
Disclosure of any/all Board member conflicts of interest	Y/N	Yes	Yes	Yes
Public disclosure on any/all Board members deemed a PEP	Y/N	n/a	n/a	n/a
Publicly available Human Rights Policy	Y/N	Yes	Yes	Yes
Shareholder's vote (binding) on executive remuneration	Y/N	Yes	Yes	Yes
Shareholder's vote (binding) on sustainability-related resolutions	Y/N	n/a	n/a	n/a
Public disclose of voting record on sustainability-related resolutions	Y/N	n/a	n/a	n/a
Human capital				
Total permanent employees	Number	499 ¹	230	213
Total learnerships (12 months)	Number	13	8	8
Total fixed-term employees (>90 days, not permanent)	Number	27	16	6
Total temporary employees	Number	2	0	0
Total contractors	Number	27	33	47
Total employees (including contractors) *	Number	568	287	274
Employees who are deemed HDSA (South Africa only) *	%	84	96	88
Employees who are women	%	45	47	48
Permanent employees	%	93	91	77.7
Employees who belong to a trade union	%	10	13	7.8
Total employee terminations	Number	57	47	45
Employee turnover rate	%	11	19	18
Total employees trained	Number	90	58	96
Value of employee training spend	ZAR	2 895 317	5 378 741 ²	2 771 851
Health and Safety				
Total number of fatalities	Number	0	0	0
Total number of lost-time injuries (LTIs)	Number	0	2	0
Total number of medical treatment cases (MTCs)	Number	0	0	0
Total number of first aid cases (FACs)	Number	2	2	1
Properties owned				
Properties				
Afhco and Indluplace	Number	179	61 ³	64 ³
Commercial	Number	2	3	4
Industrial	Number	45	51	54
Retail and Storage	Number	41	42	43
Rest of Africa	Number	3	3	3
Total number of properties owned	Number	270	160	168

ESG DATA TABLES

Item	Unit of measure	2023	2022	2021
Square metres - under SA Corporate direct control				
Afhco and Indluplace	m ²	905 548	489 570	415 790
Commercial	m ²	21 756	25 591	30 298
Industrial	m ²	381 840	424 173	450 207
Retail and Storage	m ²	400 507	411 332	378 115
Rest of Africa	m ²	47 907	47 395	30 739
Total square metres of properties owned - under SA Corporate direct control (rental area)	m²	1 757 558	1 398 061	1 305 149
Square metres - not under SA Corporate direct control				
Retail and Storage	m ²	12 851	13 384	13 406
Rest of Africa	m ²	47 907	47 395	30 739
Total square metres of properties owned – not under SA Corporate direct control (rental area)	m²	60 758	60 779	44 145
Environmental				
Energy (Group)				
Total grid electricity consumption (excluding self-generation)	MWh	170 547	155 043	157 438
Total petrol consumption (vehicles)	litres	4 795	4 890	4 255
Total diesel consumption (generators and vehicles)	litres	462 421	213 889	24 821
Total volume of electricity self-generated	MWh	12 632	14 987	14 852
Carbon Footprint (Group)				
Scope 1	tCO ₂ e	1 676	1 191	613
Scope 2	tCO ₂ e	15 506	16 508	20 383
Scope 3	tCO ₂ e	148 823	146 510	145 679
Total Carbon Emissions	tCO₂e	166 005	164 209	166 675
Carbon Efficiency (Total emissions)	tCO ₂ e/m ²	0.094	0.119	0.121
Water (SA Corporate and Afhco)				
Total water consumption⁴	m³	3 250 962	1 916 739	1 779 992
Water Efficiency ⁴	m ³ /m ²	1.85	1.39	1.28
Waste				
Total volume of waste recycled	Kgs	1 812 508	1 340 196	1 992 266
Percentage of waste recycled	%	38 ⁵	37 ⁵	55
Corporate Social Investment/Socio-Economic Development ("SI/SED") Expenditures				
CSI/SED spend on education	ZAR	571 361	40 091	182 962
CSI/SED spend on health, including HIV/AIDS	ZAR	79 112	92 492	85 560
CSI/SED spend on arts, sports and culture	ZAR	80 762	665 733	211 176
Enterprise Development				
Enterprise Development spend	ZAR	682 581	1 088 564	923 107
Supplier Development spend	ZAR	1 786 946	1 703 3990	1 242 321
Skills Development				
School fees bursaries ⁶	ZAR	2 008 952	1 725 534	1 594 344
External bursaries and learnerships ⁷	ZAR	988 710	460 770	364 040
Procurement				
Value of total discretionary procurement spend	ZAR	1 354 573 497	1 278 556 364	1 675 464 007
HDSA procurement spend	ZAR	390 600 897	465 500 718	325 548 386
Preferential procurement spend rate ⁸	%	29	36	19.6

¹ Change in 2023 due to Indluplace acquisition

² The higher training cost relates to a property skills programme attended by several employees

³ Afhco only

⁴ Figures are different to what was reported previously due to a different approach to account for water consumption (previous only included SA Corporate, now also includes Afhco)

⁵ Tenants have started taking responsibility for their recycling, so only the non-recyclable waste gets sent to SA Corporate for disposal

⁶ CityKidz bursary agreement and bursaries for the children of Afhco employees and Afhco tenants are included

⁷ Afhco special bursaries and learnerships for non-employees. Increase due to Indluplace acquisition

GLOSSARY

Afhco/Afhco Group

Afhco Holdings (Pty) Ltd and its subsidiaries acquired by SA Corporate on 1 July 2014.

ARC

Audit and Risk Committee.

B-BBEE

Broad-Based Black Economic Empowerment.

Black people

Means Africans, Coloureds and Indians

- (a) who are citizens of the Republic of South Africa by birth or descent; or
- (b) who became citizens of the Republic of South Africa by naturalisation-
 - (i) before 27 April 1994; or
 - (ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation before that date

Board

The Board of Directors of SA Corporate

Broll

Broll Property Group (Pty) Ltd, SA Corporate's property manager for its Traditional Portfolio.

GLA

Gross Lettable Area.

Gross property expenses

The sum of property administration fees and property expenses.

H1

The first half of the financial year.

H2

The second half of the financial year.

Indluplace/Indluplace Group

Indluplace Properties (Pty) Ltd (previously, Indluplace Properties Limited) and its subsidiaries, which were acquired by SA Corporate on 1 August 2023.

JV

Joint venture in 50% of three Zambian property companies.

Like-for-like portfolio

Properties in the portfolio that have been held for the full current year and the comparable 12 months in the prior year. Acquisitions, developments and disposals in either the current or prior year are excluded from the like-for-like portfolio.

LTV

Loan to value. Loan value is expressed as a percentage of direct and indirect property investments (excluding straight-line rental adjustment).

Manco

SA Corporate Real Estate Fund Managers (RF) (Pty) Ltd.

Net asset value ("NAV")

The NAV of the Group, expressed in cents per share, is the net assets of the Company divided by the shares in issue at the end of the year.

Net property income ("NPI")

Rental income and recoveries less expense attributable to investment properties.

Non-profit organisation ("NPO")

A legal entity organised and operated for public or social benefit.

Peer Group

The Peer Group comprises the SAPY index as a base. This is then adjusted to only include REITs of a similar size and that operate similar property portfolios, but with insignificant exposure to foreign operations.

Property Portfolio

Properties identified in the property portfolio on pages 116 to 123 of the AFS. The properties are held by the subsidiaries of the Group. The property portfolio comprises:

- Investment property at the valuation
- Property under development
- Properties classified as held for disposal

Property Sector Charter ("PSC")

A transformation charter, published in the Government Gazette in June 2012 in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 was replaced by the Amended Property Sector Code, published on 7 June 2017.

REIT

Real Estate Investment Trust is an investment vehicle that invests in and derives income from, real estate properties. Profits are taxed in the hands of investors.

Remco

Remuneration Committee.

Sustainable Development Goal ("SDG")

Goals set by the United Nations General Assembly in 2015 to achieve a better and more sustainable future for all.

SEEC

Social, Ethics and Environmental Committee.

SAMRRA

South African Multi-Family Residential Rental Association.

ADMINISTRATION

SA Corporate Real Estate Limited
Incorporated in the Republic of South Africa
Registration number: 2015/015578/06
Share Code: SAC ISIN Code: ZAE000203238
Approved as a REIT by the JSE

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DIRECTORS

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OR Mosetlhi (Lead Independent Director)
TR Mackey (Chief Executive Officer)*
SY Moodley (Chief Financial Officer)*
NNN Radebe (Chief Operating Officer)**
N Ford-Hoon (Fok)
EM Hendricks
GJ Heron
SS Mafoyané
GZN Khumalo^{#^}

* Executive

[#] Appointed 1 February 2023

[^] Resigned 19 April 2024

INTEGRATED ANNUAL REPORT COMPILATION

Compilation of the SA Corporate Integrated Report - **Investorsense**
Design and typesetting of the SA Corporate Integrated Report - **Idea Exchange**

