2020 Integrated report

Building tomorrow,
today

REDEFINE PROPERTIES

We're not landlords. We're people.

Theme

B E S T

BRAVE: Exploring possibilities, rising to every challenge

ETHICAL: Doing what's right, and caring

SUSTAINABLE: Understanding our impact and creating lasting value

TRUSTWORTHY: Building our relationships, being accountable and true

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

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

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

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

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

IR

AGM

ESG

AFS

Guide to our report

KEY

COVID-19 information COVID-19

Navigate our report

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

Our reporting **suite**

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

IR Integrated report

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

ESG Environmental, social and governance report

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

AFS Group annual financial statements

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

AGM Notice of annual general meeting

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

Our reporting suite is in compliance with:

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

Feedback

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

About **Redefine**

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

We are listed on the JSE

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

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

About our report

Integrated thinking

Sustained value creation does not happen in isolation. Our approach to embedding integrated thinking in our organisation is continuous and takes into account the relationship between the capitals that we use or affect and the potential trade-offs inherent in our strategic choices. We strive to report transparently, reflecting both the value created and preserved, as well as the value eroded. By understanding how these elements interact, we are better able to deliver sustained value for all stakeholders in the short, medium and long term. For an understanding of the various elements of our value creation story, refer to **page 6**.

Boundary and scope

Our integrated reporting boundary covers the risks, opportunities and outcomes arising from our:

Operating context	Business model, including the affordability and availability of capitals	Strategy	Use of and impact on the six capitals	Stakeholder engagements
See **page 44**	See **page 12**	See **page 54**	See **page 74**	See **page 32**

FC MC HC SRC IC NC

Financial reporting boundary

Aligns with our financial statements reporting boundary, and includes our:

- Subsidiaries
- Associates
- Joint ventures

This report covers the performance of the group for the year ended 31 August 2020. Major emphasis is placed on our South African operations as they account for 81% of the group's property asset platform. Non-financial information relates to our South African operations due to their materiality, as well as the degree of management control exercised. Details of our investments in subsidiaries, associates and joint ventures appear in our AFS. Comprehensive information on our separately listed and managed interests in associates and joint ventures, which comprise the majority of our offshore property assets, is provided in their annual reports which are available on their websites. We have used the top risks and opportunities arising from our operating context and stakeholder relationships as key in determining which material matters to report on.

Materiality

This report aims to disclose information about matters that substantively affect our ability to create value in the short, medium and long term. For us, the short term refers to the next 18 months, while the medium term is considered 18 months to five years. Anything beyond that is deemed long term. We discuss our materiality determination process on **page 4** of this report.

Integrated risk management approach

We believe that an effective risk governance model contains checks and balances to support appropriate consideration of risk and opportunity management throughout the organisation. We therefore consider integrated risk management to be an optimal approach that strengthens operational practices, decision-making and priority setting to better respond to stakeholder needs, as well as to support the desired cultural shift to a risk-smart workforce.

Outlook

Outlook information is considered to be all information that answers the question: *What challenges, opportunities and uncertainties are we likely to encounter in pursuing our strategy, and what are the potential implications for our business model and future performance?*

Outlook information can be found throughout this report; however, the majority of this information can be found in the following sections of the report:

COVID-19 has posed a considerable challenge to the group during the year. Our response to the evolving pandemic is addressed throughout the report. Given the uncertainty in the operating context, we have highlighted the potential uncertainties and our responses, where applicable.

Forward-looking statements

This IR contains forward-looking statements with respect to Redefine's future performance and prospects. While these statements represent our judgements and future expectations at the time of preparing this report, a number of emerging risks, uncertainties and other important factors could materially change the results from our expectations. These may include factors that could adversely affect our business and financial performance.

Board responsibility statement

Redefine's board of directors (board) acknowledges its responsibility to ensure the integrity of the IR. The board, in its opinion and having applied its collective mind to the preparation and presentation of the IR, believes it addresses all material matters and offers a balanced view of Redefine's strategy and how it relates to the organisation's ability to create value in the short, medium and long term. The board believes that the IR adequately addresses Redefine's use of and effects on the capitals, and the manner in which the availability of these capitals is impacting Redefine's strategy and business model. We, as the board, believe that this IR was prepared in accordance with the International <IR> Framework.

The IR, which remains the ultimate responsibility of the board, is prepared under the supervision of senior management, and subject to a rigorous process using both internal and external assurance. The IR is submitted to the audit committee, which reviews the IR and recommends it to the board for approval having reviewed the contents, as well as the collation process, and with reliance on the assurance provided on the various reporting elements. For more detail on the assurance of various reporting elements of this IR, refer to **page 18** of the summarised governance report.

The board approved this report on 28 December 2020.

Board of directors

Sipho M Pityana
Independent non-executive chairperson

Bridgitte Mathews
Lead independent non-executive director

Amanda Dambuza
Independent non-executive director

Dhanasagree (Daisy) Naidoo
Independent non-executive director

Diane Radley
Independent non-executive director

Lesego Sennelo
Independent non-executive director

Marius Barkhuysen
Independent non-executive director

Nomalizo (Ntombi) Langa-Royds
Independent non-executive director

Andrew König
Chief executive officer

Leon Kok
Financial director

Our **material** matters

We apply integrated thinking to identify those matters that may influence our ability to create value in the short, medium and long term. These matters inform our strategy to manage the risks and maximise the opportunities that present themselves.

Our materiality process – defining what matters most

We identify what matters most to our business using the following process:

Identify	Prioritise	Integrate
PROCESS		
We analyse our business context, our operating environment, the resources we rely on (the six capitals), as well as the feedback received from our stakeholders (internal and external), to assess matters that could have financial, reputational, operational, environmental, social, strategic or legislative significance. We consider those matters that could impact our business in the short, medium and long term, as well as actual events that have taken place.	We use the outcomes of this analysis and the key risks and opportunities identified to prioritise those matters that are most material to our ability to create sustained value in the short, medium and long term (as depicted in the materiality matrix). Our prioritisation process uses online tools and in-person workshops. Based on the material impacts identified, we derive our risk and opportunity register which we update throughout the year. To ensure further rigour, we undertake an externally facilitated materiality review.	We integrate our material matters into our strategy by contextualising them into our five strategic priorities which guide our integrated approach to strategic choices. Performance against the strategy is tracked by setting clearly identified key performance areas (KPAs) and key performance indicators (KPIs) that are cascaded throughout the business to deliver on the strategic priorities.

INPUTS		
- Industry and market trends - Global research reports - Internal documentation - Internal interviews - External stakeholder engagement - United Nations Sustainable Development Goals (UN SDGs)	- Senior management deliberation - Approval from appropriate governance structures	- Board-determined strategic direction - Remuneration based on KPIs derived from strategy

Our materiality themes – the outcomes of our materiality process

Following the prioritisation of our material matters, we identified five megatrends (global macro forces that have the potential to transform our business) that stood out as the broader themes under which our material matters could be classified. **COVID-19** has intensified and accelerated trends already in motion.

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

For more information on our materiality themes, please see our operating context (page 44), and for more information on our material matters, please see our capitals in the value creation section of this report (page 74.)

How we **create value**

Considering our material matters See page 4

We take an integrated approach to identify those matters that may influence our ability to create value in the short, medium and long term. We view the value creation process and the determination of our material matters as a fluid process, with a constant review to ensure our strategic priorities remain relevant.

During our materiality review, we identified five megatrends arising from our prioritised matters. These matters inform our strategy to manage the risks and maximise the opportunities that present themselves.

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

See our materiality discussion on **page 4** and further discussion on our materiality themes on **page 44**.

Refer to **page 5** for our materiality matrix.

Operating context See page 44

The global trends and issues, such as COVID-19, geopolitical events and socioeconomic issues arising from the geographies in which we operate, as well as emerging and existing megatrends, determine the environment that informs our value creation process.

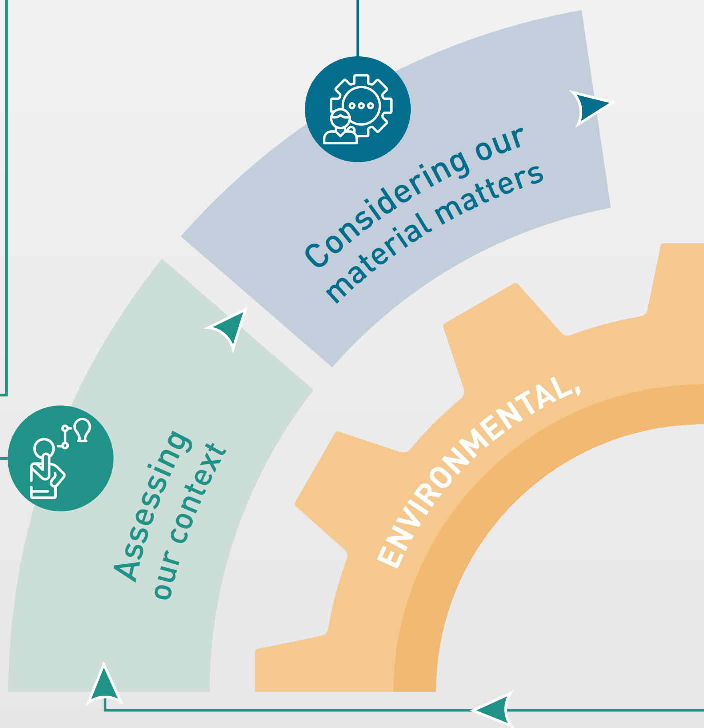
Stakeholder relationships See page 32

Due to our extensive engagement strategies, we are able to prioritise what each of our key stakeholders values most and what value Redefine strives to achieve from each relationship in return.

- Investors and funders
- Employees
- Tenants
- Property brokers
- Suppliers
- Communities

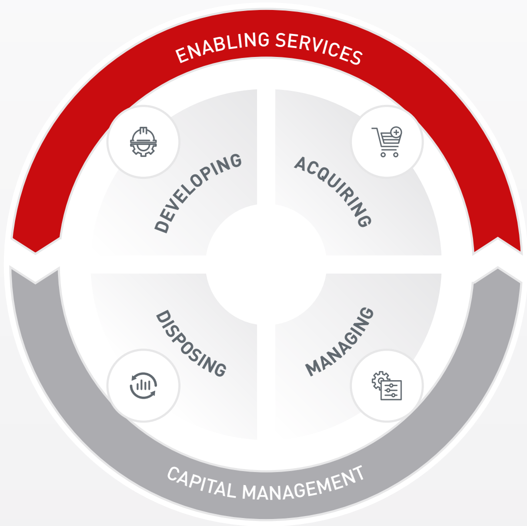
Risks and opportunities See page 38

Using our business model as a lens, we analyse our operating environment, our stakeholder relationships and our dependence on particular resources. From this universe, we derive our top-of-mind risks and opportunities, which we update throughout the year. These include climate-related risks and opportunities, the assessment of which will be aligned to international best practice.



To achieve our purpose of creating and managing spaces in a way that changes lives, we need to ensure we have a robust business model and that our strategy is responsive and progressive. This requires more than a business as usual approach – **it requires an integrated approach to value creation.**

We aim to report on our value creation journey in a balanced and transparent manner, reflecting on how we have created and preserved value, as well as how value has been eroded. While we strive to deliver sustained value, we understand that our strategic choices, as well as the evolving context we operate in, may only preserve or, at times, erode value. Where this is the case, we aim to report on how we are responding as we deliver on our purpose.



Business strategy See page 54

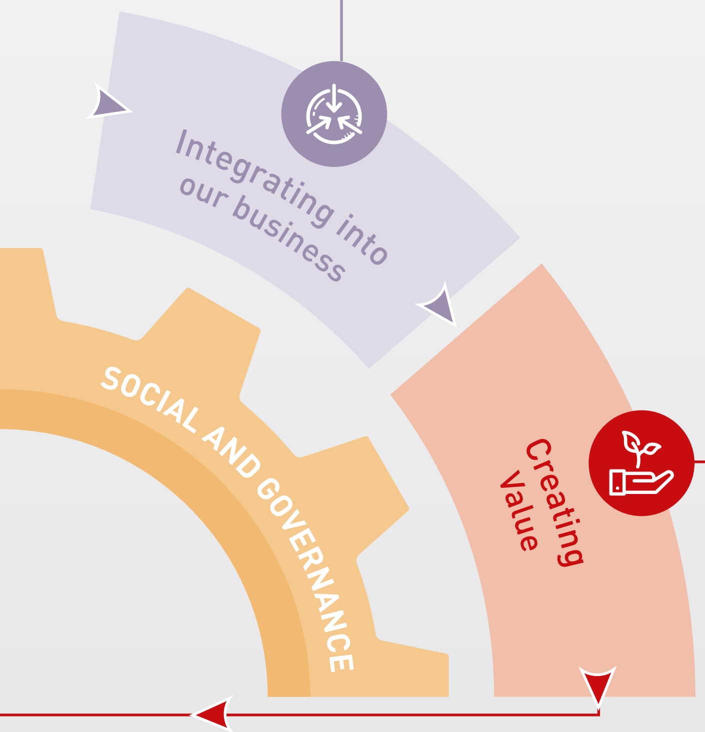
Operating in a long-term asset class, we make strategic choices with lasting impacts.

Aligning with broader ambitions

- Short-term objectives
- Medium-term objectives
- Long-term objectives

Business model See page 12

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



Value, for us, means meeting our stakeholder goals See page 15 and page 32

- A source of sustained growth in total returns for **investors and funders**
- An employer of choice for **employees**
- A differentiated provider of relevant space for **tenants**
- A preferred business partner for **property brokers**
- A source of business opportunity and growth for **suppliers**
- A responsible **community** participant

To create sustained value for our stakeholders, we have to understand and carefully consider their needs to ensure we deliver a balanced outcome.

For more information on how we do so, see page 74.

Environmental, social and governance (ESG)

ESG is the golden thread that binds all elements of our value creation process together. It informs our strategic decisions and daily operations – ensuring that we make choices that are aligned with our values and strategic objectives to enable long-term value creation, while ensuring transparency and accountability for our actions.

See **page 18**, as well as in the ESG report

The essence of **who we are**

To create sustained value, you must do so from a place of purpose

Our **purpose** is to create and manage spaces in a way that changes lives	Our **vision** is to be the best South African REIT	Our **mission** is to create sustained value for all our stakeholders	Our **primary goal** is to grow and improve cash flow

Our values are what connect us

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

What sets us apart

We're not landlords. We're people.

Property is our commodity, but people are our business. We believe it is our unique and focused approach to relationships that enables us to create and sustain meaningful value for our stakeholders. Our purpose-driven strategy and well-diversified property asset platform position us well to weather the current prevailing conditions.

Our agile response to the COVID-19 pandemic, as well as the work we initiated before the onset of the crisis, will position us to not only withstand these challenges, but will ensure that we are able to thrive and create sustainable value well into the future.

Material matters

We formulate our short-, medium- and long-term business strategy by using our material matters to guide our decision-making. For more information on our strategic priorities, refer to **page 38.**

Materiality themes:

Strategic priorities

We have identified five strategic priorities that enable an integrated approach to creating sustained value for our stakeholders. They are the critical levers that have the potential to impact our ability to create value for the short, medium and long term.

GR IS OC OE ET

Overview of **our business**

Where we invest

Redefine is a diversified South African REIT. We are anchored by a high-quality, diverse property asset platform valued at R81.0 billion. Our local portfolio is complemented by our retail and logistics property investments in Poland. We are currently in the process of exiting our investments in Australia and the rest of Africa, having exited the United Kingdom during the year.

We allocate capital where we believe the best market opportunities lie and reduce risk by geographically and sectorally diversifying our portfolio. To this end, we continue to invest in well-located local and international properties that are high-quality and efficient, with a focus on blue-chip tenants to secure sustained cashflow.

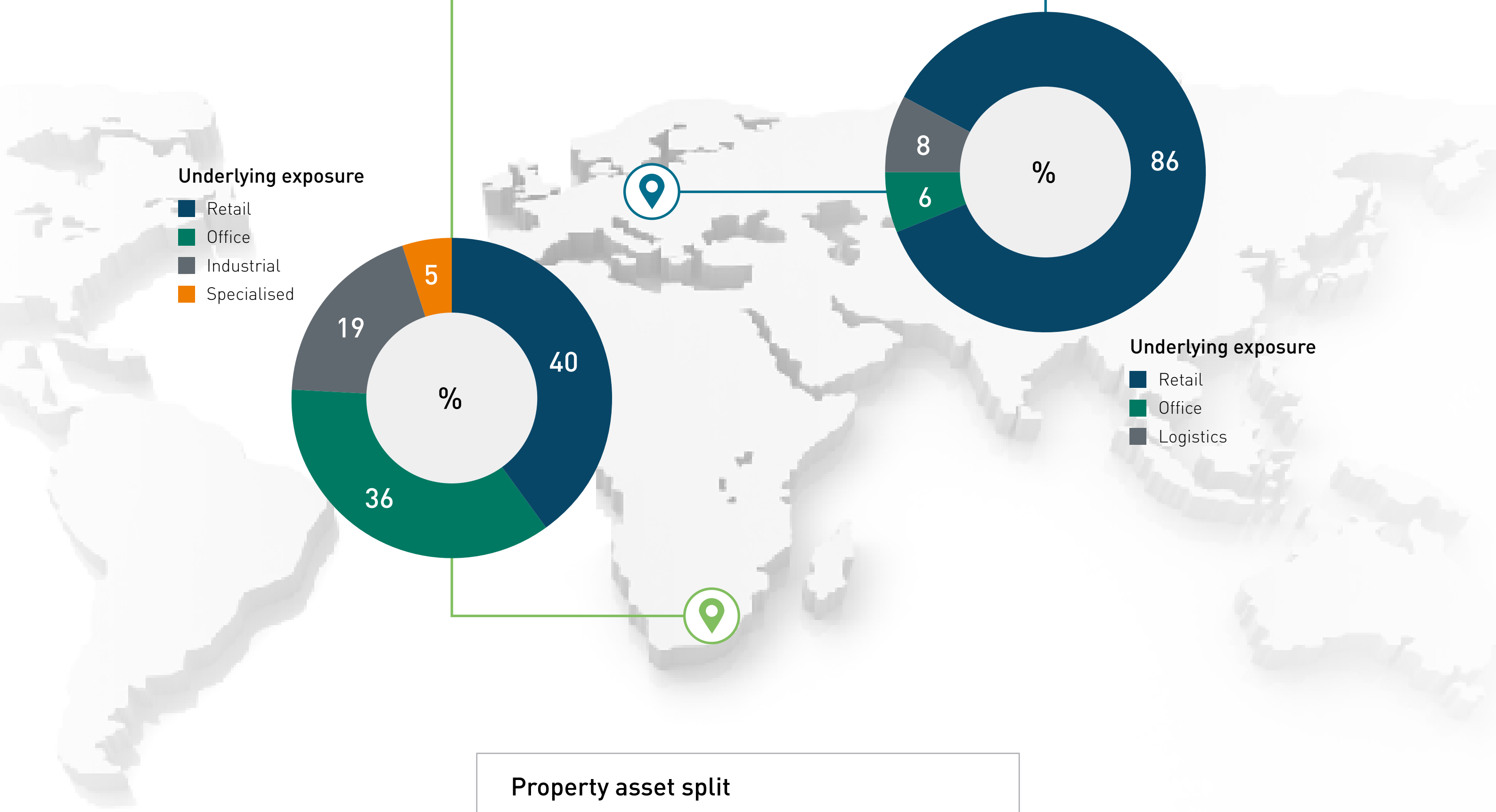
CORE PROPERTY ASSETS

South Africa

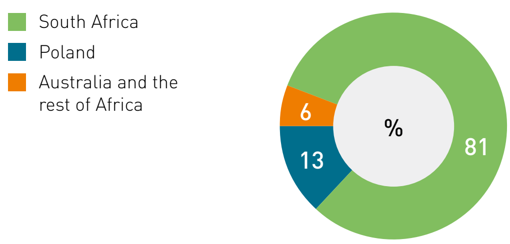
Strategy: Continued focus on remaining relevant to our tenants' needs

Poland

Strategy: Expand logistics platform through development pipeline



Property asset split



Our **business model**

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

OUR INPUTS | The resources and relationships we need

	Inputs	Availability, quality and affordability of capitals
FC	**R44.6 billion** in equity (2019: R44.6 billion) **R36.7 billion** in debt (2019: R41.2 billion)	**Operating in a capital-constrained and costly environment** means that prudent balance sheet management and careful liquidity planning to strengthen the balance sheet and lower our loan-to-value (LTV) is imperative to our sustainability.
MC	Direct local property portfolio of **R65.4 billion** (2019: R72.8 billion) International listed securities of **R7.3 billion** (2019: R12.7 billion) Directly held international properties of **R8.3 billion** (2019: R9.9 billion)	**High level of competition for quality assets** combined with shifting consumer preferences due to COVID-19 necessitates a strategic approach to sectoral diversification and the exploration of alternative uses for existing property and asset classes. **Focus on sectoral diversification versus geographical diversification** necessitates the need to simplify the asset platform and to reduce currency exposure risk. **Tenant retention is imperative to long-term sustainability** – the COVID-19 tenant relief concessions impacted short-term income generation, but without tenants, Redefine ceases to exist.
HC	**445** permanent property and financial professionals (2019: 424) **47** temporary employees (2019: 60) **72%** of staff able to work remotely during hard lockdown	**Shortage of experienced property skills and talent** requires focus on growing talent and retaining our high performers in a competitive market. **During the lockdown, maintaining jobs was a critical priority.** No retrenchments or salary cuts were implemented as a result of COVID-19 lockdowns. As part of our COVID-19 recovery, we focused on three core attributes to ensure our people remained engaged: ▫ **Purpose** to embed wellbeing and meaning into every aspect of work every day, optimising the power of individuals by harnessing employees' collective and complementary strengths to achieve a common goal ▫ **Potential** to harness what our employees are capable of achieving as individuals and within teams ▫ **Perspective** to view uncertainty as offering possibilities rather than threats – moving boldly into the future
SRC	Deepen communication and collaboration to strengthen relationships with our key stakeholders: Investors and funders; Employees; Tenants; Property brokers; Suppliers; Communities	**Low trust environment** results in businesses needing to demonstrate behaviour that progressively earns trust, which can be easily lost if not carefully managed. **The health and safety of our stakeholders remains our highest priority.** We continue to apply the guidelines issued by the World Health Organisation and the South African government in all our buildings. We continue to work with regulators, industry bodies and tenants to ensure that we are continuously enhancing our protocols to ensure our stakeholders remain safe.
IC	Integrated strategy Strong brand Innovative thinking and ability to adapt to change Robust governance structures centred on ethical conduct **100** registered trademarks	Pace of change necessitates increased **focus on innovation and agility** and generation of **intellectual property** to stay ahead in a competitive and constantly evolving environment.
NC	**2.6 million litres** of water used in our buildings (2019: 3.1 million litres) **560 386 MWh** of electricity used (2019: 656 768 MWh) **17%** of properties by gross lettable area (GLA) located in high/extremely high flood risk areas*	**Cost and availability of water and electricity** continue to support the business case for resource-efficient buildings.

** Using the WRI aqueduct riverine and coastal flood risk map.*

OUR BUSINESS ACTIVITIES | What we do

Our business activities are geared to ensure we secure long-term leases with blue-chip tenants to provide sustained value creation for all our stakeholders. We are committed to monitoring and improving the ESG-related impacts of our business activities and investment decisions.

Our focus is on real estate and related investments – not a particular sector. While COVID-19 has accelerated trends already underway, it has not fundamentally changed what we do. Instead, it has forced us to look at and adapt more rapidly to a changing context.

ENABLING SERVICES

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

CAPITAL MANAGEMENT

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

MANAGING

We actively manage our diversified portfolio to enhance efficiency and maximise returns.

ACQUIRING

Our strategy is to grow and improve the quality of our portfolio by acquiring high-quality buildings with long-term leases in place, which offer secure cash flows and negligible vacancy rates.

DEVELOPING

Driven by demand, opportunity and the need to remain relevant, we develop innovative, operationally efficient and cost-effective buildings and redevelop existing properties to extend value creation.

DISPOSING

We sell assets that have reached the end of their investment cycle for us, and recycle the capital into opportunities that have better long-term capital growth prospects once all other alternative uses for the property have been exhausted.

OUR OUTPUTS | What we produce

OUR PRODUCT

Quality real estate investments, adding value to society, that deliver sustained cash flow

Total portfolio GLA of **4.4 million m^2**

(2019: 4.5 million m^2)

OUR WASTE AND EMISSIONS

Total greenhouse gas (GHG) emissions of **581 283 tCO_2e**

(2019: 713 258 tCO_2e)

8 689 tonnes of waste generated from internally managed waste at 39% of our properties by GLA

(2019: 7 674 tonnes for 30% of GLA)

Refer to **page 104** for a discussion on what value means for our stakeholders. To understand how we strive to enhance our positive outcomes and ameliorate our negative outcomes, please refer to our value creation sections, starting on **page 74**.

Our **business model**

CONTINUED

OUR OUTCOMES | How we create, erode and preserve value for our stakeholders and the broader community

Investors and funders	2020	2019
Full-year distributable income per share of 51.5 cents (2019: 101 cents)	▼	▲
Reduction in non-recurring distributable income of R267 million (2019: reduction of R106 million)	▲	▲
LTV ratio of 47.9% (2019: 43.9%)	▼	▲
Total return to shareholders of -18.8% (2019: 7.1%)	▼	▼
Moody's credit rating downgraded to Ba2, in line with the sovereign rating downgrade (2019: maintained)	▼	■

Employees	2020	2019
Annual employee remuneration at R202.2 million (2019: R175.3 million)	▲	▲
13 172 man-hours spent on training and development (2019: 14 486 man-hours)	▼	▼
No salary increases for FY2021 for employees earning over R200 000	▼	N/A
No short-term incentives (STIs) awarded for FY2020	▼	N/A
Total staff turnover 14.9% (2019: 22.3%)	▲	▼
Staff complement increased by 1.7% (2019: 6%)	▲	▲
244 learners have graduated since 2013 (2019: 198)	▲	▲

Tenants	2020	2019
Tenant retention: 92.1% (2019: 93.3%)	▼	▲
R318.0 million granted in rental relief and concessions during 2020	▲	N/A
Occupancy rate reduced to 92.7% (2019: 95.5%)	▼	■
Increased number of Green Star SA-rated buildings to 101 (2019: 74)	▲	▼
25.9 MWp of renewable energy capacity (2019: 23.7 MWp)	▲	▲
GLA space of 4.4 million m^2 provided (2019: 4.5 million m^2)	▼	▼

Property brokers	2020	2019
23.2% (2019: 28.2%) leasing deals facilitated by brokers by number of deals	▼	▲
R15.6 million (2019: R31.8 million) paid out in commission to brokers	▼	▲

Suppliers	2020	2019
Enhanced ethical standards through a supplier code of conduct	▲	■
R40 million spent on labour component of supplier contracts during COVID-19 lockdown	▲	N/A
100% of procurement spend towards empowering suppliers (2019: 97%) on total measured procurement spend	▲	▲
R540 million spent on supplier development (2019: R593.2 million)	▼	▲
R54 million spent on economic development (2019: R114.1 million)	▼	▲

Communities	2020	2019
R5.2 million contribution to community engagement through corporate social investment (CSI) initiatives (2019: R8 million) and space to the value of R3.9 million	▲	▲
R2.5 million invested in CSI programmes based on ***Challenge Convention*** feedback	▲	▲
1 579 mentees matched with mentors in ***The Mentorship Challenge*** (2019: 740)	▲	▲
Level 3 broad-based black economic empowerment (B-BBEE) rating (2019: level 3)	■	■

▲ Positive | ▼ Negative | ■ Neutral

OUR ACTIONS | To enhance our outcomes

Goals	Action

Source of sustained growth in total returns	▫ Focus on what we can control, and support stakeholders in their recoveries
	▫ Engage with funders and investors
	▫ Continue implementing our LTV reduction plan
	  ▫ Dispose of non-core assets
	  ▫ Optimise our funding model and sources
	▫ Focus efficiencies to support value creation
	  ▫ Harness technology as an enabler and not a disruptor

Employer of choice	▫ Build a resilient workforce
	  ▫ Ensure the health and safety of our employees
	  ▫ Increase engagement
	  ▫ Provide employees with necessary resources and support to remain resilient and productive as we adapt to the new normal
	  ▫ Promote employee wellness offering for staff
	  ▫ Continue to roll out learning and development
	▫ Fast track remote and flexible working policies
	▫ Embed diversity into culture

Differentiated provider of relevant space	▫ Respond to systemic changes in behaviour to shape how we will live, work and play
	  ▫ Renewed focus on relevance of space offering
	  ▫ Cooperate with tenants to optimise space utilisation
	▫ Protect value of property assets through selective capital deployment
	▫ Proactive utilities management
	▫ Minimise environmental impact for future generations
	  ▫ Continue to better understand impacts
	  ▫ Expand investment in solar photovoltaic (PV) plants and smart meters

Preferred business partner	▫ Improving engagement and relationships with brokers ▫ Considering enhanced technology to share latest information on our spaces ▫ Working with our brokers to ensure our spaces remain relevant
Source of business opportunity and growth	▫ Engage with suppliers with regard to our ESG goals ▫ Support suppliers during lockdown ▫ Work with suppliers to grow their businesses, particularly with regard to enterprise and supplier development (ESD)

Responsible community participant	▫ Deepen communication to better understand needs
	▫ Focus on improving lives by creating:
	  ▫ Business opportunities for local enterprises
	  ▫ Jobs for unemployed youth and other community members
	  ▫ Collaboration with non-governmental organisations (NGOs)
	  ▫ Build skills capacity
	  ▫ Invest in CSI initiatives

Our **board** of directors

We believe that sustained value creation is built on ethical leadership. The calibre of our leadership across our business is embodied in the commitment, experience and diversity of our board.

Independent non-executive directors

Sipho M Pityana (61)

Independent non-executive chairperson

BA Honours and Master of Science

Appointed: May 2019

Bridgitte Mathews (51)

Lead independent non-executive director

CA(SA), HDip Tax

Appointed: February 2017

Amanda Dambuza (43)

Independent non-executive director

BA Social Sciences, certified PMP®, PRINCE2®, AGILE and ITILL

Appointed: November 2018

Daisy Naidoo (48)

Independent non-executive director

CA(SA) and MAcc (Tax)

Appointed: August 2019

Diane Radley (54)

Independent non-executive director

CA(SA), MBA, PGD in Advanced Banking and Advanced Management Programme

Appointed: July 2020

Lesego Sennelo (43)

Independent non-executive director

CA(SA), HDip Auditing

Appointed: November 2018

Marius Barkhuysen (64)

Independent non-executive director

Appointed: November 2015

Ntombi Langa-Royds (58)

Independent non-executive director

BA Law, LLB

Appointed: November 2015

Executive directors

Andrew König (53)

Chief executive officer

CA(SA)

Appointed: January 2011

Leon Kok (49)

Financial director

CA(SA)

Appointed: October 2014

Expertise

- Leadership
- Finance
- Risk and opportunity management
- Taxation
- Compliance and governance
- Technology and information governance
- Environmental sustainability and climate change
- Human resources
- Sales and marketing
- Property investment and/or asset management

90 Rivonia Road, *Sandton*

Summarised **governance** report

Value-creating governance

We believe that the way we approach governance and leadership in our business supports our overall value creation process. To achieve sustained value, we need to establish and maintain trust with our stakeholders, which would be impossible without embracing governance as a business enabler.

Appropriate governance structures and processes ensure that our business is well-managed and controlled. Redefine has a rigorous and inclusive strategy review process that considers the risks and opportunities connected to the broader context in which we operate. The governance processes in place ensure that we deliver against this strategy to create value for ourselves and our stakeholders – now and into the future.

The board has adopted a stakeholder-inclusive approach in the execution of its governance role and responsibilities and is guided continuously by its commitment to the principles of King IV. King IV recommendations are substantially entrenched into the board's internal controls, policies, terms of reference and overall procedures and processes. For more information on how we have applied the principles of King IV, see our ESG report.

Structures of delegation provide for the assignment of authority, while enabling the board to retain effective control. Therefore, the board delegates authority to relevant board committees and to the CEO, with clearly defined mandates. The CEO and company secretary monitor and maintain the delegations of authority and ensure that they are reviewed on an annual basis. For more information on these structures, see **page 22**.

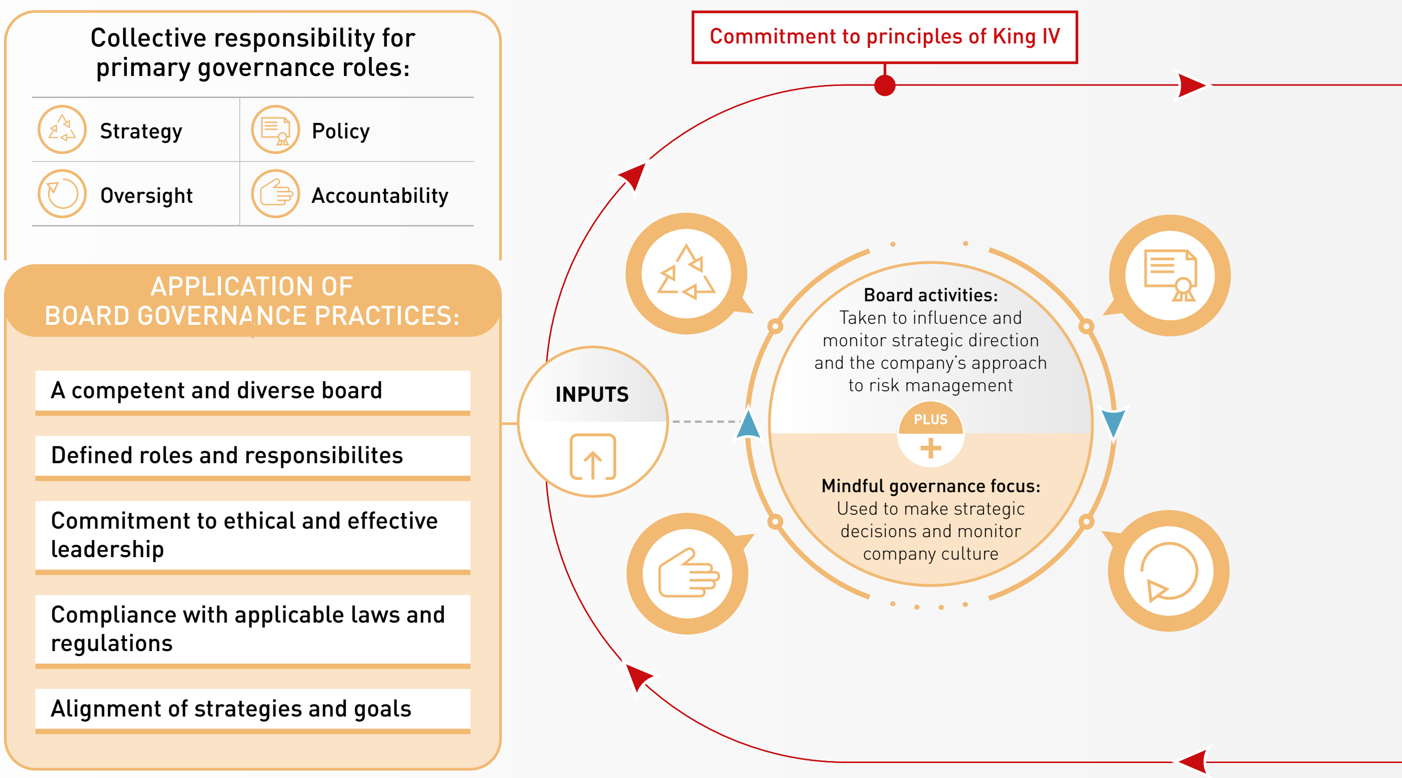
We have developed a mindful governance framework to help us maintain and achieve ethical and effective leadership at all times. This framework considers all applicable laws, regulations and governance best practices.

Preserving value during COVID-19

As a result of COVID-19, the company was faced with unprecedented challenges to its business model, governance systems and financial viability in 2020. As a result and to preserve value, the board chose to focus its immediate attention on, among others:

- Business continuity and resilience of mitigation and adaptation strategies
- Managing risks and opportunities with due regard to our critical dependencies and impacts
- Governing financial metrics, capital structure and liquidity
- Reassessing aspects of our strategy with due consideration for the medium- and long-term effects of the pandemic on value preservation and creation
- Balancing flexibility with monitoring and control
- Ensuring active stakeholder engagement

The key decisions made by the board in response to these focus areas are set out in the mindful governance section on **pages 26-27**, as well as in the trade-offs section on **pages 64-67**. All decisions were grounded in a broader evaluation of value preservation and long-term sustainability, and were guided by Redefine's purpose and values.



Key corporate governance practices

The following key corporate governance practices are in place.

All non-executive directors are independent	Proactive year-round stakeholder engagement programme
Annual election of a minimum of one third of directors by majority voting	Approved malus and clawback policy in place
No supermajority provisions in governing documents	Minimum shareholding requirements for executives
Annual review of board leadership structure	'Overboarding' policy and provisions
Annual board and committee evaluations	No voting rights ceilings
Strong lead independent director with clearly delineated duties	Shareholder right to call special meetings
Board-approved policy on independent professional advice	Related-party transactions monitored and transparently disclosed in the AFS
Safeguards in place to monitor transactions between the company and its major shareholders	MOI includes provisions on the protection of shareholder rights and the equitable treatment of shareholders

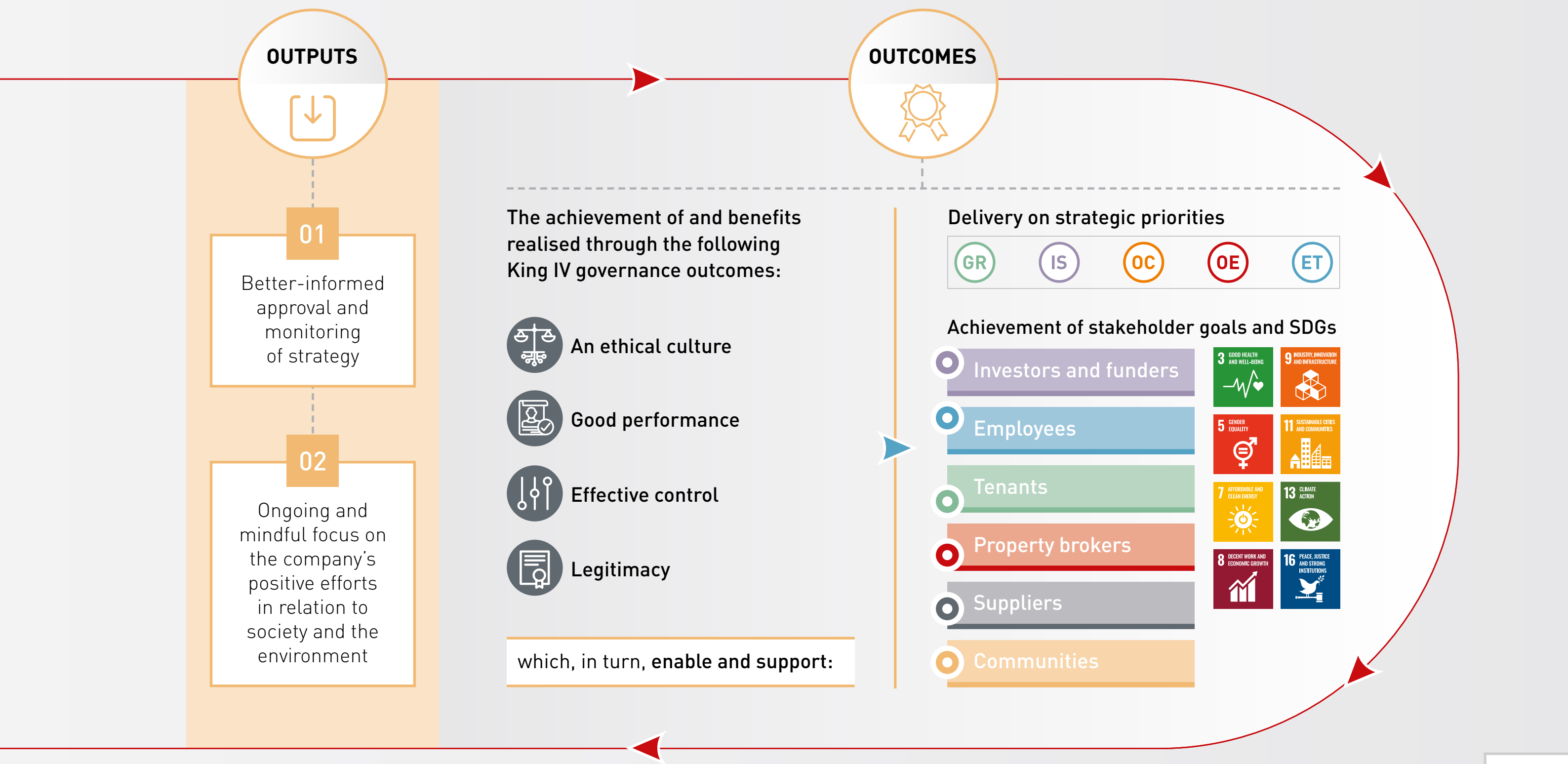
Board composition

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

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

Following these changes to the board, we believe that we have the right team to guide the business into the future. We will recruit directors whose experience supports the company's future strategy and industry focus, as and when the need arises.

The board makes use of a competency matrix to support director recruitment and succession planning. Such matrix reflects diversity that extends beyond race and gender. Information regarding the diversity of our board is set out on **page 21.**



Summarised **governance** report

CONTINUED

Custodians of governance

Board members accept responsibility as the custodians of governance within the group. The board is constituted in terms of the company's MOI and in line with King IV. The majority of board members are independent non-executive directors who bring diversity to board deliberations and create sustained value by constructively challenging management. The table below and the diversity statistics on **page 21** reflect the board's composition as at the date of this report.

	Name Shareholding	Designation Other public company appointments	AC	RC	REM	NOM	SET	IC
Independent non-executive directors	**SM Pityana** Nil	**Independent non-executive chairperson** Absa Group Limited			■	▲		■
	B Mathews* Nil	**Lead independent non-executive director** Metair Limited, PSG Financial Services Limited, PSG Group Limited	■		▲	■	■	
	M Barkhuysen* 120 000#	**Independent non-executive director** None		■			■	■
	A Dambuza Nil	**Independent non-executive director** None		■		■	■	
	N Langa-Royds Nil	**Independent non-executive director** Kumba Iron Ore Limited, Mpact Limited, Murray & Roberts Holdings Limited			■	■	▲	
	D Naidoo* Nil	**Independent non-executive director** Absa Group Limited, Anglo American Platinum Limited, Hudaco Industries Limited, Mr Price Group Limited	▲	■	■			
	D Radley* Nil	**Independent non-executive director** Base Resources Limited, Murray & Roberts Holdings Limited, Transaction Capital Limited	■	■				▲
	L Sennelo* Nil	**Independent non-executive director** Nampak Limited, Oceana Group Limited, Onelogix Group Limited	■	▲				■
Executive directors	**A König** 6 140 414#	**CEO** EPP N.V.						
	L Kok 2 878 307#	**FD** None						

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

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

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

▲ Committee chairperson ■ Committee member

Attendance

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

Committees

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

** Standing for election/re-election at the company's AGM in February 2021.*
 # As at 31 August 2020.

Our competent and diverse board

Our board comprises an appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. Our directors' primary areas of expertise are highlighted in the graphic below. This is intended as a high-level summary only, and should not be understood as an exhaustive list of each of the director's skills or contributions to our board.

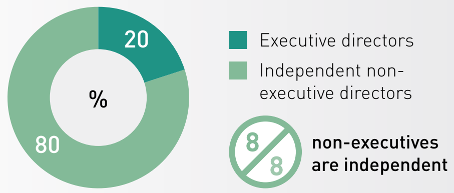
Diversity of expertise

Policy: To create an experienced board with the appropriate balance of knowledge and skills in areas relevant to the group. The following areas of expertise are relevant to Redefine*:

Leadership	90%
Finance	70%
Risk and opportunity management	90%
Taxation	50%
Compliance and governance	80%
Technology and information governance**	20%
Environmental sustainability and climate change**	30%
Human resources	50%
Sales and marketing	40%
Property investment and/or asset management	40%

Independence

Policy: Comprise a majority of non-executive directors, the majority of whom should be independent.



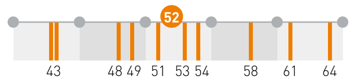
Board refreshment

Succession and tenure
+
Rotation plans
+
Retirement age
+
Annual board evaluations
+
Skills matrix
=
8 new non-executive directors
8 retired / resigned non-executive directors
Over a five-year period

Diversity of age

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

Average age
52 years

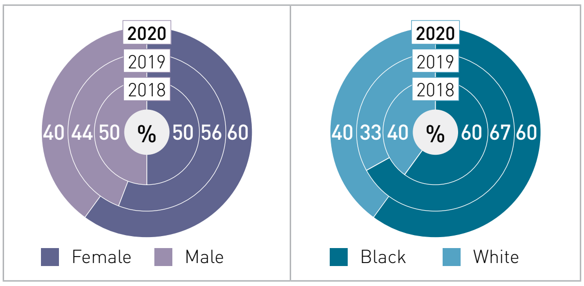


Younger than 60 years
80%

2019	78%
2018	70%

Gender and racial diversity

Policy: Our gender diversity policy promotes a voluntary target of 40% female representation on the board over a three-year period, and the racial diversity policy promotes a voluntary target of 50% black representation (including African, Indian and Coloured) on the board over the same period.



Succession and diversity of tenure

Policy: Periodic staggered rotation of members to ensure the introduction of members with new expertise and perspectives, while retaining valuable industry knowledge, skills and experience and maintaining continuity.

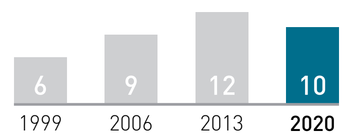
Years	Number of non-executive directors
< 1	1
1 – 3	4
3 – 6	3

Average tenure
1.9 years

Succession planning makes provision for the identification, mentorship and development of future members.

Board size

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



* *Percentage of directors with requisite skills.*
** *Skills gaps identified.*

Summarised **governance** report

CONTINUED

Defined roles and responsibilities

We believe that independent board oversight is an essential component of good performance and effective control and as such, ensure that delineations between the roles of directors and management are always in place. Sipho M Pityana, an independent non-executive chairperson, leads the board in monitoring and providing strategic direction. Bridgitte Mathews, the lead independent non-executive director, strengthens the independence of the board and leads in the absence of the chairperson.

The role of the chairperson is distinct and separate from that of the CEO, and the separation of responsibilities is designed to ensure that no single person has unfettered decision-making powers, and that appropriate balances of power and authority exist on the board. Two members of executive management, namely the CEO and the FD, serve on the board to ensure that non-executive directors have more than one point of direct interaction with management at all times.

During 2020, as a result of COVID-19 and the effects thereof, more frequent interaction was required between the board and management. At all times, however, the clear distinction between their roles was upheld.

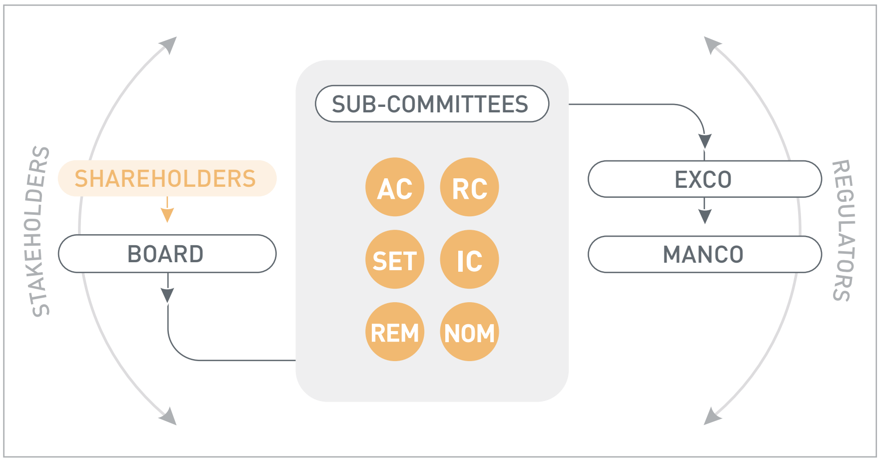
Ethical and effective leadership

Ethical and effective leadership complement and reinforce each other. By setting an example of doing business responsibly, board members demonstrate their continued commitment to our values and the ethical conduct we embrace. Responding to the challenging economic, political and social environment in which we operate, the board understands that it is of crucial importance for it to create an ethically conducive culture. To this end, it assumes ultimate responsibility for our ethical performance by ensuring a sound strategy and business offering, ethical leadership and a commonly accepted and lived set of values. The board similarly holds management accountable for the implementation of the ethical framework. These qualities, in turn, lead to effective governance, risk and compliance management practices, and provides reassurance that we are effectively managing business risks and identifying opportunities. Members of the board individually and collectively cultivate these ethical characteristics and exhibit them in their conduct.

Structures of delegation

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

Details regarding the full roles, responsibilities and composition of the board committees, as well as the delegation to management via the CEO, can be found in our ESG report.



Committees

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

Key areas of board oversight relate to, among others:

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

Board governance practices

Our adoption of board governance best practices impacts, among others, director engagement, improved effectiveness and accountability to shareholders. In addition to the governance practices already discussed, the board applies the following practices:

Alignment of strategies and goals

Oversees strategy and the execution of both short- and long-term objectives, that include attention to risk.

As part of this practice, the board determines Redefine's risk appetite and tolerance levels and engages in routine oversight of enterprise risk management (ERM).

Accountability

Approves disclosure practices and ensures transparent and reliable communication to both internal and external stakeholders.

Approves quantifiable performance metrics aligned to Redefine's strategy and ensures that performance against same is reported on.

Continued improvement in performance and effectiveness by means of annual self-evaluation

Our board and committee self-evaluation process allows for an annual assessment of board practices and the opportunity to identify areas of improvement. The nomination and governance committee approves the annual board evaluation process, which is formally conducted every second year in accordance with the recommendations of King IV. In 2020, the board self-evaluation was independently facilitated by Ernst & Young (EY).

Annual self-evalution process

1 Evaluation questionnaires

Directors completed online questionnaires focusing on the performance of the board and each of its committees and individual members.

2 Individual interviews

EY conducted one-on-one interviews with the chairpersons of the board and each of its committees, focusing on:

- Reviewing the board and its committees' performance over the prior year
- Identifying areas for potential enhancements of the board and its committees' processes going forward

3 Discussion of results

The board chairperson, with the facilitation of EY, reviewed the questionnaire and interview responses with the nomination and governance committee, and shared the salient features thereof with the full board.

4 Use of feedback

In the new year, the board and each committee will develop plans to take action based on the results, as appropriate. The implementation of these plans will be monitored during the course of 2021 and progress shared with stakeholders accordingly.

5 Key considerations

The following items were identified for consideration going forward:

Enhancement of **director onboarding**

Evolution of **board packs** to be innovative

Harmonised **committee structure** to optimise board performance

Summarised **governance** report

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Board activities in 2020

The board uses its quarterly meetings as a mechanism for discharging its duties in terms of the Companies Act, JSE Listings Requirements and King IV, and similarly as a means of influencing and monitoring strategic direction and our approach to risk management.

Each board meeting follows a carefully tailored agenda, agreed in advance with the chairperson, CEO and company secretary. A typical meeting will comprise reports on current operating and financial performance, strategic risks and opportunities, governance updates and regulatory considerations, a review of the company's local and international portfolios, and deeper discussions regarding areas of strategic importance.

Performance against the strategic priorities	Corporate advisor reports	Board committee updates
At each board meeting, the CEO updates the board on progress made against the company's strategic priorities.	The board oversees and monitors the company's share price performance and analyses peer group and sector performance based on information provided by the company's corporate advisor on a quarterly basis.	In terms of their mandates, the chairpersons of the various board committees provide verbal reports to the board regarding the actions of their respective committees, as well as the material matters arising out of their latest quarterly meetings.

During the year, the board and its various committees discussed, oversaw and monitored Redefine's performance and key strategic initiatives:

Company performance

Performance

- Considered operating and financial performance updates
- Discussed strategic risks, market pressures and challenges and the effects of these on the performance of the business
- Monitored and oversaw compliance with financial loan covenants and applicable credit metrics
- Oversaw the management of liquidity and debt maturity profiles

Strategy

GR Grow reputation

- Monitored the impact of the COVID-19 pandemic on our stakeholders and oversaw the development and implementation of initiatives designed to support sustainability
- Oversaw the development of the new CSI strategy
- Approved the expanded SDGs to which the business has committed, as well as the new ESG strategy framework
- Oversaw the finalisation of Redefine becoming a formal signatory to the UN Global Compact (UNGC)
- Oversaw the entrenchment of ethics in the business, with the launch of a supplier code of conduct

IS Invest strategically

- Oversaw and implemented the company's investment strategy
- Approved the sale of assets deemed to be non-core
- Discussed potential international investment opportunities

OC Optimise capital

- Discussed and approved the company's LTV improvement plans
- Approved the interim dividend deferral to preserve capital
- Debated potential final dividend options to balance the conflicting needs of our stakeholders and preserve the company's liquidity and sustainability

OE Operate efficiently

- Discussed the impact of COVID-19 on renewable energy plans and approved certain deferrals
- Debated ways to improve efficiency in challenging circumstances due to lockdowns
- Approved the implementation of various technology solutions to reduce consumption of natural resources

ET Engage talent

- Discussed the impact of COVID-19 on employee health and wellness
- Considered the effects of the lockdown on employee engagement
- Monitored transformation across the organisation at all levels

Our approach to assurance

Among others, our audit committee ensures that we obtain adequate assurance to enable effective governance and transparent decision-making.

Our approach to assurance includes monitoring and oversight by executive and senior management, plus the use of internal audit and external assurance providers. This process protects our reputation and enhances shareholder value.

Elements of our IR were assured as follows:

Reporting element	Assurance status and provider
Integrated report	Our IR was prepared by members of executive and senior management within the constructs of a defined mandate. The mandate comprised various systems, procedures and controls, as well as key responsibilities and activities. In accordance with their terms of reference, our board committees verified certain information set out in the report and recommend same to the board for final approval. The report has not been externally assured.
Financial information	The summarised financial information is extracted from the consolidated AFS, and includes both audited and unaudited information. The audited information in the consolidated annual financial statements was audited by PricewaterhouseCoopers Inc., who expressed an unqualified audit opinion thereon.

Selected non-financial performance metrics	Accredited service providers and agencies verified selected non-financial performance metrics contained in the report, including, among others:
	▫ Honeycomb BEE Ratings Proprietary Limited assured the group's contributor rating according to the B-BBEE Act No. 53 of 2003 and the Amended Property Sector Code (Gazette No. 40910 of June 2017)
	▫ Karen van der Wath independently assured the group's 2019 carbon footprint / GHG inventory. Verification is at a limited level of assurance and in accordance with the principles of the GHG Protocol Corporate Accounting and Reporting Standard, 2nd Edition, 2004, and with the ISO 14064-3 international verification standard regarding:
	  ▫ Conformance with the general requirements of the GHG Protocol Corporate Accounting Standard
	  ▫ Completeness and accuracy of the calculated emissions for the financial year
	▫ The Ethics Institute independently conducted the company-wide quantitative ethics risk survey, and tabulated Redefine's ethics culture maturity and ethics behaviour risk in accordance with its internally-developed methodology

All other non-financial performance information	Management verified the processes for measuring all other non-financial information and assurance on same was obtained in line with the company's combined assurance model.

Mindful governance focus

With due consideration to the company's material matters and as a means of monitoring company culture, mindful focus was similarly given to the following governance processes to ensure the achievement of the company's strategic objectives and realisation of desired governance outcomes:

Strengthening and simplifying the balance sheet

The board considered strategic choices to strengthen and simplify the balance sheet and moderate the risk landscape.

Overview of the matter

The board gave careful consideration to the sale of non-core assets in order to lessen the company's risk universe by reducing Redefine's exposure to multiple geographies. The board also weighed the need for a simpler investment structure to streamline the balance sheet.

Outcome

The board approved the sale of several non-core assets to support the company's value-creation process. These included the sales of Redefine's interests in student accommodation in Australia and United Kingdom (UK)-based RDI. These disposals decreased the company's liquidity risk, provided a buffer against capital value declines and positioned the company well to seize potential opportunities as they arise.

Strategic priority	Relevant material matters	Relevant SDGs to align decision-making with our long-term ambitions	King IV governance outcomes realised	Primary capitals impacted
OC				FC MC

ESG considerations and a commitment to sustainability

The board considered how to deepen Redefine's understanding of and commitment to ESG.

Overview of the matter

COVID-19 and the socio-economic lockdown highlighted our dependence on natural resources and the need for responsible consumption. The board understands that, now more than ever, ESG considerations must be at the forefront of an integrated business strategy and day-to-day operations. Redefine aims to be an ESG leader in the real estate sector, which includes aligning ourselves with local and international best practice around ESG, including the UNGC.

Outcome

Redefine undertook a strategic ESG materiality review and identified and committed to a set of primary and secondary SDGs, as well as became an official signatory to the UNGC. Furthermore, and as detailed on **page 23**, the board conducted an external board evaluation to strengthen its governance processes.

Strategic priorities	Relevant material matters	Relevant SDGs to align decision-making with our long-term ambitions	King IV governance outcomes realised	Primary capitals impacted
GR IS OC OE ET				FC MC HC SRC IC NC

Employee wellness and engagement

The board considered how to ensure employee wellness and engagement during the lockdown.

Overview of the matter

Given the rapid change from onsite to remote working, as well as the strain imposed on mental health by COVID-19, the board ensured that employee wellness and engagement remained a priority.

Outcome

The board prioritised employee health and wellness and empowered management to take the necessary action to protect employees. A number of initiatives were implemented, including the rapid deployment of information technology (IT) capabilities, connectivity to support remote working and additional support offered through the 'Ask Nelson' service which assists employees with mental, physical, financial and legal assistance should they need it.

Strategic priority	Relevant material matters	Relevant SDGs to align decision-making with our long-term ambitions	King IV governance outcomes realised	Primary capitals impacted
ET		3, 8		HC IC

Remuneration and talent retention

The board considered the company's performance and the appropriate remuneration practices to balance the short-term constraints with talent retention.

Overview of the matter

The unprecedented and challenging environment caused by the COVID-19 pandemic adversely impacted our overall financial results and the company's share price. Given this context, the board carefully considered how to address remuneration for the current financial year to ensure a balance between the necessary cost reduction measures to preserve liquidity and sustainability, as well as the need to preserve jobs and retain key talent.

Outcome

In response to this environment, Redefine implemented a number of cost reduction measures, including critically reviewing recruitment needs and non-essential consultancy spend. No STI bonuses were paid out and no FY2021 increases were awarded to executives or staff with fixed remuneration above R200 000 per annum. It is similarly proposed that non-executive director fees remain unchanged for FY2021.

When reviewing FY2020 remuneration outcomes, the board determined not to exercise upward or downward discretion on incentives. The year-on-year reduction in total reward outcomes, however, reflects the challenging business conditions faced by Redefine.

We recognise that the key to our ongoing success lies in retaining and attracting high-performing people. A key focus for FY2021 is to ensure that we retain talented people while maintaining a fair and responsible approach to remuneration.

As a result of the highly uncertain economic environment in which we are currently operating and the unique and unprecedented circumstances created by the COVID-19 crisis, the board will only set FY2021 STI targets in the new year. Similarly, the board is reviewing long-term incentive (LTI) performance targets with the principle of rewarding the creation of long-term investor value. This approach will take into account the need to avoid unwarranted windfall gains or unachievable targets if the operating environment continues to change significantly over the next few months and will ensure that targets remain at an appropriate level. Further details are outlined in the remuneration report.

Our people are at the centre of what we do. We will continue to invest in their development and reward their achievement of sustainable business outcomes that create value for all our stakeholders.

See our ESG report for more information.

Strategic priorities	Relevant material matters	Relevant SDGs to align decision-making with our long-term ambitions	King IV governance outcomes realised	Primary capitals impacted
GR OE ET		5, 8, 10		FC HC

Reflections from our **chairperson**

Introduction

While the year has been unprecedented and fraught with multiple challenges, I am pleased to share our IR with you, our valued stakeholder. At Redefine, we know that our strategic choices today will impact our sustainability tomorrow. **This IR offers insight into how we are building tomorrow, today – describing how we drive value preservation and creation by getting the basics right and making the difficult decisions today to ensure that our business is well-positioned for the future.**

While conditions are not easy, we view these challenges as an opportunity to reset our business strategy to ensure that we capture opportunities beyond our traditional line of sight. This is achieved by seeking new problem-solving models, and by forging new collaborations to facilitate innovative solutions.

Innovation begins with real stakeholder engagement, diversity and connection; it is more than a concept to us – rather, innovation is lived, encouraged and embraced daily at Redefine. We view our people-centric approach to business as our main differentiator, because understanding stakeholder needs helps us to future-proof our business by harnessing new knowledge and capabilities that set us apart from our competitors.

Taking a closer look at our operating context

We live in an age of rapid change – and one that requires high levels of resilience and agility from us all. From a macroeconomic perspective, COVID-19 has triggered extraordinary financial market conditions, with global output predicted to fall by 5.2%[1] and South Africa's gross domestic product (GDP) expected to contract by 8.1%[2]. The economic recovery hinges on a vaccine, with the second wave of global lockdowns weighing heavily on uncertainty.

The pandemic has intensified South Africa's pre-existing challenges, especially inequality, poverty and low economic growth, plunging the fragile economy into a recession and tightening the grip of extreme social inequality. The sovereign credit downgrade to junk status and the continued uncertainty around property rights and policy over land expropriation without compensation further complicate these tensions. It is worth noting that the decision by the South African Reserve Bank (SARB) to cut the repo rate by an accumulative 300 basis points to 3.5% played a vital role in supporting livelihoods and preventing large-scale bankruptcies – thus aiding some economic recovery.

Globally, the macroeconomic outlook is characterised by extreme market volatility and heightened geopolitical tensions, which have added further momentum to the trend towards deglobalisation and protectionist behaviour. The outcome of Brexit, US foreign policy under Joe Biden, and trade wars, add little respite to the coming year.

All of the above impacts our business – and we have been challenged to respond swiftly to the crisis, with Redefine's long-term strategic goals in mind.

Responding with purpose-driven strategic intent

While the context may be challenging, property is a long-term asset class, which requires a long-term approach to strategy. We believe this means looking through the current cycle and integrating sustainable ESG factors into our everyday business – from the initial acquisition to property management, and finally to its disposal or conversion to another use, with a goal of ensuring that the decisions made today will sustainably benefit our stakeholders tomorrow.

Our long-term strategy seeks to tackle the issues addressed by the 17 SDGs – deemed to be critically important for sustainable growth and the protection of human rights. Redefine deepened its commitment to these goals, identifying our primary and secondary SDGs to which we believe we can contribute the most, and on which we have the most impact. I am deeply supportive of the SDGs and believe that, because of the interconnected, mutually reinforcing nature of these goals, the breadth of impact will be even greater than merely our primary and secondary SDGs focus areas.

Governance and transformation

Governance is not simply a matter of compliance – it is ubiquitous to our value creation story. As a board, we are committed to continuously entrenching leading governance practices throughout the business.

Redefine looks at diversity from a holistic perspective, reflecting on independence, skills, experience, race and gender, among others. We are pleased with the board's composition and believe we have the right team in place to guide the business into the future.

The board comprises a majority of independent non-executive directors but, more importantly, the board members are independent thinkers with diverse skills to ask the tough questions – enabling Redefine to keep the interests of all key stakeholders front-of-mind.

We welcomed Diane Radley to the board in July 2020 and believe her experience in mergers and acquisitions will further strengthen the board. Diane has joined our risk, audit and investment committees. We are pleased to report that female and black representation on the board is currently 60%. For more information on board diversity, please see **page 21**.

I am delighted to announce that Ntobeko Nyawo will be joining us as FD from 1 February 2021.

The focus now and always is to ensure that the board functions optimally to leverage the knowledge and diverse skills base we have, ensuring that the board has sufficient time to dedicate to the business and is not overcommitted – at all times ensuring that we create a board culture that fosters constructive debate and is open to interrogation.

Our 2020 focus areas include talent management, succession planning and remuneration strategy – to ensure that we preserve and grow our intellectual capital by retaining high-quality employees with the appropriate remuneration incentives and career growth plans in place.

[1] *https://news.un.org/en/story/2020/06/1065902.*

[2] *https://businesstech.co.za/news/finance/432148/it-will-take-years-to-get-south-africas-economy-back-to-pre-covid-levels-economists.*

Outlook and appreciation

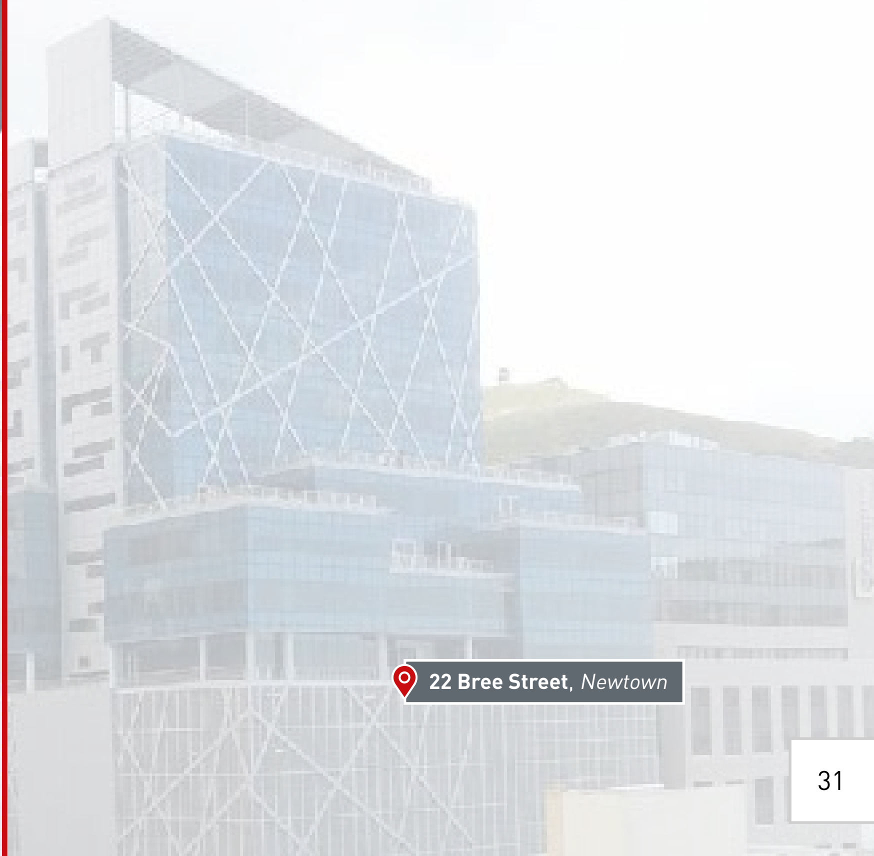
As we adapt to our evolving new normal, I believe that our purpose-driven strategy becomes even more relevant than before. In times of uncertainty, a long-term strategic focus, combined with a hands-on approach, is vital if we are to not only survive today's challenges but also ensure that we thrive tomorrow.

To our employees – thank you for your continued dedication and commitment during these difficult times. I would like to thank Andrew König, our CEO, and his executive team for supporting the board and living Redefine's purpose and values daily. Their commitment and strong leadership during these challenging times has helped guide our employees, and for that I thank them. My sincere appreciation to my board colleagues for their support and wise counsel during this year.

Looking ahead, I am confident that Redefine is well-positioned to continue preserving and delivering value for its stakeholders, as it continues its journey to deliver its purpose of creating and managing spaces in a way that changes lives.

Finally, on behalf of the board, I would also like to pay tribute to my predecessor, Marc Wainer, for the invaluable contribution he made to both Redefine and the entire property sector. He was a visionary whose steadfast focus was on delivering value to stakeholders. I was deeply saddened by his unexpected death and send my respect and condolences to his family. As a team, I believe it is up to us to continue his legacy.

Sipho M Pityana
Independent non-executive chairperson

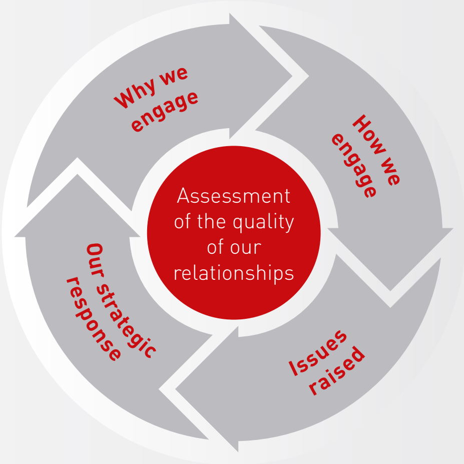


Integrated **stakeholder engagement**

We embrace a people-centric and stakeholder-inclusive approach to creating value. This means that stakeholder engagement is integrated into every step of our value creation process.

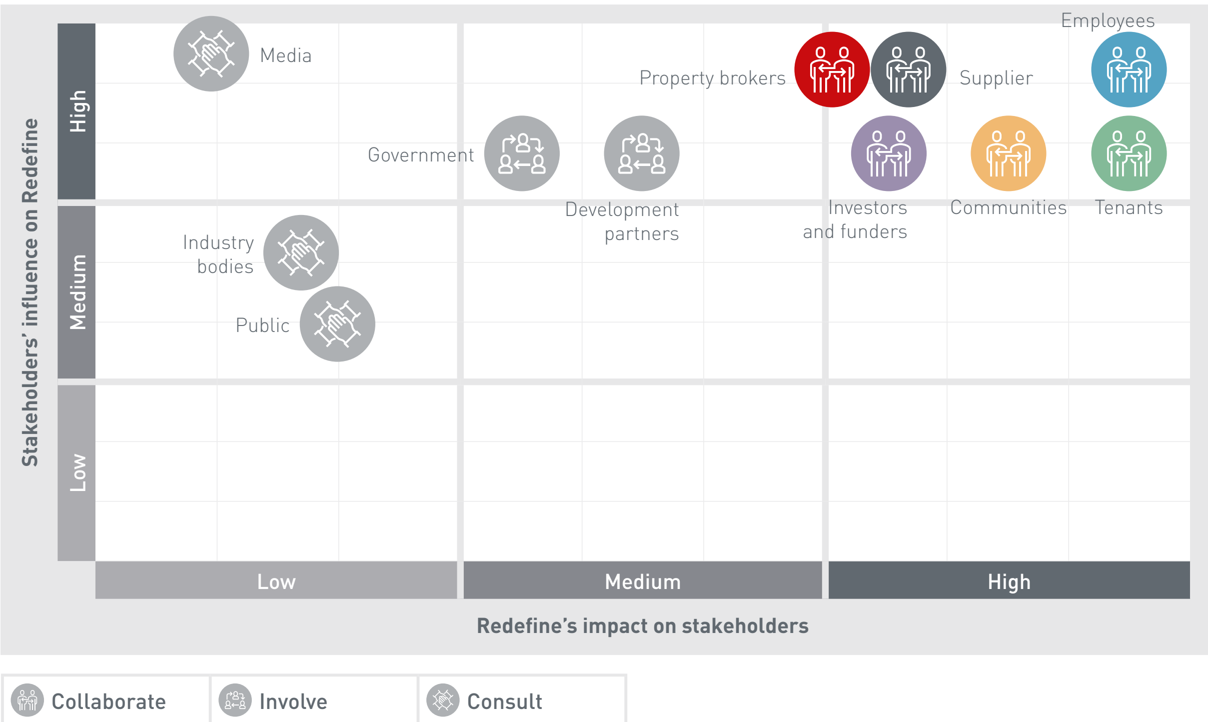
In a year fraught with uncertainty due to COVID-19, we have focused on deeper engagement and collaboration to create mutual sustainability and value protection.

Relationships are central to who we are and what we want to achieve. To measure the value we generate for our stakeholders, we have identified goals for each of our key stakeholders and measure delivery on these through both financial and non-financial metrics, value creation indicators and the quality of our relationships. For more information on measuring the value created for our stakeholders, refer to **pages 12**.



Identifying our key stakeholders

We are committed to understanding each stakeholder's concerns and then applying all relevant inputs to our decision-making to ensure value creation. We group our material stakeholders in terms of their level of influence on us and our impact on them. Based on this assessment, we categorise these relationships as either **collaborate, involve or consult**. While we engage with all stakeholders, we have identified our key stakeholders as those with whom we need to consult and, as such, have developed goals for each.



Our stakeholder goals drive us forward, articulating the value we seek to deliver for each of our key stakeholders, and, therefore, serve to inform our strategy.

Key stakeholder goals

Investors and funders	Employees	Tenants	Property brokers	Suppliers	Communities
Source of sustained growth in total returns	Employer of choice	Differentiated provider of relevant space	Preferred business partner	Source of business opportunity and growth	Responsible community participant

Implementing tailored engagement strategies for key stakeholders

Gauging the quality of the relationship

We believe that the way we engage with our stakeholders and address the issues they raise impacts the quality of our relationship with them. We therefore measure the quality of our relationships through various feedback mechanisms to make an informed assessment.

Internal quality assessment of our stakeholder relationships

No existing relationship	Relationship established, but much work to be done to improve the quality of the relationship	Relationship established, value-generating connection, but with room for improvement	Good-quality, mutually beneficial relationship with some room for improvement	Strong relationship of mutual benefit

Stakeholder relationships

Investors and funders

Level of stakeholder engagement

Engagement strategy

- Communicate our value proposition as an outflow from our brand promise
- Demonstrate delivery on our value proposition and strategy through reporting, communications and other suitable media platforms
- Engage to understand issues/concerns and communicate how these have been addressed

Why we engage

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

Issues raised

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

How we engage

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

Our strategic response

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

Quality of relationship indicator | Investor perception survey

Integrated **stakeholder engagement**

CONTINUED

Employees

Level of stakeholder engagement

Engagement strategy

- Communicate employee value proposition
- Communicating and driving business initiatives to ensure delivery on business strategy, delivery on brand promise and our values
- Consult throughout the employee life cycle to understand and address concerns and improve relationships

Why we engage

- Employee engagement is vital to maintain an innovative, motivated and committed workforce. Our employees are fundamental to growing our brand and to the delivery of a consistently high-quality service

Issues raised

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

How we engage

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

Our strategic response

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

Quality of relationship indicator	Employee engagement score

Tenants

Level of stakeholder engagement

Engagement strategy

- Communicate brand promise and value proposition
- Engagement plan includes the tenant experience programme, proactive communication plan (including matters relating to strategy, business updates and operational matters) and feedback mechanisms to understand needs, issues and concerns
- Demonstrate delivery on value proposition and strategy in all our actions

Why we engage

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

Issues raised

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

How we engage

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

Our strategic response

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

Quality of relationship indicator | Tenant feedback and surveys

Integrated **stakeholder engagement**

CONTINUED

Property brokers

Level of stakeholder engagement

Engagement strategy

- Communicate our value proposition as an outflow from the brand promise
- Engagement includes a proactive communication plan (incorporating matters relating to strategy, business updates and operational matters) and feedback mechanisms to understand needs, issues and concerns
- Broker incentive programme to drive leasing

Why we engage

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

Issues raised

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

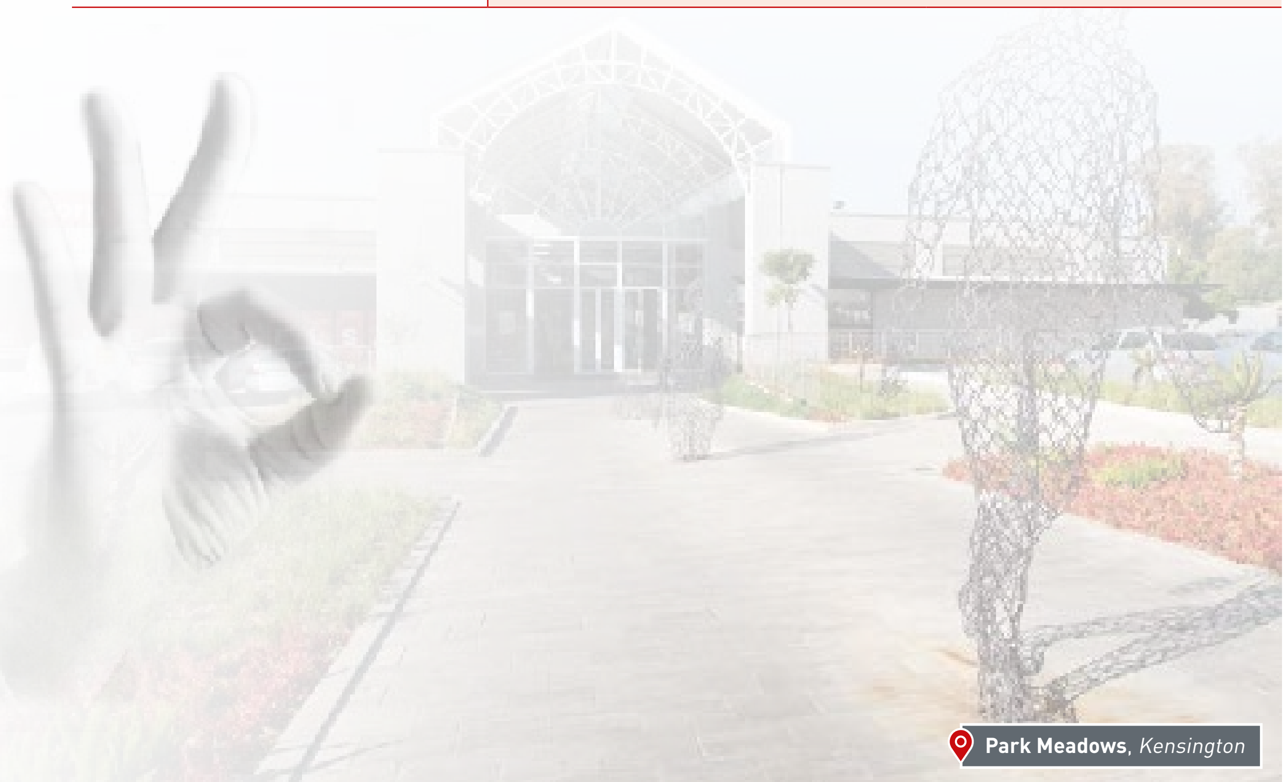
How we engage

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

Our strategic response

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

Quality of relationship indicator: Broker feedback and surveys



Park Meadows, *Kensington*

Suppliers

Level of stakeholder engagement

Engagement strategy

- Communicate our value proposition as an outflow from the brand promise
- Engagement includes a proactive communication plan (incorporating matters relating to strategy, business updates and operational matters) and feedback mechanisms to understand needs, issues and concerns

Why we engage	Issues raised
Our suppliers are valued partners and deemed to be an extension of Redefine as they frequently interact directly with our stakeholders (tenants and retail customers). It is imperative that they conduct themselves in a manner that is consistent with our brand promise and company values	- Supplier business sustainability during COVID-19 lockdown - Transformation – ESD - Supplier performance management - Contract management - Tender process and criteria - Conflicts of interest - Information supply and response times - Timely payments within clearly communicated standard operating procedures - Local representation and opportunities to uplift small enterprises

How we engage	Our strategic response
Direct engagement is via our newly established group procurement function, through: - Potential/new supplier introduction - Exploration of strategic sourcing opportunities - Service level agreement management and service delivery feedback meetings - Stakeholder feedback (tenants) - Supplier code of conduct policy introduced	- Where Redefine could not receive a service from a supplier during the COVID-19 lockdown, as a minimum, we continued to honour the labour component of all contracts, with the undertaking that suppliers protect their employees' jobs - Implementation of purchase orders across the business for better control and governance - Streamlined payment processes to minimise delays, for quick and efficient settlement - Use of analytics to identify areas in need of improvement - Supplier development and support initiatives for exempted micro-enterprises (EMEs), as well as small and medium-sized enterprises (SMEs), through preferential payment terms - Supplier rationalisation to only support quality suppliers and improve administration efficiency - Constantly seeking smarter and sustainable procurement opportunities - We strive for quick decision-making and simple deal structuring - We continuously strive to improve and develop communication platforms, aligned with expectations - We support the national Business for South Africa (B4SA) campaign to pay SMEs in 30 days
Quality of relationship indicator	Supplier feedback and surveys

Communities

Level of stakeholder engagement

Engagement strategy

- Communicate our value proposition as an outflow from the brand promise
- Relationship management, including proactive communication and engagement with communities
- Ongoing community and environmental analysis

Why we engage	Issues raised

Our goal is to ensure that we create mutually beneficial partnerships to achieve our longer-term value creation goals through engagement that enables us to understand our impacts on communities and thus meet their needs	- Opportunities within our spaces to improve the lives of surrounding communities:
	  - Business opportunities for local enterprises
	  - Job creation for unemployed youth and other community members
	  - Collaboration with non-profit organisations (NPOs)

How we engage	Our strategic response
- Direct engagement about community concerns through personal interaction within buildings - Community forums and engagements through the ***Challenge Convention***	- COVID-19 has halted our ***Challenge Revolution*** while we seek ways to repurpose and reinstate this initiative when community representatives, tenants, local government and other relevant stakeholders can be brought together in and around our buildings to determine their needs and collaborate in creating solutions - We have fine-tuned our CSI strategy and established a CSI committee to ensure a consistent approach and alignment with company goals in how we approach initiatives across the portfolio. For more information, refer to the ESG report
Quality of relationship indicator	Community feedback and surveys

Risks and **opportunities**

At Redefine, we define risks as events that may impact our ability to deliver sustained value creation to stakeholders. To deliver on our strategy, we respond nimbly to opportunities, as well as the associated risks, without jeopardising the direct interests of stakeholders.

Sound management of risk enables us to anticipate, where possible, and respond to changes in the operating context, as well as make well-considered and agile decisions under conditions of uncertainty. We have adopted, and are guided by, an enterprise-wide approach to risk management, which means that every identified material risk is included in a structured and systematic process of risk management. These risks are managed within a unitary framework that is aligned to our corporate governance responsibilities.

Our risk management process

Our risk management process is designed to effectively and proactively identify, assess, quantify and mitigate events, providing us with reasonable assurance that our strategic objectives will be achieved through consideration of both the potential positive and negative effects of the risk. We recognise that risk in business is a complex and diverse concept and that there are many parts of the organisation at work to manage risk. Our process is designed to ensure that these parts work together in a consistent and integrated manner, with the overall objective of mitigating risk. Consequently, a two-tiered approach is followed to identify, assess and manage risk: top-down and bottom-up.

Our risk management process is designed to support the achievement of our strategic objectives and, therefore, simultaneously includes the identification of strategic opportunities throughout the execution of the risk management process. With this in mind, we use our risk appetite and risk tolerance thresholds, in conjunction with business planning and decision-making, to remain aligned to Redefine's continuously evolving business dynamics.

Risk management and COVID-19

The evolving COVID-19 pandemic has highlighted the importance of agile and responsive decision-making processes, informed by an up-to-date view of the company's risk profile. During the year, our robust risk appetite framework assisted in the systematic assessment and management of the company's risks as we looked to determine the impact of the pandemic and, in turn, mobilise resources quickly in response to the crisis.

At times, the rapid reallocation of resources, necessary in order to effectively respond to the effects of the pandemic, resulted in the company operating outside of previously acceptable risk tolerance levels. As such, individual risk tolerance and appetite levels, as well as the company's overall performance risk appetite, were revisited and adjusted where necessary.

Given the pervasive and evolving nature of the COVID-19 pandemic, and its consequent impact on socio-economic variables, it is difficult to forecast the potential impacts of such an extreme risk. While the company has zero appetite for this extreme risk, we do have varying levels of appetite and tolerance to adjust to the range of impacts that stem from it.

Strategic priorities and risk appetite

The following table sets out our strategic priorities and our corresponding risk appetite for each matter:

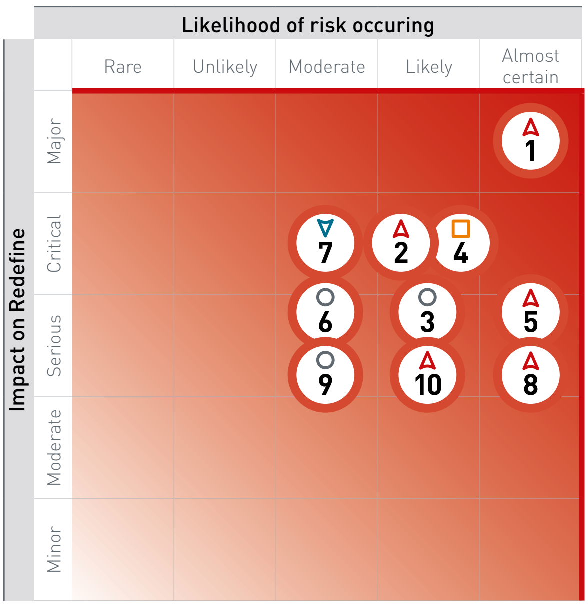
Strategic priority	Risk-taking propensity	Selected risk appetite level
IS Invest strategically	Redefine's risk propensity centres on creating value for stakeholders, which is measured in the generation of a total return that includes growth in tangible net asset value (TNAV), as well as growth in distributable income per share. Optimising asset allocation between core, defensive and secondary properties is actively pursued and managed. We remain committed to investments that provide reliable income streams and offer attractive yield spreads. Given the current situation and the increased risk levels inherent in the operating context, our focus is on simplifying our current risk landscape. As a result, and to support our strategic goal of optimising capital, we have pursued strategic disinvestments in the UK, Australia and the rest of Africa. We remain a predominantly South African company with Polish interests.	Medium to high
OC Optimise capital	Redefine's risk propensity supports a robust balance sheet that provides a strong platform to fund its continued value growth curve and maintain its strong credit metrics. In the medium to long term, Redefine has a high appetite for broadening quality-rated funding sources and seeks cost-effective funding, targeting the lowest available cost of fixed and variable debt funding. In the short term, given the current LTV levels, our risk propensity centres on the strategic disposal of assets to optimise capital.	Medium to high

Strategic priority	Risk-taking propensity	Selected risk appetite level
OE Operate efficiently	The achievement of this strategic priority is linked to margins, medium-term growth and sustainability. This strategic priority is more critical than ever in the current context as tenants face significant headwinds due to COVID-19 and, as such, improvements in operational efficiency have the potential to assist our tenant support programmes. Within this context, the board is receptive to increased risk to achieve and realise opportunities that will optimise and improve the efficiency of operations resulting in improved margins and, in return, shareholder growth. There is a low appetite for variances in KPIs that would negatively impact operational efficiency performance targets, along with a desire to refine business processes and optimise outsourced functions.	Medium
ET Engage talent	Redefine has a low tolerance for any incidents that may impact its values-driven accountability culture. Redefine aims to energise and achieve deepened staff engagement through refined KPAs. During the nationwide lockdown and subsequent work-from-home drive, extensive internal campaigns were undertaken to ensure employees remained energised and productive despite the challenging circumstances.	Low to medium
GR Grow reputation	Our brand is a key differentiating factor in our success in a market that is fiercely competitive. As such, Redefine has no tolerance for any incidents that may impair our reputation and brand, including legal and regulatory non-compliance or unethical business practices. The board has a high appetite for advancing integrated thinking and promoting opportunities to integrate stakeholder engagement, and for improving service delivery to all stakeholders.	Low

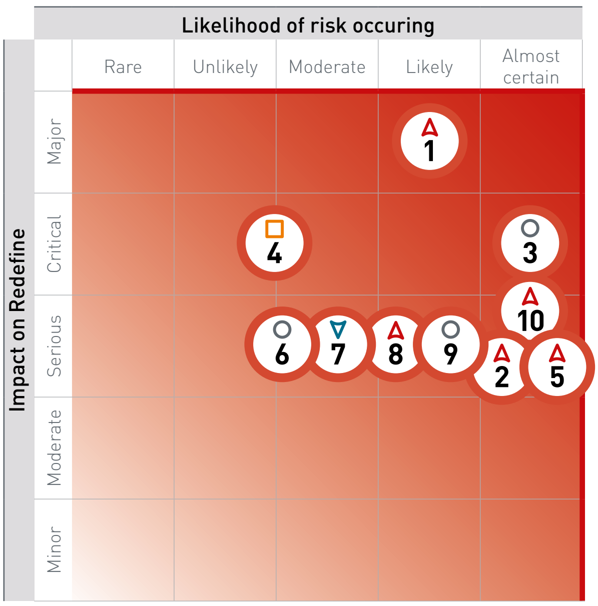
Top strategic risks

As part of the risk assessment process, risks are assessed in the short, medium and long term. The heat maps below provide an overview of the assessment of our top 10 strategic risks from an 18-month to a five-year time horizon, as depicted below:

An 18-month time horizon



A five-year time horizon



Refer to page 40 for a description of the risks.

Elevated risk | Emerging risk | Static risk | Reduced exposure

Risks and **opportunities**

CONTINUED

1 Uncertainty about the long-term impact of geopolitical and socio-economic growth factors

(2019: 1)

Risk description and implications for value creation

Geopolitics and associated volatility, uncertainty, complexity and ambiguity create potential socially and economically disruptive conditions, with COVID-19 significantly changing the operating context, accelerating trends and highlighting structural issues.

Factors such as COVID-19, low economic growth, high unemployment levels, currency volatility, rising liquidity pressures, rising social unrest, increased administered costs and inflation impede growth and investment and may result in a reduction in the demand for space, increased cost of doing business and the potential of tenant defaults.

Risk response: mitigating actions and opportunities

- Strategic diversification across sectors and geographies, balancing foreign and local assets, as well as funding sources
- Focused and selective investments aligned with strategic goals, supported by ongoing scenario planning
- Monitor local and global conditions, including economy, sector-specific, regional and global political events
- Rightsize the asset footprint to the capital base
- Position the core portfolio to withstand prevailing conditions, as well as be adaptable to potential future scenarios

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Elevated risk	High	Within tolerance	FC MC	GR IS OC OE ET

2 Impact of business disruption in the property sector and evolving tenant needs

(2019: 2)

Risk description and implications for value creation

Rapid advances in disruptive technology has the potential to disrupt traditional business models and create new markets. To prevent property obsolescence, we must adapt our operating model and respond to the changing and, at times, conflicting needs and demands of our tenants.

Risk response: mitigating actions and opportunities

- Adopting a self-disruptive approach by focusing on developing a culture of innovation
- Aligning property portfolio with trending technologies
- Enhancing our operating model with sustainable innovations such as online and virtual reality leasing and stakeholder engagement channels
- Factoring in 'big data' to analyse changing markets and behavioural trends to maintain relevance and align our property portfolio compatibility with trending technologies
- Leveraging off exogenous technology in all facets of our business

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Elevated risk	Medium to high	Within appetite but exceeding tolerance	MC HC SRC IC	IS OE ET

3 Deteriorating public infrastructure and poor administrative delivery locally

(2019: 3)

Risk description and implications for value creation

Political instability, funding issues, inefficient administrative processes, insufficient supply capacity of utility suppliers and poor maintenance, among other reasons, have resulted in local municipalities not maintaining or upgrading local infrastructure to the required levels to support economic growth.

Risk response: mitigating actions and opportunities

- Focusing on building efficiencies and reducing reliance on municipal supplied utilities through innovative and green solutions
- Monitor demand to manage consumption and detect inefficiencies
- Managing electricity and tariffs effectively
- Developing relationships with appropriate management in local councils
- Ensure properties are located in well-serviced areas
- Participating in industry-led lobbying of local councils
- Expanding solar PV capacity

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Static risk	Medium to high	Within appetite but exceeding tolerance	FC MC NC	IS OC OE

4 Risk of a breach in debt covenants

(2019: New)

Risk description and implications for value creation

The COVID-19 pandemic has amplified the risk of liquidity and financial sustainability across a broad economic spectrum, primarily due to the uncertain trajectory of the virus in both impact and duration. Resultant liquidity constraints in a challenging economic environment, and consequent volatility in property valuations, have adversely impacted LTV ratios, resulting in temporary breaches in debt covenants. The situation is not deemed permanent and is likely to ameliorate as the successful rollout of a vaccine materialises and the global economic recovery begins.

Risk response: mitigating actions and opportunities

- Ongoing discussions with financial institutions to temporarily relax covenant thresholds
- Disciplined austerity measures implemented to ensure and maintain strong liquidity
- Strategic recycling of property assets
- Tenant attraction and retention strategy

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Emerging risk	Medium to high	Within tolerance	FC MC	GR IS OC OE

5 Financial market volatility

(2019: 5)

Risk description and implications for value creation

Unprecedented global events, including COVID-19 and its associated economic shutdowns, have increased the financial volatility in the market. This has impacted tenant demand for space, increasing the potential for tenant defaults, as well as availability and costs of capital.

These factors may unfavourably impact our ability to achieve targeted growth and liquidity levels, and could lead to diminished asset values, damage to reputation and loss of shareholder confidence. Volatility in financial markets is expected to continue, which could have a negative impact on property capitalisation rates and our ability to raise further funding.

Risk response: mitigating actions and opportunities

- Simplifying our risk universe through strategic divestment
- Limiting speculative development
- Strengthening our balance sheet
- Carefully managing liquidity through recycling capital, hedging and diversifying of funding sources
- Engaging with tenants and offering rental relief where appropriate
- Spreading debt maturity profile and geographical diversification

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Elevated risk	High	Within appetite but exceeding tolerance	FC MC	IS OC OE

6 Inability to effectively manage our reputation

(2019: 4)

Risk description and implications for value creation

Increasingly, reputational issues have a direct impact on an organisation's ability to operate and create value. Our reputation could be impacted by the actions, skills and competencies of our people, processes we follow, the environment in which we operate and changes to our regulatory landscape.

Risk response: mitigating actions and opportunities

- Actively track social media coverage
- Stakeholder engagement process, with adequate crisis management and response plan
- Reinforce a tenant experience management programme
- Add value sustainably to each community through meaningful engagement
- Continuously assess governance and ethical leadership and conduct, which, in turn creates sustained value

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Static risk	Low to medium	Within appetite but exceeding tolerance	SRC IC HC	GR OE ET

7 Failure to comply with local and international laws and regulations

(2019: 9)

Risk description and implications for value creation

The current regulatory landscape is changing at an unprecedented rate. New legislation emerges or changes continuously, with increasingly stringent requirements across all geographic markets in which we operate. We have a responsibility to identify existing and emerging legislation relevant to our business and ensure that associated risks are well-understood, and controls are embedded within the company and operating model. The risks and consequences of non-compliance range from financial to non-financial sanctions, which may individually and/or collectively have a fundamental impact on our sustainability as a going concern.

Risk response: mitigating actions and opportunities

- Ongoing investment in strengthening our governance mechanisms to provide oversight and monitoring
- Dedicated risk and compliance capacity in place oversee compliance risk management
- Ongoing monitoring of the regulatory and compliance requirements, especially given the new and/or revised legislation and regulations gazetted and implemented as a consequence of COVID-19

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Reduced exposure	Low	Within tolerance	FC MC HC SRC IC NC	GR IS OC OE ET

8 Increased competition for tenants

(2019: 8)

Risk description and implications for value creation

The current market and economic context has resulted in increased competition for tenants, capital and property assets, with dampened demand and increases in the supply of space. This results in decreased asset valuations, increases in vacancies and, consequently, poorer rentals through the inability to attract and retain tenants.

Risk response: mitigating actions and opportunities

- Deepening stakeholder engagement and growing the Redefine brand
- Engaging extensively and collaborate with all stakeholders during hard lockdown
- Appropriate sector and geographical diversification of assets
- Leasing and incentivisation strategy

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Elevated risk	High	Within appetite but exceeding tolerance	FC MC SRC	IS OE

9 Inability to be environmentally resilient into the future

(2019: New)

Risk description and implications for value creation

Climate change and the resilience of our property portfolio to its effects is a risk to the business. Increasingly, the interconnected and lasting impacts of climate change are placing pressure on businesses to both minimise the impact, as well as ensure their future operating model will remain relevant as consumers shift behaviours to minimise their carbon impact.

Risk response: mitigating actions and opportunities

- Ongoing engagement to understand stakeholders' needs and concerns
- Investing in green technology
- Engaging with our tenants to ensure they reduce their impacts
- Deepening our understanding of ESG, our impacts and embedding it into our strategy

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Static risk	Medium to high	Within appetite but exceeding tolerance	FC MC SRC IC NC	GR IS OC OE ET

10 Inability to prevent computer fraud and respond to cyberattacks

(2019: New)

Risk description and implications for value creation

Cybersecurity is an increasing priority as hackers become more sophisticated, with risks accelerated by COVID-19 and higher levels of remote working. Cybersecurity breaches and attacks, including information theft, ransomware and malware, pose a threat to our reputation, as well as our ability to maintain operations.

Risk response: mitigating actions and opportunities

- Continued investment in cybersecurity awareness, prevention and security best practices as part of our culture
- Exploring innovative, disruptive technologies

Risk level	Risk appetite	Risk tolerance	Capitals impacted	Strategic priorities impacted
Elevated risk	Medium to high	Within appetite but exceeding tolerance	FC MC HC SRC IC	GR OE ET

2 Lake Road, *Longmeadow Business Estate*

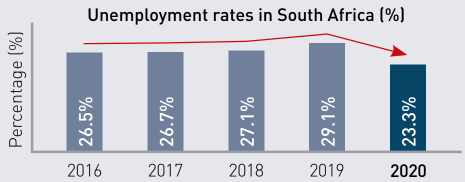
Our **operating context**

Our materiality process applies integrated thinking to identify those matters that may influence our ability to create value in the short, medium and long term. We identified five megatrends (global macro forces that have the potential to transform our business) that stood out as the broader themes under which our material matters are classified.

Uncertain geopolitical and socio-economic growth factors[1]

South Africa

- GDP growth is depressed, with Treasury expecting growth of only 0.9% in 2020[2]
- South Africa's official unemployment rate fell to 23.3% in the second quarter of 2020. This percentage is calculated according to the amount of people actively seeking employment. Due to people's inability to actively seek employment during lockdown restrictions, the number of unemployed people is significantly more than the official percentage



- Youth unemployment decreased to 52.3% in the second quarter, from 59.0% in the previous period. The decrease in unemployment was distorted by our strict lockdown – as fewer people were able to actively look for employment[3]
- South Africa's existing macro-financial risks have been increased due to higher levels of debt, coupled with expansionary fiscal and monetary policies needed to limit the adverse effects of the COVID-19 and other shocks. This has led to a downgrade in credit rating (by rating agencies) – leaving South Africa without an investment-grade rating for the first time in 25 years[4]
- Further deterioration of public infrastructure and poor service administrative delivery
- Business and consumer confidence has shifted downwards, compounded by COVID-19 impacts and exacerbated by policy and political uncertainty
- There is increased competition for tenants, critical skills, capital and property assets

For more information on our South African operating context per sector, please see our retail discussion on **page 84**, office on **page 86** and industrial on **page 88**.

International

- Globally, the macroeconomic outlook is characterised by extreme market volatility and heightened geopolitical tensions, which have added further momentum to the deglobalisation trend and protectionist behaviour
- COVID-19 has triggered the deepest global recession in decades[5] – with global output predicted to fall by 5.2%[6]

For more information on our international portfolio context, please see **page 91**.

How this impacts our strategy

By focusing on our strategic priorities, we continue to manage the variables under our control, by adopting an agile approach to the way we do business – focusing on real estate and related investments and not a particular sector.

COVID-19 has galvanised our focus to integrate ESG considerations throughout our integrated business strategy and day-to-day operations.

As the property sector recalibrates towards an environment of subdued economic fundamentals, we believe that the work undertaken before the crisis to build a quality and diverse portfolio, as well as our agile response, will position us to withstand and adapt to this crisis – ensuring we can create value sustainably into the future. For more information on our strategic response, please see **pages 56-60**.

The evolving role of business in creating a prosperous and sustainable society

- A global infectious disease pandemic, together with the increasingly severe effects of climate change, are growing concerns for property owners and investors alike
- Climate change could result in capital depreciation due to infrastructure damage by extreme and chronic weather events
- Urban environments are threatened by increased air pollution and the rapid loss of green space and biodiversity
- As technology advances rapidly, the infrastructure costs of renewable energy generation continue to decline, making it more affordable, particularly for new builds
- Increasingly, people are choosing to work, shop or spend time in places that have a positive impact on their wellbeing
- Employees want to work in buildings with strong environmental credentials and environmentally responsible businesses
- Given the cost and environmental impact of developing new buildings, and impending regulations from major South African municipalities that are also signatories to the global C40 initiative, the redevelopment and refurbishment of existing buildings is expected to become critical in the future
- Given unemployment risks, particularly among youth, in the communities surrounding our buildings, as well as an increase in stakeholder activism, there is a greater responsibility on property owners to engage with and invest in their communities

How this impacts our strategy

Operating in a long-term asset class, we make strategic choices with lasting impacts. We therefore integrate long-term ESG factors into our business operations – from the initial investment and throughout its life cycle.

We endeavour to embed climate risk management into our business strategy while deepening our understanding of our stakeholders' needs.

Integrating business innovation is vital to identifying solutions that increase the efficiency of our business processes.

For more information on our strategic response, please see our strategy discussion on **pages 56-60**.

Business model resilience to the rapidly changing context

- COVID-19 will forever change how people live, work and play. As a property company, the pandemic has exposed the underlying fragilities of our capital allocation strategy and funding model. As a society, it has exacerbated issues of economic resilience and public health infrastructure, as well as racial and social divides
- Downsizing, consolidations, business failures and remote working continue to adversely impact office demand. In addition, corporate restructuring has resulted in large amounts of sub-lettable space coming to market
- We expect to see further growth in the co-working office environment, as load shedding and data connectivity hamper employees' ability to work from home
- Spurred by technology, there has been a shift from focusing on the bricks and mortar of property portfolios towards the idea of space as a service
- Asset owners globally are increasingly concerned about relevance, and assets will need to adapt to the needs of their users more effectively or be converted into entirely new uses
- Technology presents an opportunity across the property sector for those who can leverage its potential
- Continued growth of online retail sales, and changes in retail technology and consumer behaviour are reshaping physical stores – with revenue in the South African ecommerce market projected to grow[7]

[1] *Discussed in terms of regions as the issues relevant to each region differ.*
[2] *http://www.treasury.gov.za/documents/National%20Budget/2020/review/FullBR.pdf.*
[3] *https://tradingeconomics.com/south-africa/unemployment-rate.*
[4] *https://blogs.worldbank.org/africacan/southern-africa-why-risk-financing-critically-important-during-covid-19-recovery.*
[5] *https://www.worldbank.org/en/publication/global-economic-prospects.*
[6] *https://news.un.org/en/story/2020/06/1065902.*
[7] *https://www.statista.com/outlook/243/112/ecommerce/south-africa.*
[8] *https://www.afrobarometer.org.*
[9] *https://www.edelman.com/post/south-africa-trust-falls-business-expected-to-lead.*

We believe that COVID-19 has intensified and accelerated those trends already in motion. Our strategy positions the business to seize opportunities and mitigate risks associated with each of these trends. For a discussion on our materiality assessment process, see **page 4**.

Business model resilience to the rapidly changing context *(continued)*

- Mobile technology, in particular, has enhanced the consumer's power, which is necessitating new business models across the retail, office and industrial sectors

How this impacts our strategy

We are using this pandemic as an opportunity to reset every aspect of what we do to ensure that our business model remains relevant to a radically changed world while creating and managing spaces in a way that positively changes lives.

Sustainability permeates everything that we do to remain relevant. Our goal is to embrace technological disruption, welcome innovation and to continuously evolve.

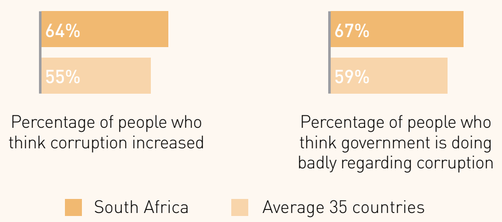
We will continue to build an asset platform that remains relevant to its users by continuously improving, expanding and protecting our portfolio.

For more information on our strategic response, please see **pages 56-60**.

Heightened demands on governance and regulatory context

- Observing good corporate governance principles during the COVID-19 pandemic, with an increased reliance on the use of virtual communication
- Diminished public trust – South Africans believe that institutions still have a long way to go before they earn greater trust

Transparency International Global Corruption Barometer[8]



- Regulatory and policy developments remain a challenge across all our markets as the regulatory landscape continues to evolve at an unprecedented rate with increasingly stringent requirements across all geographic markets in which we operate

How this impacts our strategy

Governance is not merely a matter of compliance – it is ubiquitous to our value creation story. We believe that our responsibility extends beyond compliance and that proactively identifying relevant existing and emerging legislation is critical to ensuring compliance.

We remain committed to entrenching corporate governance and deepening ethics awareness throughout our business. We gauge our progress by conducting annual independent quantitative ethics assessments. We continuously refine our compliance, risk management and combined assurance approach.

We are committed to embedding anti-bribery and corruption practices throughout the organisation – this reflects our commitment to the 10th principle of the UNGC.

The majority of our board of directors comprises independent non-executive directors, who exercise oversight of our business activities, thus guarding against corporate failure.

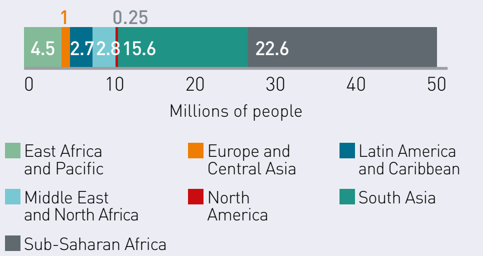
For more information on how we are responding, please see our strategy discussion on **pages 56-60**.

Managing for liquidity and sustainability during COVID-19

COVID-19 cases to date[10]	Total cases	Total deaths
South Africa	769 759	20 968
Globally	59 375 382	1 399 998

- The impacts of COVID-19 vary from country to country. It will, however, most likely increase poverty and inequalities on a global scale, making the achievement of the SDGs even more urgent
- COVID-19 has pushed an estimated 49 million people into extreme poverty, thus exacerbating unsustainable inequality levels[11]

People millions pushed into extreme poverty due to COVID-19



- Despite South Africa's economic stimulus package implemented, it may not be sufficient to prevent households from losing 40% of their income, even if they qualify for the special Temporary Employee/ Employer Relief Scheme[12]
- The property industry has been negatively impacted by the pandemic; the severity is largely dependent on the region and asset class. Property owners are concerned with preserving value and liquidity, keeping tenants and visitors safe, and complying with governmental lockdown requirements. Of major concern is their tenants' liquidity pressures and ability to pay rentals, as well as the lease payment deferrals, contract terminations, increased arrears, decreased footfall increased vacancies[13]
- COVID-19 impacted Redefine's average cash collections during lockdown and equated to approximately 82% of monthly gross billings (89% of billings net of discounts and deferrals)[14]

How this impacts our strategy

Our team remains focused on safeguarding our business, protecting our assets and minimising our exposure to the impacts of COVID-19.

At the beginning of lockdown, we made the conscious decision to put people ahead of profit, to protect livelihoods, by supporting our tenants and supplier base. We prioritised our tenants and their liquidity pressures. This negatively impacted our own short-term cashflow in order to maintain our occupancy levels and ensure our own long-term sustainability, because without tenants we have no business.

To improve our own liquidity we chose to manage the variables under our control to ensure business resilience. We continued with our disposal strategy to lower our LTV and improve our balance sheet; all discretionary spending was curtailed, and we deferred our interim dividend declaration.

For more information on how we are responding to COVID-19 and the resulting socio-economic uncertainty, please see our strategy discussion on **pages 56-60**.

[10] *As at 9 November 2020: https://www.sabcnews.com/sabcnews/tracking-the-coronavirus.*
[11] *https://blogs.worldbank.org/opendata/impact-covid-19-coronavirus-global-poverty-why-sub-saharan-africa-might-be-region-hardest.*
[12] *https://www.undp.org/content/undp/en/home/coronavirus/socio-economic-impact-of-covid-19.html.*
[13] *https://www2.deloitte.com/za/en/pages/about-deloitte/articles/understanding-covid-19-s-impact-on-the-real-estate-sector.html.*
[14] *Pre-close PPT – August 2020.*

Chief executive officer's review

We understand that the way we respond today will ultimately define tomorrow's success. In a year fraught with challenges on multiple fronts, our purpose has acted as our compass, helping us navigate the constantly evolving operating context.

COVID-19 as an accelerant

COVID-19 has accelerated our transition to a new normal – forever changing the way we live, work and play. It has sharpened pre-existing challenges and vulnerabilities that can no longer be ignored. It has elevated issues of economic resilience and public healthcare infrastructure, as well as racial and social divides.

At Redefine, the crisis gave us an opportunity to better position the business to thrive in the future – ensuring that we can continue to positively contribute to the creation of a more inclusive, sustainable and resilient operating context. While our business model and strategy as a whole are largely unchanged, which reflects their integrated nature, their detail and focus are evolving. We understand that to remain relevant, we need to not only adapt our offerings to reflect the changes wrought on society by the pandemic, but shift our approach to strengthen our integrated and strategic thinking to contribute to the future we want.

Responding with agility and empathy

As a business, we acted swiftly to help prevent the spread of COVID-19 by establishing a dedicated multidisciplinary task team to implement a coordinated response to protect our stakeholders. Our stakeholders' health, safety and wellbeing remained a priority as we focused on managing the variables under our control – safeguarding our business, protecting our assets and minimising our exposure to the impacts of COVID-19.

As the crisis unfolded, we decided to prioritise people above profit and protecting livelihoods by supporting our people, tenants and supplier base. For example, despite receiving limited or no service delivery, Redefine committed to paying the full labour component of our contractual obligations on the reciprocal agreement that no job losses will occur at Redefine's properties as a consequence of the lockdown. Tenant sustainability was also at the forefront of our COVID-19 considerations. As a business, we would not survive without our tenants. For this reason, the business granted R318.0 million of rental relief packages to our tenants in order to assist them through the COVID-19 lockdown.

Throughout the crisis, we committed to increasing engagement and collaboration with all our stakeholders. During the lockdown, we participated in the Property Industry Group that focused on, among others, coordinating a framework of relief measures for tenants, addressing temporary regulatory compliance challenges with the appropriate authorities, and engaging with debt providers regarding financial covenants and liquidity concerns.

Andrew König
Chief executive officer

Our performance

While we made good progress during the first half of 2020 – reducing balance sheet risk and delivering sustainable quality earnings – COVID-19 disrupted our momentum in the second half of 2020. This necessitated a shift in our emphasis to overcome the ensuing challenges and ready ourselves for the opportunities that could present themselves.

For the year under review, distributable income for the year declined by 49.0% to 51.5 cents per share. Recurring income decreased by 44.0%, net tangible asset value decreased by 24.3%, property asset values decreased by R7.2 billion to R69.2 billion and our overall occupancy rate declined to 92.7%.

Our top priority during the year was to address our LTV ratio which increased to 47.9% from 43.9% in 2019. Our LTV ratio is at the top end of our comfort zone and consequently constrains our potential to raise new debt. The LTV improvement initiatives undertaken reduced our LTV by 5.7%; however, the destructive impact of COVID-19 on our asset values increased our LTV by 7.8% – negating the improvement.

Our work on reducing our LTV is therefore not yet done, and we have set a goal of achieving a sub-40% LTV by August 2021. A clear pathway has been set to achieving this target, involving further optimisation of our property asset base, as well as the completion of the sale of Journal's assets. The LTV improvement will remain a top priority for 2021.

It is safe to assume that, given the extraordinary and evolving market conditions, domestic and global property fundamentals will be challenged for the rest of 2020 and beyond. Operating in an environment where evolving unknowns outweigh the knowns means that our goalposts are not anchored. Therefore, our thinking can no longer be linear, and using multiple possible futures as the foundation for making strategic decisions ensures we are adequately prepared, willing and capable.

Blue Route Mall, *Tokai*

Our property assets

Redefine remains anchored by a high-quality, diverse property asset platform valued at R81 billion, with our retail and logistics property investments in Poland complementing our local portfolio.

Retail portfolio

The retail sector was facing headwinds even before the COVID-19 crisis, including constrained consumer spend and changes in buying behaviours that negatively impacted mall footfall and constrained trading numbers. We saw an accelerated shift in consumer behaviour towards convenience and believe this will become a structural change in their future behaviour and spending patterns.

Since the hard lockdown, we experienced a better-than-expected recovery in retail turnover, particularly in apparel and fast food, with turnover for essential services largely unaffected by COVID-19. However, the sustainability of gyms, cinemas and sit-down restaurants, which currently make up 3% of GLA and 4% of gross monthly rental (GMR), remains a concern for us.

We remained committed to supporting our tenants, particularly through the lockdown that directly impacted many of their businesses. We concluded rental relief discounts totalling R208.5 million and net deferred rentals of R14.1 million up to 31 August 2020, with further relief of R23.2 million and deferrals of R3.6 million post August 2020. By assisting our tenants and understanding their needs, we encourage lease renewals, which, in turn, ensures our long-term sustainability.

We foresee that the risk of business rescue initiatives, liquidations and tenant failures could intensify retail vacancies. Tenant retention initiatives and rightsizing premises have also resulted in negative rental reversions of -5.4%, with pressure on annual lease escalations linked to consumer price index (CPI).

Despite the strained consumer spend environment, the role of retail outlets remains a vital part of the shopping experience and as a consequence our ongoing focus on ensuring a relevant tenant mix, as well as convenience remain key to meeting evolving consumer needs.

Commercial portfolio

The office sector was directly impacted by downsizing, business consolidations and increased remote working, resulting in large amounts of sub-lettable space coming to market. Our national vacancies increased to 13.5% due to the emergence of shadow vacancies, with Sandton likely to rise above 20%.

We concluded rental relief discounts totalling R59.7 million and net deferred rentals of R14.7 million up to 31 August 2020, with further relief of R4.1 million and deferrals of R2.8 million post August 2020. Market activity was better than expected; however, it remains incredibly competitive, with pressure on rental escalations and cost of tenant installations is likely to increase. We see that flexible lease arrangements are becoming more prevalent. We expect that market rentals will remain under pressure, and believe escalations will average between 6% and 6.5%.

Despite its challenges, the office market is thriving as employees still need to interact, collaborate and be part of a culture. We expect to see further growth in the co-working office environment, with home working hindered by isolation, productivity, power supply disruptions and data instability. Furthermore, as the lockdown has demonstrated, remote working can be challenging for maintaining culture, collaboration and innovation, and co-working can offer employees a more social and engaged environment. Traditional office spaces are expected to capture this trend and expand collaborative work areas and communal facilities to compete with co-working environments, where internal spaces are designed to improve health and safety, including, *inter alia*, air-conditioning, biometrics and cleaning.

We remain firmly focused on retaining our existing tenants, to reduce vacancies through our ongoing leasing campaigns, direct canvassing and relationship building with property broker houses. We continue to improve our value offering by including additional amenities and redesigning office spaces. To protect our stakeholders, the improvement of health and safety in our buildings is a critical focus area – with the inclusion of air-conditioning, high-traffic touchpoints and bathrooms, for example.

Our office strategy post-COVID-19 is looking to ensure our office portfolio meets the evolving space usage needs of our tenants. We understand that flexible leasing arrangements are required to lower vacancies. We would also need to pursue innovation and investigate alternative usage for vacant spaces, i.e. residential, schools and hospitals.

Industrial portfolio

Our focus remains on tenant retention and improving our lease expiry profile. COVID-19 operational restrictions drove warehouse reconfigurations and automation, including sectionalising merchandise, one-way traffic flow and zoned shift-times for workspace and pause areas. Second-tier letting activities have also increased as tenants sub-let excess space, adding to market competition.

We also saw a growing demand from data centres due to higher web activity and increased network access requirements. Ecommerce, online education and decentralised/remote working, among others, are creating new consumer patterns, as are increasing bandwidth demands for online gaming and entertainment platforms.

To establish last-mile infrastructure for ecommerce order fulfilment, third-party logistics operators (3PLs) are moving from big-box industrial formats into other asset classes such as central business district office buildings and converted retail space.

We believe that industrial parks remain an attractive investment class, and saw that warehouse design has moved away from manual processes to embrace smart industrial machinery to stay relevant.

We granted rental relief totaling R10.1 million and net deferred rental of R10.9 million up to 31 August 2020, with further relief of R1.8 million post August 2020.

International portfolio

Redefine's recent disposals in the UK and Australia mean our international portfolio will be confined to Poland, one of the largest and better performing retail and logistics markets in Europe, which we expect to rebound to its strong macroeconomic position post-COVID-19 sooner than most economies.

Our investment in Poland is through a 45.4% interest in EPP, a 46.5% interest in European Logistics Investment (ELI), and a 25% interest in Chariot Top Group (Chariot). EPP is the largest owner of retail real estate in Poland in terms of GLA and has historically performed well from an asset management level. Understandably, the impact of the pandemic has affected its retail operations; however, our offshore investments continue to manage the crisis prudently and have sufficient access to cash resources to see them through this challenging period. Our logistics platform was largely unaffected by COVID-19. Our strategic priorities for Poland include deleveraging EPP's LTV ratio to a level below 45%, seeking further logistics opportunities to invest in, completing all construction projects in progress and letting their vacancy, securing pre-letting on land held for further development, and exchanging our interest in Chariot for its prime retail asset, M1 Marki.

Focusing on our people

As a top employer, we are proud to be considered an employer of choice. Our people-centric approach to business is our key differentiator. Our employees are our brand ambassadors – it is up to them to action our values of bravery, sustainability, trustworthiness and ethical behaviour daily. Through constant reinforcement and meaningful engagement around these values, we believe they will serve to influence the culture we seek to positively engender.

Throughout the COVID-19 crisis, we prioritised our people's safety and wellbeing while ensuring operations continued. Our ongoing challenge is to keep our staff energised, culturally connected, motivated and aligned to what matters most. To address this, we have focused on increasing our engagement and support, even while our people continued to work remotely. Personally, I had strived to connect with our staff through as many portals as possible – staying connected even when we were apart. Like many of our employees, I found the year challenging on multiple levels, but the commitment and dedication of our people across the business was inspiring, and I am proud to be part of this team – a team who has responded with integrity, strength and a demonstrable commitment to living our purpose, no matter the challenges.

Sustainability – investing in our future

Sustainability permeates everything we do, and is essential for us to remain relevant in a society that is increasingly aware of its impact on the environment and people, particularly those in vulnerable communities.

We have recently taken tangible steps to measure and manage our impacts from an ESG perspective. As we have entered the Decade of Action (as declared by the UN) for achieving the UN SDGs, we have reassessed the SDGs that we can impact and have committed ourselves to setting targets to hold ourselves accountable in this regard. We have also formalised our commitment to sustainability by becoming a formal signatory the UNGC, making us the first South African REIT to do so.

Our focus on sustainability, transformation, skills development and improving stakeholder experiences in our spaces is necessary for our service offering to adapt to the evolving ESG risks and opportunities in the real estate sector.

For more information on our ESG strategy and our performance during the year under review, please read our ESG report.

Our REIT status and distributions

We are proud of our status as a REIT and believe we offer shareholders an opportunity to invest in a liquid, high-quality and diversified property portfolio. As a REIT, we are required, in terms of the JSE Listings Requirements, to distribute at least 75% of our distributable profits within four months of year end, subject to the solvency and liquidity requirements of the Companies Act.

Given these unprecedented times and the direct negative impact of COVID-19 on the property sector, the SA REIT Association requested relief from these regulations, including deferring the final date by which REITs are required to make their distribution.

Following an invitation for public comment on the challenges facing the industry with regard to dividend payments, the JSE announced on 26 June 2020 that the Financial Sector Conduct Authority (FSCA) extended the timeframes within which a REIT must make its distributions by two months – the four months were extended to six months. For Redefine, this means the end of February 2021.

We are cognisant of differing opinions and the need to carefully balance the conflicting needs of our stakeholders (refer to **page 65**), while ensuring we protect the long-term sustainability of our business. To protect our business during the crisis, liquidity was prioritised and, consequently, the board elected to defer the interim dividend declaration decision until the release of results for the year ended 31 August 2020.

The board is giving very careful consideration to all the potential outcomes for the final dividend decision – balancing our stakeholders needs, as well as remaining mindful of the fact that Redefine needs to preserve its REIT status, preserve cashflow and protect its LTV. Various options are being considered for the 2020 dividend. The board has therefore deferred the dividend decision until February 2021.

Leadership changes

We bid farewell to David Rice who retired on 31 August 2020. I wish to thank him for his significant contribution to Redefine over many years of loyal service. Leon Kok will replace David as COO once Ntobeko Nyawo takes over as FD in February 2021. I wish Leon and Ntobeko every success in their respective roles. I would also like to welcome Diane Radley to our board. I look forward to working with her in the next chapter of Redefine's journey.

Remembering Marc Wainer

The year 2020 will be recorded in our history books as one of the most memorable: COVID-19, Redefine turning 21 years old, and the unexpected passing of Marc Wainer. It was in similar uncertain times such as now (listed property shares were trading at substantially higher income yields than direct properties) that Marc spotted a unique opportunity and started Redefine – with his initial backers reneging on funding his venture. Through his hallmark of perseverance, he got Redefine off the ground during challenging financial times.

Marc leaves a void across the entire property sector, and he has influenced the lives of many people – including mine. He leaves behind a vast legacy and will be remembered for many reasons – a standout one being the mastermind of the play on words: Real Estate Derived Financial Instrument, called Redefine. To me, personally, Marc was both a mentor and a friend, and he is sorely missed.

Appreciation

I would like to thank our executives, management and employees for their considerable efforts during the year. Our successes were hard-earned through the commitment of each member of the Redefine team who worked tirelessly each day towards our shared vision to be the best South African REIT. To our stakeholders, thank you for your continued support. To my fellow board members, thank you for your guidance, commitment and support. We have embraced and continue to embrace technology and the opportunities it offers both for our people and our tenants, in fact all our stakeholders.

Building tomorrow, today

Looking ahead, financial volatility is expected to continue, driven by trade and geopolitical tensions. Operating conditions are anticipated to remain challenging across all geographies and sectors in the year ahead.

This is a defining moment for us all. As we adapt to the new normal, it is clear that sustainability in every aspect of what we do has never been more critical. We remain focused on implementing robust business continuity plans that adapt to the evolving situation and working with our stakeholders to support one another.

We have made meaningful progress in advancing our strategic priorities, building today for tomorrow, to ensure sustained value creation for all our stakeholders. As we look ahead, now more than ever, we need to turn our strategy into action through fearless implementation to contribute to the creation of a more inclusive, sustainable and resilient world – a new normal, far better than the one before. **Simply put, the key to being the BEST South African REIT is rooted in collaboration, innovation and differentiation.**

Andrew König
Chief executive officer

Tribute to MARC WAINER:
a legendary deal maker, mentor and friend

Our founder, former executive chairman and CEO, Marc Wainer, tragically passed away this year. Marc was inimitable – a man of his word, charismatic, compassionate, quick wit and an astute entrepreneurial spirit. His contribution to our industry is unquestionable – he was the doyen of South Africa's property industry.

A legendary deal maker remembered for his honesty, fairness, tenacity and vision, he combined innovation, creativity and people skills to close many 'impossible' deals – making the improbable possible.

From humble beginnings in his parents' grocery and fish shop in Yeoville, Marc went on to build Redefine into one of South Africa's largest REITs. He was also instrumental in our global expansion, brokering deals in Poland, the UK, Germany and Australia.

Always generous with his time, advice and mentorship, Marc was passionate about creating and enabling success in others. He really cared about his employees, the property industry and developing new talent. His influence profoundly impacted many property professionals' careers.

A formidable storyteller, his audience was captivated by his mischievous anecdotes about deals, adventures and escapades. He had a unique ability to simplify any complex topic.

Marc believed that people matter. We honour him by being authentic and growing the business he founded, managing and creating spaces in a way that purposefully changes lives. He leaves an enormous void in the hearts of every person who enjoyed his characteristic charm, infectious laughter and genuine concern for others.

He leaves a powerful legacy. We remember him as a true leader, a game-changer in the property sector and someone who truly created value in people's lives. It was an absolute privilege to work with Marc and to know him – he truly 'walked the talk' with his passion for people and property, and for giving back through mentorship.

May his soul rest in eternal peace.

“Business, I believe, has a huge role to play in addressing some of the ills facing South Africa.”

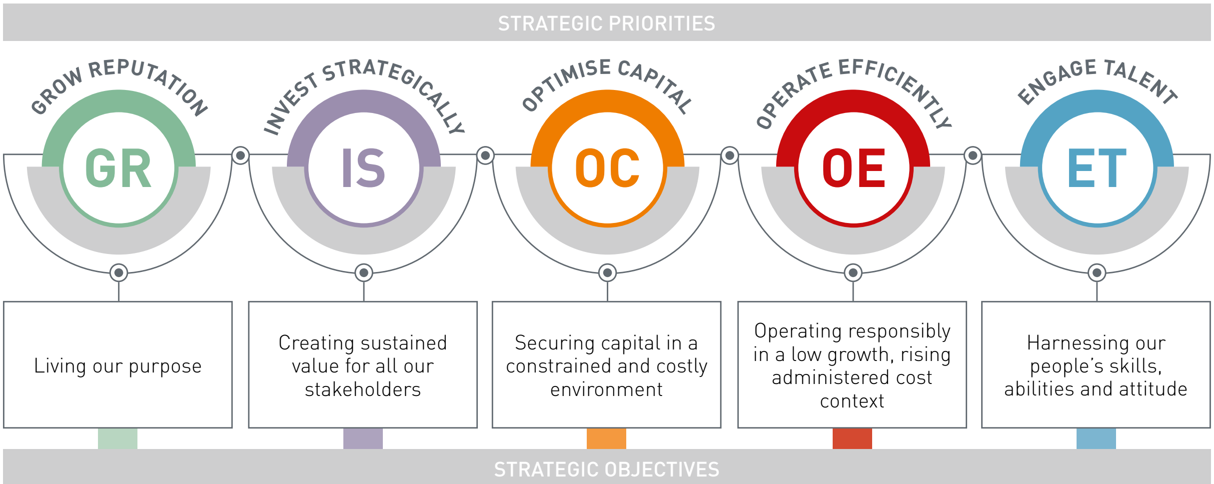
Marc Wainer

Strategic overview

Our purpose is embedded in, and enabled by, our integrated strategy – ensuring we create and manage spaces in a way that changes lives.

We adopt an agile approach to the way we do business, with a clear focus on real estate and related investments rather than a particular sector. In a challenging operating context, our flexible and integrated strategy has guided us, ensuring we are **making choices today that build tomorrow.**

Our strategy centres on our five strategic priorities, which guide our decision-making and execution in our endeavours to create value in the short, medium and long term.



We continue to integrate ESG into every aspect of our business to ensure sustained value creation for our stakeholders.

Long-term strategic priorities

While COVID-19 severely impacted our performance in 2020, we understand that we operate in a long-term asset class. As such, we make strategic choices with lasting impacts. It is critical for us to deeply consider the impacts of our choices, which makes embedding a broader definition of value into every aspect of our business essential.

How we measure the delivery of sustained value year on year

Our integrated, long-term approach to strategy enables us to increase our total return through improved cash flow to deliver sustained value for all our stakeholders.

Our primary long-term objective

Our primary long-term objective is to **increase our total return through improved cash flow** to enable us to deliver sustained growth for all stakeholders.

How we create value:	Distributable income per share + TNAV growth per share
Target:	Greater than 15%*
How we measure up:	2020: **-18.8%** | 2019: 7.1% R ▼

For an understanding of how the current context adversely impacted our results, please refer to **page 44**.

How we'll get there

While our long-term goal is to increase our total return through improved cash flow, we understand that value is not created in isolation and we are committed to creating broader value for the societies in which we operate.

In line with our long-term goal for our business, and despite the difficult operating context, this year we deepened our commitment to the UN SDGs, identifying additional SDGs we believe are most relevant in terms of potential impact and opportunity for our business.

R Link to executive directors' remuneration
▼ Negative outcome

** As we are operating in a persistently low-growth environment, the board is reviewing the targeted total return, the outcome of which will be communicated in due course.*

Deepening our commitment to the SDGs

We conducted a materiality analysis across all 17 SDGs to identify where we can make the most significant impact.

The UN does not rank the SDGs by order of importance, but, internally, we identified primary and secondary SDGs based on their relevance to our business to guide how we will prioritise our resources and commitments in order to maximise our impact, to the benefit of each of our key stakeholders.

Our **eight primary SDGs**, which we will prioritise, are those most relevant to Redefine's business, within the broader industry and national context.

Our primary SDGs are:

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

As a company we can impact each of the 17 SDGs in several ways. Therefore, we have identified **five secondary SDGs** that we could potentially impact. The secondary SDGs were selected based on their relevance in South Africa and the local real estate industry. These SDGs were also selected because they will help us achieve our primary SDGs.

For example, SDG 6 impacts the achievement of SDG 11 and SDG 13

Clean water and sanitation → Sustainable cities and communities; Climate action

Our secondary SDGs are:

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

We believe that, by considering future sustainability and ESG factors, we can protect and build value into the future, and, as such, this forms part of our responsible business practices. We recognise that the next 10 years are, as coined by the UN, the decade of action regarding the achievement of the UN SDGs, which is why we will prioritise the development of forward-looking targets in relation to each target (on a per-stakeholder basis).

The actual targets set by the UN regarding each SDG are often global goals aimed at governments, industries or regional bodies. Therefore, although we cannot single-handedly fully achieve the targets set by the UN regarding each SDG, we will set business-related targets to map our specific contribution to and progress against the relevant goals, to the extent that we can impact them as a business.

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

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

SDGs that we have not committed ourselves to:

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

For more information regarding the goals and our commitments to them, refer to our ESG report.

Performance against our **strategy**

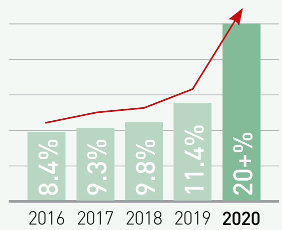
We use relevant KPIs linked to our remuneration strategy to measure our performance against our strategic priorities. Our capital sections on **pages 76** to **123** detail how we're managing our various material matters.

GR Grow reputation

Overview

Why it matters most	Resource allocation	Related material themes	Contributing to our long-term objectives
We have a people-centred approach to everything we do, which we support by continuously nurturing our relationships with our key stakeholders. We do this by ensuring our brand not only reflects the soul of our business, but that it keeps our business unified and strong. Our focus is clear: we grow our reputation in every business activity so that we can enhance and grow our social and relationship capital.	Capitals employed: HC FC SRC IC During 2020, our collaboration with and commitment to our stakeholders gave us the ability to endure through the COVID-19 crisis and ultimately emerge stronger together.		An unstable socio-economic context, characterised by large-scale unemployment and increasing inequality, significantly impacts our business's sustainability because the success of our properties is dependent on our communities. Conversely, by engaging in informed, targeted initiatives that create mutual benefit for Redefine and our stakeholders, we ensure the long-term resilience of our operations. Primary SDGs: 3, 5, 11, 16 Secondary SDGs: 10, 17

Unpacking our progress

KPI (long term)	Target	Why this KPI is important	Five-year trend: Forward yield (%)
Forward yield R	Distributable forward yield of equal or less than R186 ▼*	Our distributable forward yield ultimately reflects the market's rating of our ability to deliver sustained value in the form of growing distributions and capital growth.	

2020 outcomes (short to medium term)	
Delivering on these key measures nurtures our reputation and ultimately creates and preserves value for stakeholders	
-18.8% total return to shareholders (2019: 7.1%)	−
Achieved a 76th percentile ethical maturity score from the Ethics Institute	+
101 Green Star SA certifications (2019: 74)	+
B-BBEE level 3 rating (2019: level 3)	=
First SA REIT to become a signatory to the UNGC	+

Priorities looking ahead

- Restore stakeholder confidence
- Entrench the Redefine brand
- Invest in our stakeholders

Outcomes: ▲ Positive outcome ▼ Negative outcome ■ In progress

R Link to executive directors' remuneration

Value indicator: = Value preserved + Value created − Value eroded

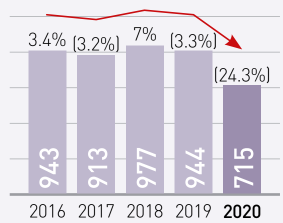
* *As we are operating in a persistently low-growth environment, the board is reviewing the use of the forward yield as a metric and the R186 as a benchmark to measure the grow reputation strategic priority.*

IS Invest strategically

Overview

Why it matters most	Resource allocation	Related material themes	Contributing to our long-term objectives
We are seasoned property and financial professionals. We use our extensive experience to make strategic investment decisions about allocating our capitals to create lasting benefits for us, and sustainable value for our key stakeholders. This insight sets us apart and is material to our future success.	Capitals employed: FC MC NC		Our business relies on the planet and, because of this, our decisions on capital allocation must consider our investments' long-term consequences, including climate risk management. To this end and where prudent, we allocate resources to ensure our buildings are climate-resilient, and we take this into account when making investment decisions in relation to those buildings. Our investment decisions must also include flexible and innovative development solutions. This is a business imperative that ensures our business remains sustainable in the long term. Primary SDGs 7, 8, 13 Secondary SDGs 17

Unpacking our progress

KPI (long term)	Target	Why this KPI is important	Five-year trend: TNAV
TNAV per share R	TNAV growth of greater than 6% *	For Redefine, TNAV is a key indicator of the organic growth of our actively managed capital base, which demonstrates the effectiveness of our investment strategy and serves as an indicator of business sustainability. TNAV is the value of an entity's tangible assets less the value of its liabilities, and the most common way to determine the value of a REIT.	

2020 outcomes (short to medium term)

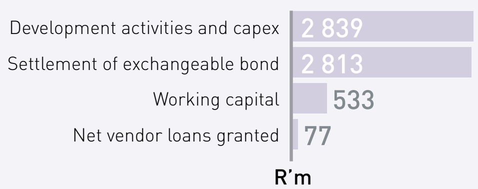
Delivering on these key measures nurtures our reputation and ultimately creates and preserves value for stakeholders

Concluded property asset disposals to realise **R13.4 billion** (2019: R2.5 billion)	+
Offshore expansion totalled **R1.3 billion,** with **R0.7 billion** invested in Poland (2019: R4.3 billion)	+
TNAV declined by **229 cents** (2019 33.0 cents) to **715 cents** (2019: 944.0 cents) per share	–
Reduced currency and geographic exposure	+
Local development and capex totalled R1.5 billion (2019: R2.4 billion)	+

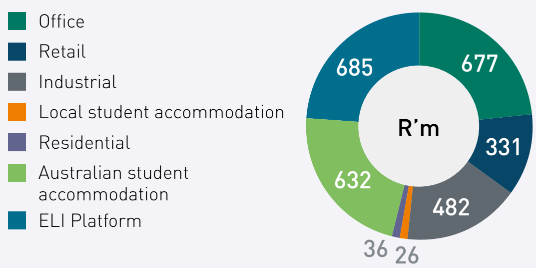
Priorities looking ahead

- Re-evaluate every property asset's growth prospects
- Focus on opportunities to expand income base
- Create spaces for people to live, work and socialise sustainably
- Expansion offshore through development activity

Capital deployed: R6.3 billion



Sectoral split of development activities and capex: R2.8 billion



** As we are operating in a persistently low-growth environment, the board is reviewing the targeted growth of 6% in TNAV.*

Performance against our **strategy**

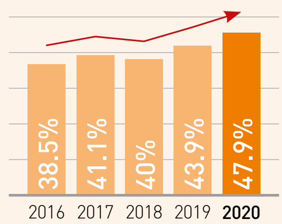
CONTINUED

OC Optimise capital

Overview

Why it matters most	Resource allocation	Related material themes	Contributing to our long-term objectives
For us to allocate capital to the right property investment opportunities and meet operational requirements, we need to have adequate funding available, responsibly manage our exposure to interest rate and currency volatility, and ensure our existing portfolio is optimally funded to increase our returns and ensure sustained and predicable growth. Optimising our capital allows us to effectively use our scarce financial capital to create value for our stakeholders. We do this because we recognise that liquidity is more important than credit.	Capitals employed: FC MC		To support our long-term ambitions, we must have the necessary resources at our disposal. This we can achieve by strengthening the balance sheet to build a diversified and sustainable capital structure through disciplined allocation of scarce capital. We also recognise that further embedding sustainability and the pursuit of the SDGs into our day-to-day operations and strategies will allow us to access alternative sources of sustainability-linked funding and investment. Primary SDGs: 7, 9 Secondary SDGs: 17

Unpacking our progress

KPI (long term)	Target	Why this KPI is important	Five-year trend: LTV (%)
LTV R	Maintain LTV ratio of below 40% ▼	LTV is a lead credit metric and an indication of an entity's indebtedness and its ability to access financial capital. The LTV ratio is the ratio of an entity's interest-bearing borrowings and net of cash to the value of its property assets.	

2020 outcomes (short to medium term)	
Delivering on these key measures nurtures our reputation and ultimately creates and preserves value for stakeholders	
Committed undrawn facilities and cash on hand of **R2.8 billion** (2019: R6.0 billion)	−
Average cost of debt increased by **20bps** to **6.0%** (2019: 5.8%)	−
Interest cover ratio at **2.6x** (2019: 4.3x)	−
Settlement of exchangable bond	+
Interest hedged on **81.4%** debt (2019: 87.3%)	−

Priorities looking ahead

- Implement LTV reduction plan
- Optimise funding model
- Broaden funding sources

Outcomes: ▲ Positive outcome ▼ Negative outcome ■ In progress

R Link to executive directors' remuneration

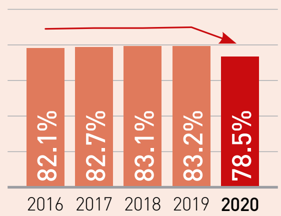
Value indicator: = Value preserved + Value created − Value eroded

OE Operate efficiently

Overview

Why it matters most	Resource allocation	Related material themes	Contributing to our long-term objectives
Operational efficiency is not only about cutting costs. It's about finding the best possible way to do what we do with the capitals at our disposal. In the current environment, we need to weatherproof our cash flow by focusing on the variables under our control.	Capitals employed: FC MC HC NC		In a resource-scarce environment, we believe that using our capitals more efficiently supports our long-term objectives. We focus on implementing flexible and innovative development solutions that improve our resource efficiency and demonstrate a meaningful return on investment. We recognise that improving our buildings' efficiency through innovation and technology has long-term financial benefits for us and contributes to a broader goal of creating more sustainable societies. Primary SDGs: 3, 7, 8, 9, 12, 13

Unpacking our progress

KPI (long term)	Target	Why this KPI is important	Five-year trend: Operating margin (%)
Net operating income (NOI) margin R	Greater than 80% ▼	NOI is a profitability metric we use to measure our portfolio's efficiency. NOI measures the income our portfolio generates. The NOI margin demonstrates how efficiently our business processes manage costs in relation to revenue growth.	

2020 outcomes (short to medium term)

Delivering on these key measures nurtures our reputation and ultimately creates and preserves value for stakeholders

Active portfolio occupancy decreased to **92.7%** (2019: 94.9%)	–
Total solar PV capacity increased to **25.9 MWp** (2019: 23.7 MWp)	+
509 390m² renewed (2019: 454 049m²) at an average reversion of **-4.6%** (2019: -2.0%)	–
Tenant retention rate at **92.1%** (2019: 93.3%)	–
Non-recurring income reduced to **2.4%** (2019: 6.0%) of distributable income	+

Priorities looking ahead

- Optimise operational efficiency
- Seek sustainable income-earning opportunities
- Harness technology

Performance against our **strategy**

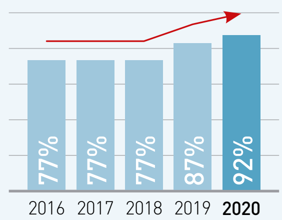
CONTINUED

ET Engage talent

Overview

Why it matters most	Resource allocation	Related material themes	Contributing to our long-term objectives
We believe our people-centred business approach differentiates us in our market and, and to this end, we continuously strive to recruit and develop individuals who have the right qualifications, know-how and people skills necessary to support our relationally driven business. It is also essential for us to promote and prioritise our employees' health and wellness, particularly in the face of our current socio-economic challenges.	Capitals employed: FC HC IC		We are committed to building a workforce that reflects our long-term goals for a prosperous and equitable society. To achieve this, we focus on investing in our employees' development, implementing policies to ensure no discrimination takes place and ensuring we have wellness programmes in place to support our employees' growth, professionally and personally. Primary SDGs: 3, 5, 8. Secondary SDGs: 4, 10

Unpacking our progress

KPI (long term)	Target	Why this KPI is important	Five-year trend: Employee engagement score
Engagement score R	Maintain or improve previous year's engagement score ▲	Engagement score refers to commitment, discretionary effort and intent to stay that employees exhibit, given the combination of their present and past experiences, and expectations for the future. The score is based on an engagement survey conducted by an external service provider.	

2020 outcomes (short to medium term)	
Delivering on these key measures nurtures our reputation and ultimately creates and preserves value for stakeholders	
244 learners completed our learnership programme since 2013 (2019: 198 learners)	+
Certified as a **top employer**	=
13 172 man-hours of training and development (2019: 14 486 man-hours)	–
No annual increases for FY2021 for employees earning more than R200 000	–
No STIs awarded for FY2020	–
No retrenchments or salary cuts during lockdown	+

Priorities looking ahead

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

Outcomes: ▲ Positive outcome | ▼ Negative outcome | ■ In progress

R Link to executive directors' remuneration

Value indicator: = Value preserved | + Value created | – Value eroded

Remuneration practices **creating value**

Real estate is a long-term asset class, which means that the decisions we make today will only deliver tangible outcomes in years to come. We therefore need to continually balance short-term performance expectations against long-term objectives. Our remuneration policy is designed to encourage the achievement of our group strategy, which is our roadmap towards creating sustained value for all our stakeholders.

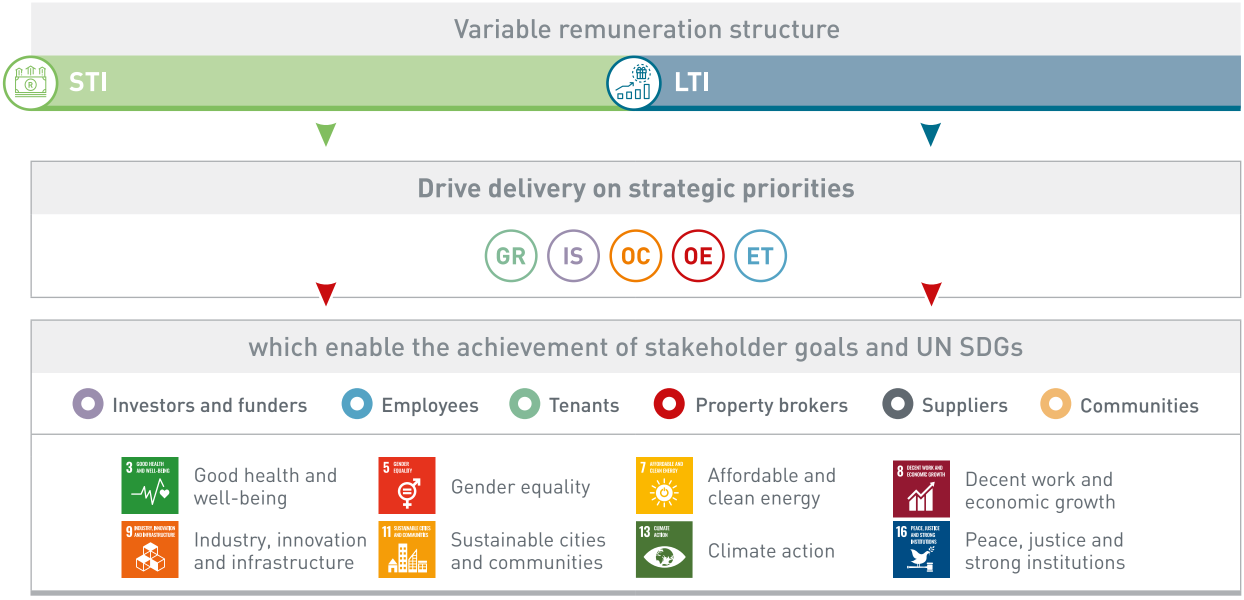
Our 2021 strategic priorities and value creation goals will be realised through achieving forward-looking KPAs for the STIs and LTIs. The remuneration committee is in the process of reviewing the KPAs for their continued relevance.

The pay and vesting outcomes for the KPAs applicable for FY2020 are explored in more detail in the remuneration section of the ESG report.

Our variable pay framework is supported by a strong remuneration governance framework. The elements are summarised below:

Governance principles	How this links to sustained value cretion	Mechanism	Implication
Alignment of risk-taking remuneration	The pay mix for our executives is appropriately weighted towards variable pay, thus cementing a pay-for-performance culture. However, we manage the risks associated with our variable pay framework.	Total reward ratio: This is measured as the ratio of fixed to variable pay for executive directors and prescribed officers.	Our executives are incentivised to create value in the short and long term, and there is an appropriate balance between STIs and LTIs. The majority of the total remuneration mix is at risk, but the portion of guaranteed pay is sufficient to ensure that executives are not overly reliant on at-risk variable pay (which may drive inappropriate risk-taking).
Risk adjustments	Our leadership team is accountable for the decisions that are made on behalf of Redefine.	**Malus and clawback** ▫ The remuneration committee may, on or before the vesting date of an award, reduce a short-term or LTI award in the event of a trigger event occurring during the vesting period ▫ The remuneration committee may take steps to recover awards that have vested (on a pre-tax basis) in the event of a trigger event occurring	Variable pay outcomes can be adjusted or recovered in certain predetermined circumstances, including instances where executives have behaved in a manner that has caused harm to the company (financial and/or reputational, caused by a trigger event) long after the vesting and payment dates. Executives are accountable for the decisions that they make on behalf of the company. Where events or behaviour occurs that effectively results in lost stakeholder value, the remuneration committee is able to adjust vesting or payment outcomes as appropriate, or recover past incentives from our executives on a pre-tax basis, even though the performance conditions have already been met.
Long-term alignment	Our leadership team should remain aligned to the impact of our decisions on our stakeholders and continue to create long-term value for the company.	**Minimum shareholding requirements** ▫ Executives must hold shares equal in value to at least 200% of their total guaranteed package, which must be accumulated within five years of the introduction of the minimum shareholding requirement policy or the appointment of the executive ▫ The shares must be held by the executive throughout his/her tenure The terms of our minimum shareholding requirements are set out in the remuneration report.	Redefine operates in a long-term asset class, and our executives remain invested in the company while they make prudent, long-term decisions regarding these assets. They are also aligned to the interests of our stakeholders, who are affected by the long-term ramifications of our decisions (that extend beyond the short-term and long-term vesting periods).

The following section links the pay-for-performance framework, as it applied in FY2020, to short-term outputs based on executing our short-term objectives, as well as the long-term stakeholder value creation outcomes.

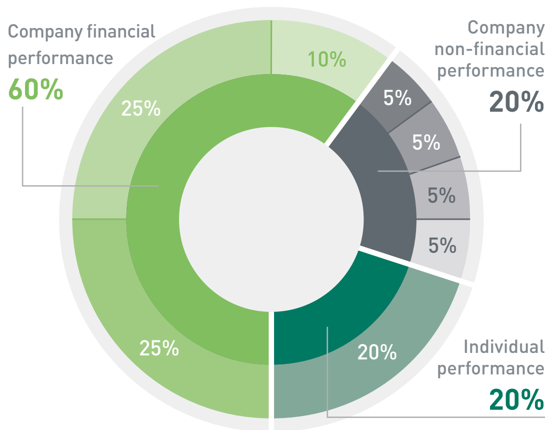


Our mission is to create sustained value for all our stakeholders, which is why our executives are specifically incentivised to achieve outcomes that meet our stakeholder goals in their individual KPAs for the short-term and long-term incentives, respectively. In addition, these goals permeate through the entire variable pay framework, as illustrated below for the STI and LTI performance measures that applied in FY2020[1].

STI and LTI: 2020 performance measures

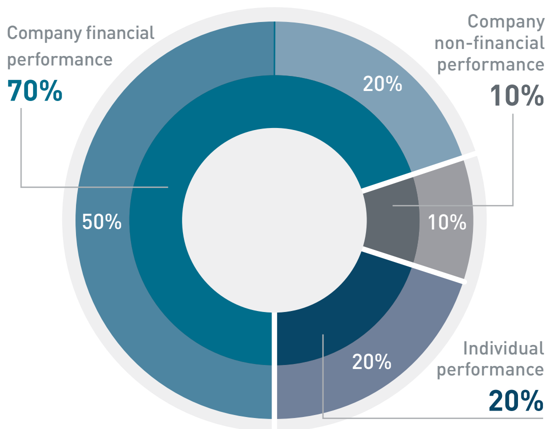
STI performance measures in 2020 – incentivising execution

	KPA
	Company financial performance
25%	Absolute DIPS, relative to budget (Target: market guidance on DIPS*)
25%	Growth in recurring DIPS, measured against the SA Listed Property Index (SAPY) (Target: equal to comparator group)
10%	Risk measures, including reducing LTV (Target: 40%)
	Company non-financial performance
5%	Transformation (Target: accelerate transformation at senior management levels)
5%	Sustainability (Target: maintain index inclusion)
5%	Ethical capital (Target: ethics survey rating of B)
5%	Organisational health (Target: demonstrate performance)**
	Individual performance
20%	Delivery on executive personal targets linked to short-term value creation indicators



LTI performance measures in 2020 – achieving stakeholder goals

	KPA
	Company financial performance
50%	Absolute total return, measured using TNAV over three years (Target: 15%)
20%	Relative total return is measured against the relative performance benchmark group, SAPY for testing the achievement of the relative performance conditions (Target: equal to benchmark group)
	Company non-financial performance
10%	ESG goals (Target: maintain ESG ratings)
	Individual performance
20%	Delivery on executive personal targets linked to long-term stakeholder goals



[1] *Anticipated outcomes form part of the short- and medium-term strategic priorities.*
* *DIPS (distributable income per share).*
** *This metric will include indicators such as risk embedment, governance, accountability and discipline, the internal control environment, ICT systems and audit findings.*

Our trade-offs – unpacking the tough choices we made

We aim to create sustained value for our stakeholders. To achieve this, we continuously review how we allocate our capitals – the resources and relationships we rely on – to ensure that we are making the best use thereof. Operating in a capital constrained context, which has been exacerbated by the COVID-19 pandemic, requires an agile and dynamic approach to decision-making to balance the (at times) conflicting needs of our stakeholders, while ensuring we protect the long-term sustainability of our business.

Balancing short-term performance expectations and long-term value creation

Our overarching trade-off remains navigating the short-term performance requirements from some of our stakeholders while we continue to operate in a long-term asset class. This primary trade-off is present in many of the critical decisions we make. Some of these material decisions are highlighted below.

MANAGING OUR ELEVATED LTV RATIO

Our current LTV ratio of 47.9% exceeds the upper end of our targeted range of 35% to 40%, with the destructive impact on the value of our assets due to COVID-19 severely impacting this ratio. This year, we focused on containing our LTV ratio in the short term by disposing of non-core assets, introducing an equity partner to fund expansion of the logistics portfolio in Poland, and applying conservative balance sheet management principles.

We did not make this decision lightly and we are aware that, in making it, we are forgoing the potential income that could have been generated by these assets in the long term. We believe this decision was key to strengthening our balance sheet.

Key outcomes

The board approved the disposal of R13.4 billion non-core assets to bolster the balance sheet, lower our LTV and enhance liquidity. This provides financial flexibility and creates a buffer against potential declines in capital value as a result of unforeseen events such as COVID-19. **Refer to page 64 for more information.**

To mitigate the risk of a technical breach in the corporate LTV covenant, a relaxation of the covenant from 50% to 55% was negotiated with all our funders for the covenant measurement periods of 31 August 2020 and 28 February 2021. **Refer to page 68 for more information.**

Our portfolio is less geographically diverse; however, it now offers investors a streamlined and simplified investment property asset platform, with reduced currency risk – **see page 80 for more information.**

Strategic objective	Relevant material matters	Capitals impacted	Relevant SDGs to align decision-making with our long-term ambitions
IS OC		FC MC	8 11 17

BALANCING STAKEHOLDER EXPECTATIONS AGAINST LIQUIDITY AND SUSTAINABILITY

Deferred dividend payments to preserve cashflow

Given the ongoing uncertainties around COVID-19, we were not able to forecast cash flow with any degree of certainty. We are committed to ensuring Redefine remains sustainable over the long term and, with it, preserving cash flow and protecting liquidity. This year – in deciding on the dividend declaration – we had to balance our shareholders' and funders' needs, as well as regulatory requirements (including the JSE Listings Requirements applicable to REITs) and the long-term sustainability of our business.

In making this decision, we had to trade off the short-term needs of our shareholders and the long-term expectations of our broader stakeholders, including our funders, tenants, employees, the greater community and our suppliers. The impact of this trade-off on our broader stakeholders is set out below.

Key outcomes
Our interim dividend declaration was deferred to after the finalisation of our annual results.
The decision to declare a dividend for FY2020 has been deferred until not later than February 2021. The board, acting in the best interest of the company and all its stakeholders, is considering a distribution mechanism that would enable Redefine to meet its REIT regulatory obligations, preserve liquidity and protect its LTV, while providing shareholders with a means to monetise the proposed distribution.
There are various options available to Redefine that are currently under consideration in order to ensure a qualifying distribution for the purposes of section 25BB of the Income Tax Act is achieved. We have until 28 February 2021 to comply with the minimum distribution requirements in terms of paragraph 13.47 of the JSE Listings Requirements, read together with the notice issued by the FCSA on 26 June 2020. The dividend mechanism would be subject to board and any required regulatory approvals.
Should the board resolve not to declare the dividend as contemplated above, the company may be liable for taxation of approximately R420 million.

For more information, refer to the CEO's review on page 48.

Strategic objective	Relevant material matters	Capitals impacted	Relevant SDGs to align decision-making with our long-term ambitions
GR IS OC		FC HC SRC	

18 Greenstone Place, *Greenstone Hill*

Our trade-offs – unpacking the tough choices we made

CONTINUED

BALANCING TENANT SUSTAINABILITY AGAINST CASHFLOW

The COVID-19 pandemic and the corresponding government-imposed lockdown meant that many tenants could not trade, either at all or only in a limited capacity. Retaining tenants and managing vacancies remain top priorities.

While our rental position is legally clear – with leases drafted to ensure that no tenant has the right to withhold payment – we have, however, recognised the need to act fairly and to accommodate tenants where possible. Rather than simply looking at retaining a tenant, we were forced to assess the broader implications of multiple tenant failures, not only for our business but for the wider economy. We understand that without tenants, we have no business.

This year, this trade-off grew in depth and breadth – we balanced offering rental relief packages to tenants in distress and the immediate implications on our cashflow, over increased vacancies and potential tenant failures. We carefully reviewed our risk appetite and controls to ensure we have fully understood the risk before carefully making these decisions and worked collaboratively with peers in our industry to develop solutions to address the challenge.

Key outcomes
3 865 rental relief requests received from our tenants
Rental relief packages concluded, totalling R318.0 million
Tenant retention rate by GLA was 92.1% (2019: 93.3%)
Occupancy decreased to 92.7% (2019: 94.9%)
The average cash collections for the five months ended 31 August 2020 equate to approximately 82% of monthly gross billings and 89% of billings net of discounts and deferrals

Refer to our manufactured capital section on page 80 for more information.

Strategic objective	Relevant material matters	Capitals impacted	Relevant SDGs to align decision-making with our long-term ambitions
GR OC		FC MC SRC	8 9 11 17

BALANCING INCOME DILUTION AGAINST IMPROVING OUR FUNDING MODEL

We continue to look for innovative ways to improve our funding model and strengthen our balance sheet. This year, we balanced the potential income dilution of an equity partner in ELI against the need to invest in our logistics platform and unlock value in the fast-growing Polish market.

In making this decision, we weighed the current economic context, our constrained ability to raise capital due to our elevated LTV, as well as the potential of the Polish market, and decided to find the right partner to support ELI's growth.

Key outcomes
Madison International Holdings VII LLC (Madison), a leading international real estate private equity firm, acquired a 46.5% equity stake in ELI.
Griffin Real Estate (Griffin) acquired a 2% equity stake in ELI.
The transaction ensured that well-priced capital was obtained, with Madison and Griffin providing a €163 million commitment (R3.2 billion) to ELI, with €83.7 million (R1.5 billion) used to acquire the 46.5% interest in the existing assets and developments in progress, and a commitment of €66.3 million (R1.3 billion) secured to expand the portfolio, of which €18 million (R355.2 million) was deployed in 2020, leaving €48 million (R947.2 million) to be deployed. Included in the transaction are earnouts on developments in progress totalling €22 million (R434.1 million), of which €3 million (R59.2 million) has already been received in 2020, leaving the balance to part-fund the commitment.

Refer to our manufactured capital section on page 80 for more information.

Strategic objective	Relevant material matters	Capitals impacted	Relevant SDGs to align decision-making with our long-term ambitions
GR OC		FC MC SRC	8 9 11 17

BALANCING JOB PRESERVATION WITH EMPLOYEE REMUNERATION

The pandemic highlighted the deeply connected nature of our society, as well as the need to make difficult decisions in order to work together to emerge from the crisis stronger together. To preserve jobs, we took the difficult decision to forego salary increases, which can adversely impact morale and staff retention, in favour of focusing on job preservation.

Furthermore, we recognised that employees were under enormous mental strain during the lockdown as a result of the changed working circumstances, with many caregivers working from home while caring for children simultaneously, and the pervasive uncertainty relating to the spread of the virus, the associated lockdowns and the devastating economic impacts.

Key outcomes

Zero salary increases approved for FY2021 for employees earning more than R200 000

Zero STI awards made for FY2020

Zero job losses as a result of the pandemic or the associated lockdowns

Increased engagement with employees

Additional support offered through our employee wellness platform as well as through line managers

Refer to our human capital section on page 94 for more information.

Strategic objective	Relevant material matters	Capitals impacted	Relevant SDGs to align decision-making with our long-term ambitions
ET		FC HC SRC	3 5 8 10

BALANCING INFRASTRUCTURE RELIABILITY AND OUR ENVIRONMENTAL GOALS

In South Africa, we must continuously balance the constraints of an unreliable infrastructure system with our carbon reduction targets. Due to aged infrastructure, loadshedding and power outages can adversely impact our tenants, leaving them without electricity and thus unable to operate. In response, diesel generators are often used as an alternative power source. While these generators meet our tenants' needs, they adversely impact our carbon emission reduction goals.

Key outcomes

As a result of the increased frequency of loadshedding, and electricity supply interruptions, our diesel consumption has increased as follows:

	2018	2019	**2020**
Diesel litres	218 278	671 130	979 987
Percentage increase from previous year		207%	46%

Although we continue to install renewable energy solutions as a supplementary source of electricity, these systems do not provide our buildings with backup power, but do, in some instances, reduce our reliance on diesel during supply interruptions

Refer to our natural capital section on page 116 for more information.

Strategic objective	Relevant material matters	Capitals impacted	Relevant SDGs to align decision-making with our long-term ambitions
GR OC		MC NC	7 13

Our **financial director's** review

In an exceptionally challenging context, we focused on preserving stakeholder value as the COVID-19 pandemic adversely impacted our financial results. With a focus on people before profit, we approached the crisis with a view to take action and collaborate with stakeholders, particularly funders, investors and tenants, to protect long-term sustainability.

COVID-19 impacts

The COVID-19 pandemic impacted and continues to impact the global economy significantly. At Redefine, the pandemic primarily impacted our financial results as follows:

- Significant reduction of investment property valuations, which adversely affected the group's LTV ratio
- Dividends were withheld by certain investee companies to bolster their own liquidity needs, and rental relief measures granted to tenants to support the sustainability of their businesses, which adversely affected the group's earnings and liquidity
- The provision for credit losses increased in response to the heightened risk of tenants failing to meet their rental obligations, which adversely impacted the group's earnings

Managing our LTV ratio

Our financial performance and value creation for stakeholders is demonstrated by the satisfactory execution of our disposal strategy, with property asset disposals concluded in 2020 to realise R13.4 billion.

This disposal strategy was initially announced at our 2019 annual results due to a stretched balance sheet that required delevering. It was an ambitious plan, and we are pleased with the results achieved to date. Unfortunately, the COVID-19 pandemic has dulled the shine of these achievements due to headwinds pressurising our share price, currency volatility and our asset values, as well as contributing further to liquidity risks.

Milestones achieved from our LTV improvement plan include:

The implementation of a **dividend payout policy** – we were the first SA REIT to do so

We disposed of properties realising **R904.0 million**

The introduction of an equity investor into ELI raised **€163 million (R3.2 billion)** of equity

We eliminated speculative development expenditure and placed a **moratorium** on all new local acquisitions

Our exit from our RDI realised **£106.3 million (R2.3 billion)**

We entered into an agreement to sell the Journal Student Accommodation Fund (JSAF) assets for **AUD459.0 million (R5.1 billion)**. The sale of the Leicester Street site is unconditional, and proceeds were received in December 2020. The Swanston Street sale is expected to close during 2021 once COVID-19 pandemic travel restrictions are lifted in Australia

We disposed of our investment in Cromwell Property Group (Cromwell). These proceeds were used to settle Australian debt of **AUD53.3 million (R674.6 million)**

Our interest-bearing borrowings (net of cash and including the mark to market of cross-currency swaps) represented 47.9% of our property asset platform at 31 August 2020. Our property asset platform comprises property, listed and unlisted shares, loans receivable, other financial assets, and interest in associates and joint ventures.

To create additional headroom to absorb adverse LTV covenant triggers, and to avoid a potential technical breach of our LTV covenants, we negotiated a temporary relaxation of these covenants. For the reporting periods ending 31 August 2020 to 28 February 2021, all funders agreed to the temporary relaxation of the LTV covenant limit from 50% to 55%. For the reporting period ending 31 August 2021, the corporate LTV covenant limit will revert back to 50%. All debt covenant projections are proactively monitored to manage and remedy any potential breaches. As at 31 August 2020, no covenants were breached.

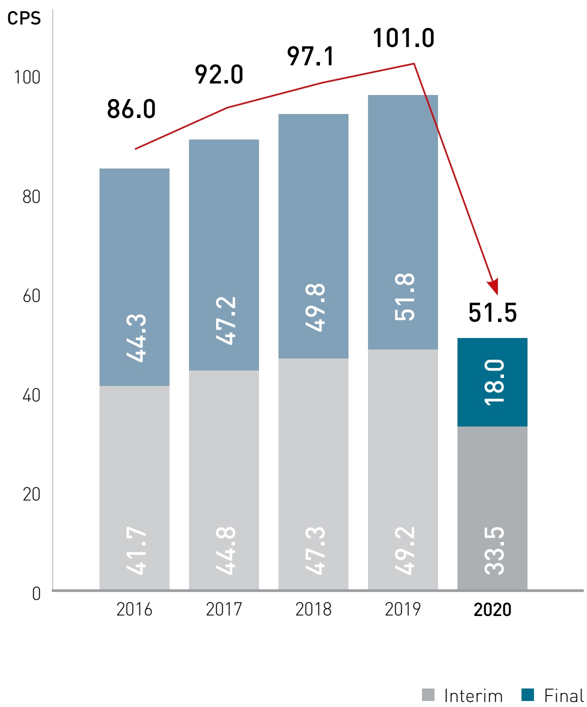
Distributable income

Our distributable income per share for the year ended 31 August 2020 amounted to 51.50 (2019: 101.00) cents, a decrease of 49.0% on the prior year. Our revenue (excluding straight-line rental income accrual) showed a decline of 3.2% (2019: growth of 6.2%).

Given current volatile market conditions and uncertainty brought about by the pandemic, our offshore investments (with the exception of ELI) have withheld dividends during the year to preserve financial flexibility and bolster their liquidity. In addition, our local property portfolio performance was heavily impacted by the restrictions imposed by the government to curb the spread of COVID-19. This necessitated the granting of rental relief packages to support the sustainability of our tenants, amounting to R318.0 million. Provision for credit losses have increased by R310.4 million given the heightened risk of tenants failing to meet their rental commitments. These factors account for the bulk of the distributable income decrease. Our property portfolio contributed 99.2% (2019: 98.3%) of total revenue, with the remaining 0.8% (2019: 1.7%) arising from investment income.

The operating cost margin increased to 38.9% (2019: 34.4%) of contractual rental income (excluding straight-line rental income accrual). Net of electricity cost and utility recoveries, operating costs were 20.7% (2019: 16.9%) of contractual rental income (excluding straight-line rental income accrual). For more information, see our AFS.

Distributable income per share growth (cents per share)

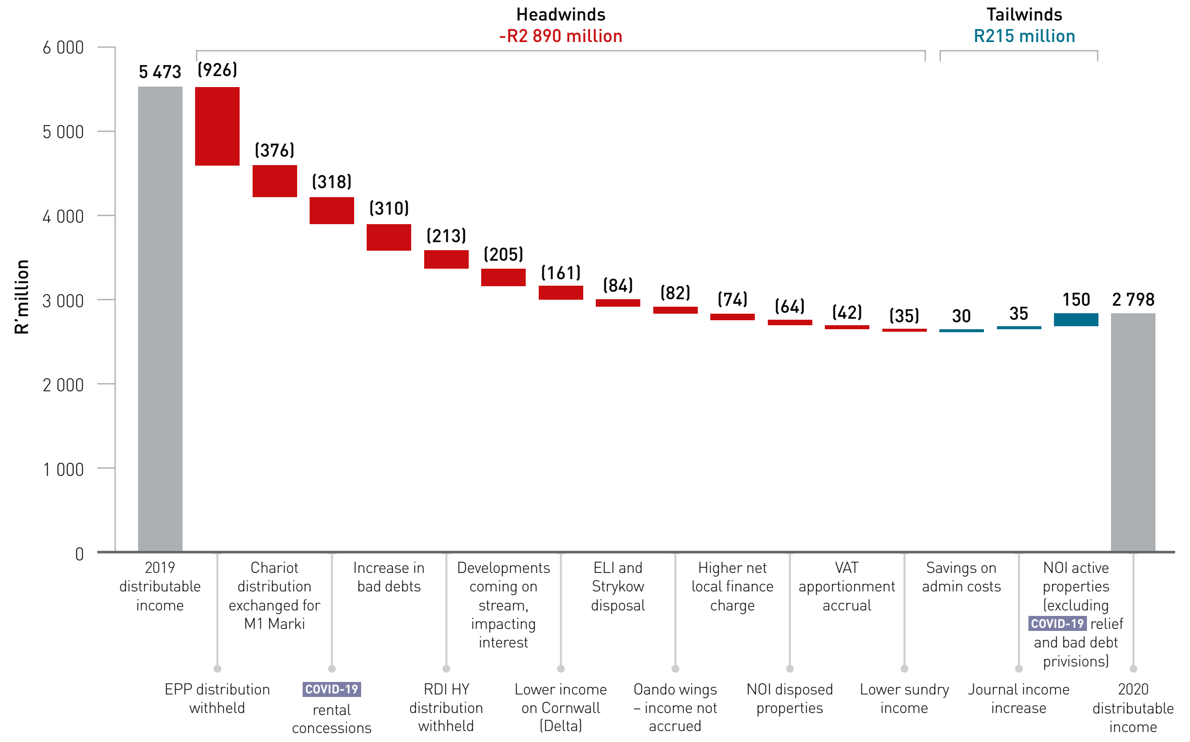


Leon Kok
Financial director

Our **financial director's** review

CONTINUED

Contributors to changes in distributable income



Simplified statement of financial position

The statement of financial position shows the position of the group's assets, liabilities and equity as at 31 August. It reflects what the group owns, owes, and equity attributable to shareholders.

As a REIT, the assets on our statement of financial position generate our total return through capital appreciation and rental income. At the same time, the liabilities and the equity line items reflect the source of our funding. Refer to the AFS for a traditional IFRS statement of financial position.

	2020 R'm	2019 R'm
Property-related assets	81 028	95 434
Goodwill and intangible assets	–	5 622
Other assets	1 141	1 687
Total assets	82 169	102 743
Shareholders' interest	38 831	56 569
Interest-bearing borrowings	36 650	41 186
Total funding	75 481	97 755
Other liabilities	6 688	4 988
Total equity and liabilities	82 169	102 743

The primary drivers of our statement of financial position

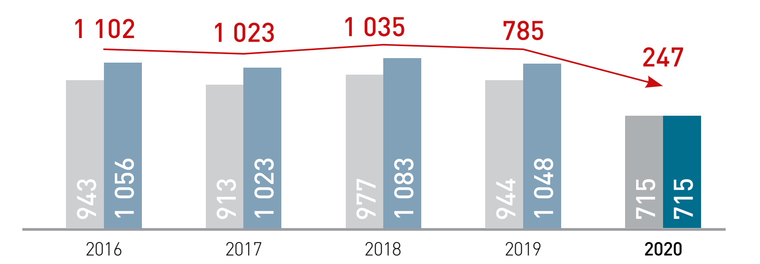
MC **Where we invest:** Our manufactured capital, which includes our investment properties, listed securities, investments in associates, loans receivable, other financial assets and non-current assets held-for-sale, collectively, is referred to as 'property-related assets'

FC **How we fund:** Our financial capital is shown in the statement of financial position as shareholders' interest (including non-controlling interests) and interest-bearing borrowings

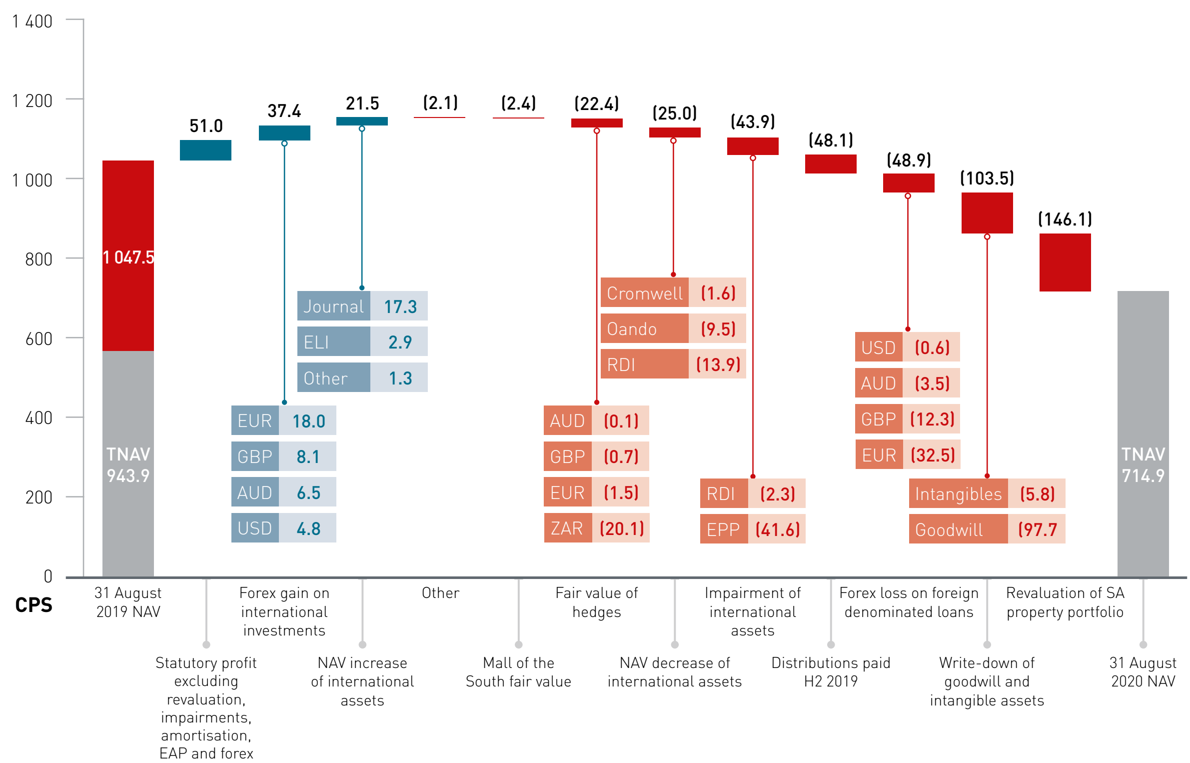
Drivers of net asset value (NAV) performance

The destructive impact of COVID-19 has been the biggest driver of our NAV decline. NAV has dropped to 714.9 cents per share, from 1 047.5 cents per share in 2019. Our TNAV declined by 229.0 cents per share to 714.9 cents per share from 943.9 cents per share.

NAV per share growth (cents per share)



Drivers of NAV performance



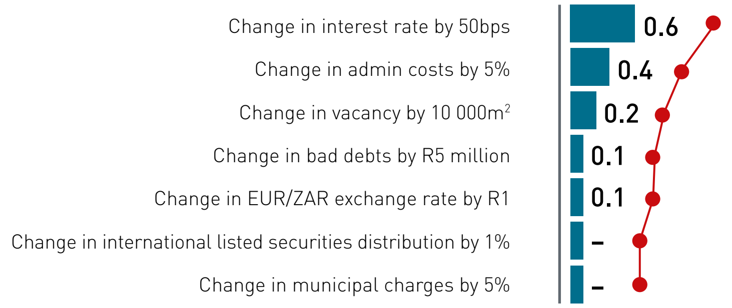
Our **financial director's** review

CONTINUED

Sensitivity analysis

Redefine has a diversified asset base which is robust, capable of absorbing risks, and provides a secure platform for sustainable growth. Given the environment in which we operate and the current economic conditions, we are subject to a number of variable factors outside management's control. The analysis provides some insight into these factors and their potential impact on distributable income per share.

2020 distributable income forecast impact analysis (cents per share)



Industry recognition

We remain committed to transparent integrated reporting. Our IR provides a window into our purpose-driven approach to sustainable value creation for our stakeholders. I am pleased to report that we have, once again, been awarded third place in the 2020 EY rankings of the top 100 JSE-listed companies for excellence in integrated reporting. Redefine has consistently been placed in the top 10 in the EY Excellence in Integrated Reporting Awards since 2015. We believe that this reflects our commitment to monitoring, measuring and reporting on our ESG commitments, demonstrating our integrated approach to making strategic choices.

Acknowledgements

2020 has been an unprecedented year for us. I would like to thank our stakeholders for their support and commitment to working together to navigate the context. COVID-19 has been a humanitarian crisis that has asked us all to look at things differently and work together for the collective good. While there are so many people to thank, I'd like to acknowledge the following people for their support during the year: our funders for their pragmatic approach and flexibility; the industry property group for their willingness to engage and come together in solidarity to give; my finance team, who are the unsung heroes through this pandemic due to their dedication, for their hard work and resilience. To David Rice, our thanks for his significant contribution to Redefine, his selfless commitment and guidance through this transitional period.

I'd also like to welcome Ntobeko Nyawo, who replaces me as FD from 1 February 2021. I wish him every success and believe his experience and skills will add immense value to Redefine, and I look forward to working with him.

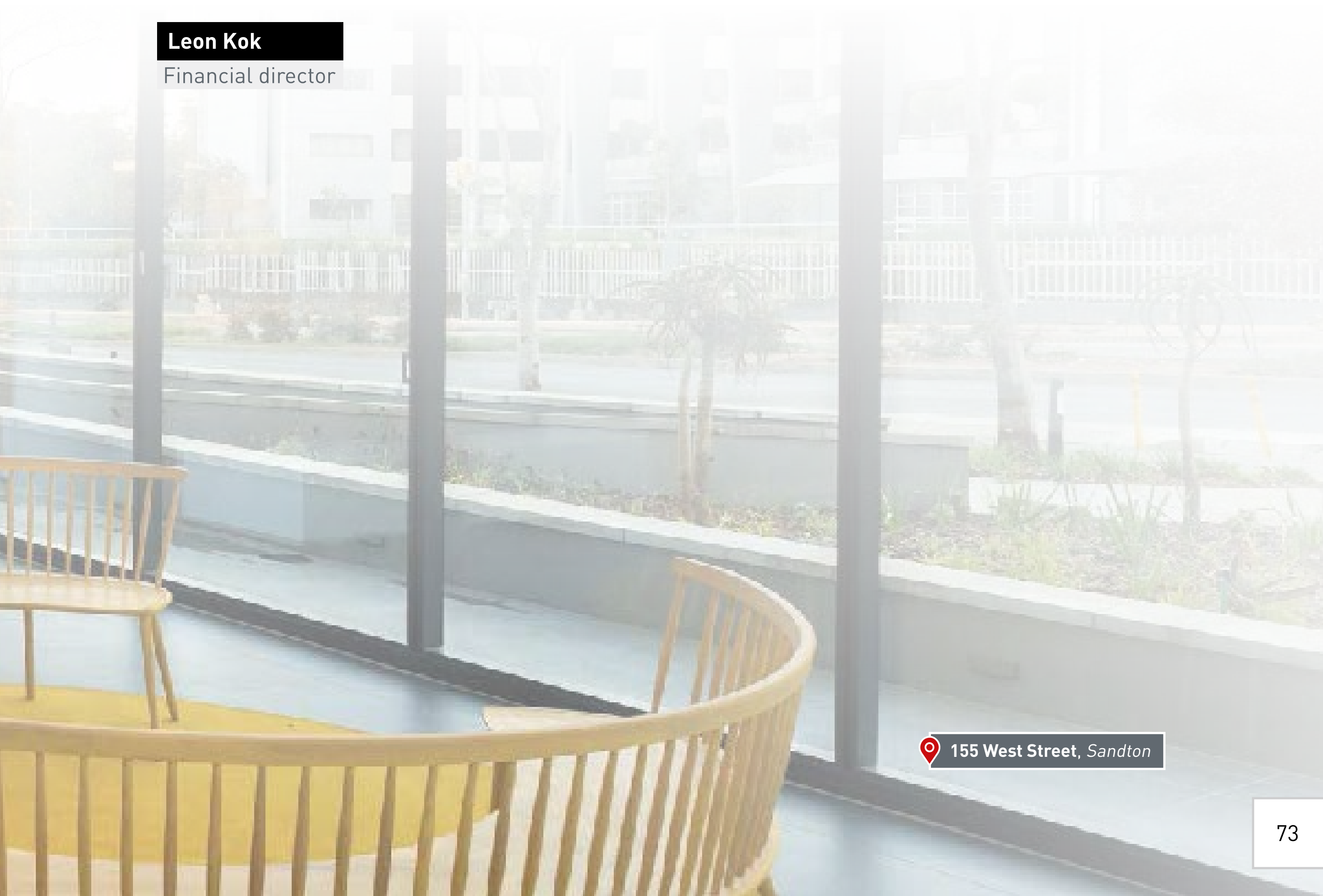
Expectations and prospects

It is safe to assume that, given the unprecedented and evolving market conditions, property fundamentals, domestically and globally, will remain challenging for 2021 and beyond as low growth will remain a persistent theme for some time to come.

Following the completion of the LTV improvement strategy, and assuming a normalised operating environment, we believe that our simplified and refocused asset platform is able to deliver sustainable distributable income per share of approximately 80.0 cents per share. However, should COVID-19 and its devastating effects, persist for longer than expected, the recovery to normality will be prolonged. Due to the evolving and highly uncertain environment, we are currently unable to provide guidance on distribution per share for FY2021.

The challenge now is not to get caught up in the short-term challenges, but, instead, to look beyond the crisis for innovative and collaborative solutions that ensure that we all thrive, as we build the new normal.

Leon Kok
Financial director



155 West Street, *Sandton*

FC

Financial capital

Kyalami Corner, *Kyalami*

What financial capital means to Redefine

Our financial capital is the pool of funds available to us for deployment, which includes debt, retained earnings and equity funding, as well as the capital profits retained from the recycling of assets that no longer meet our investment criteria.

Financial capital creating value

How we manage and utilise our financial capital is fundamental to our ability to create sustained value for our stakeholders. Our ability to access cost-effective funding, either through equity or debt, is a key determinant of our success. The maintenance of sound credit metrics, and the group's ability to manage its total cost of capital, makes a significant contribution to our sustainability and ability to fund expansion of our distributable income-earning asset base.

KEY OUTCOMES		
LTV increased to **47.9%**	Interest cover ratio at **2.6x**	Interest rates hedged on **81.4%** of total debt
Committed undrawn facilities and cash on hand of **R2.8 billion**	**Healthy** liquidity levels	Settlement of exchangeable bond of **R2.8 billion**

Materiality

Through our materiality determination process, the following matters were identified as being material to our financial capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we are operating.

MATERIAL MATTERS

Uncertain geopolitical and socio-economic growth factors	Heightened demands on governance and regulatory context	Managing for liquidity and sustainability during COVID-19
▫ Macroeconomic and fiscal uncertainty^ ▫ Financial market volatility^ ▫ Government policy uncertainty^	▫ Governance and business ethics^ ▫ Regulatory compliance^	▫ Ensuring business continuity in a new operating context* ▫ Supporting stakeholders to ensure their sustainability* ▫ Managing financial sustainability* ▫ Enhanced stakeholder engagement* ▫ Managing the uncertainty surrounding the trajectory of the virus*

^ Heightened by COVID-19
** New*

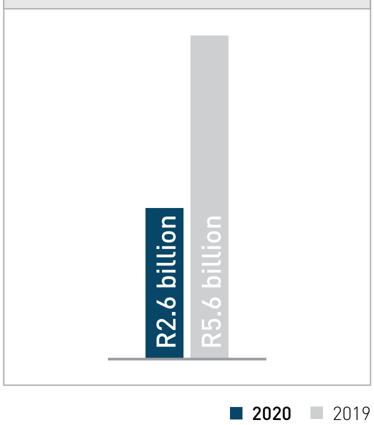
Managing our liquidity profile

We manage liquidity risk through proactive renegotiation of short-term debt maturities, optimisation of maturity profiles, monitoring forecast and actual cash flows, and ensuring there is an optimal funding and cash management plan in place for each asset acquisition or disposal. We broaden our funding sources and maintain a healthy level of undrawn committed revolving bank facilities to meet immediate funding needs and cover short-term debt maturities.

Revolving bank facilities reduce the need to hold unproductive cash resources and are cost-effective as the cash earns interest at the borrowing rate versus the cash deposit rate. Our liquidity requirements are managed by monitoring forecast and actual cash flows, the recycling of manufactured capital to avoid expensive funding, and renegotiating and extending debt facilities coming up for renewal, to ensure manageable levels of debt maturities in any given financial year.

Stressed market conditions as a result of COVID-19 continue to impact debt funders' risk appetite and may limit future access to liquidity. Limiting the cash outflow of dividends declared and proceeds from the sale of the Australian student accommodation assets, as well as the proceeds from unconditional local property sales of R1.2 billion concluded to date during FY2020, will bolster liquidity going forward.

Undrawn committed facilities



Financial capital

CONTINUED

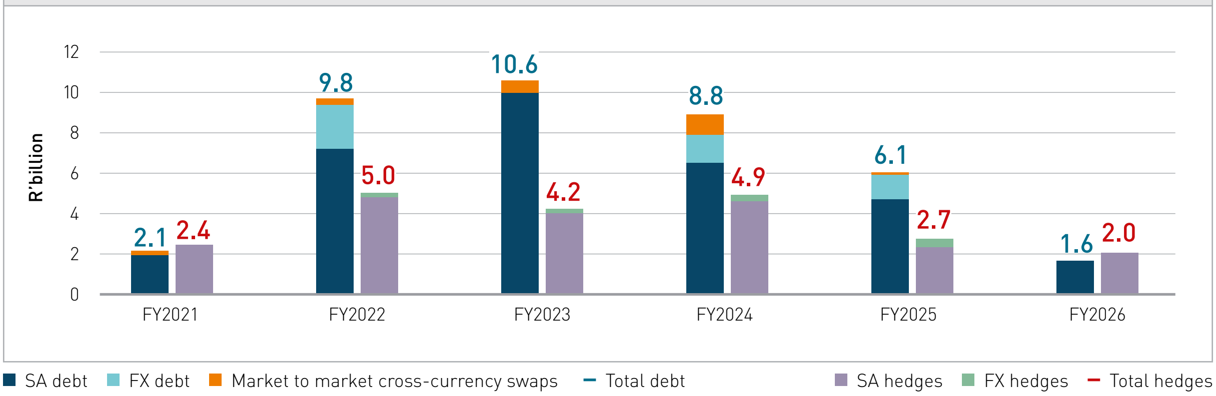
Extending our maturity profile

We manage our maturity profile by spreading the repayment dates to ensure that approximately no more than 25% of the group's interest-bearing borrowings mature in any given financial year. We proactively review our facilities and extend, restructure and renew upcoming maturities. We actively monitor the financial markets, which assists in the fast and efficient execution of a funding plan for any new acquisition opportunities that may arise.

Maturities between each of the sources of finance are spread to mitigate the risk of refinancing. At 31 August 2020, we had R1.8 billion (2019: R4.5 billion) in the short-term portion of interest-bearing borrowings. Credit approval for the refinance of R350.0 million has been obtained after the reporting period. We are currently in various stages of negotiation to refinance the balance of the short-term facilities at acceptable terms, and do not foresee any liquidity concerns.

The debt maturity profile is concentrated between 2022 and 2024. Generally, we aim to refinance debt within an 18-month maturity window to avoid a concentration of maturities and manage our liquidity profile. As can be seen from our current maturity profile, most of 2021's maturities have been dealt with. In the current climate, negotiating refinancing options beyond a 12-month window has proven to be challenging, and funders have been concentrating on short-term maturities only. The proceeds from the sale of the assets will be used to settle part of the 2022 maturities, and we are confident that, once the market settles, we will be able to commence with negotiations over the balance.

Maturity of local and foreign debt and hedges



Protecting against interest rate and forex movements

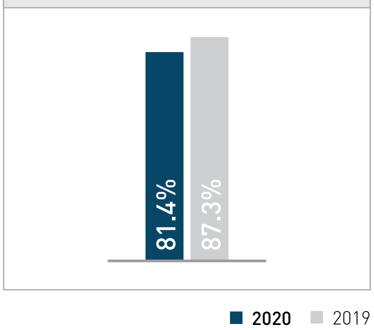
Volatile interest rate movements can result in increased borrowing costs, reducing distributable income. International and local economic conditions impact the cost of our debt through movements in bond yields and central bank monetary policy. To manage this risk, we fix the cost of variable interest rate borrowings by entering into derivative instruments (interest rate swaps). The board has set a hedging target of 75% of interest-bearing borrowings to be fixed for as long as possible. Due to the high level of fixes in place, the sharp decline in the interest rates as a result of COVID-19 means that the funding costs have only declined marginally and Redefine has not fully benefited from the impact of the decrease in the interest rates.

The hedging policy has the desired effect of maintaining a relatively stable funding cost profile. This comes at a cost, as evidenced by the sharp increase in the hedging spread over variable rates. In addition, the mark to market of the interest rate swaps (derivative liability) has increased by R1.0 billion as a result of the drop in interest rates. This will normalise as the interest rate swaps mature over time.

To take advantage of the lower interest rate environment internationally, we prefer to enter into fixed-rate loans and cross-currency swaps for international borrowings. The rand deposit portion of the cross-currency swap is typically entered into at a variable rate, while the foreign denominated nominal amount is fixed. This provides a natural hedge for the South African borrowings – as interest rates rise or fall in South Africa, the interest receivable by Redefine on the cross-currency swaps will similarly increase or decrease.

Redefine's policy is to have no material unhedged net assets or liabilities denominated in foreign currencies. Foreign property assets have been geared up with the relevant currency debt (either through bank loans or cross-currency swaps) as this creates a natural hedge – as and when the value of the property asset fluctuates, so too does the foreign currency denominated debt. We do, however, acknowledge that, should the offshore assets' capital value decline (as was experienced during 2020), this approach would pose a risk of being overgeared. Therefore, we proactively manage the situation on a currency by currency basis and restructure the hedges as and when necessary.

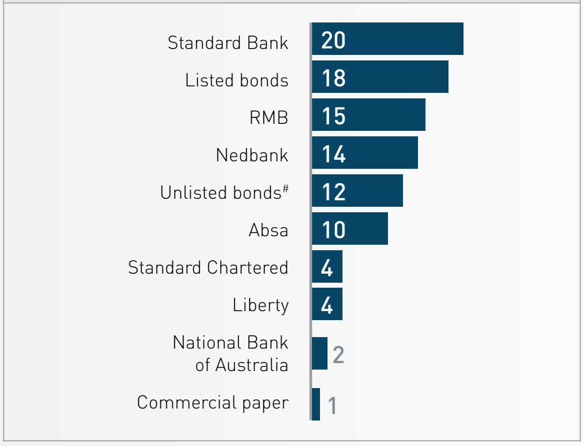
% of debt hedged



Diversifying our funding sources

Concentration risk may arise from a credit crisis, the application of Basel III requirements or prudential limits, which are imposed by debt providers. Redefine limits concentration risk by broadening the sources of funding among financial institutions (the banks) and the debt capital market. Our credit rating, the size and the quality of our unsecured assets, as well as the equity headroom on unencumbered assets, allow us to arrange unsecured debt – mostly through accessing the debt capital markets.

Sources of debt (%)



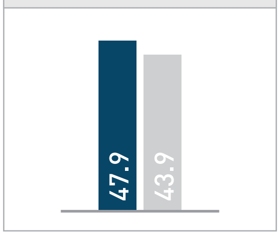
 # The unlisted notes held by the banks have been allocated to the relevant bank, and the balance of the unlisted notes are reflected as unlisted bonds.

Maintaining stable credit metrics

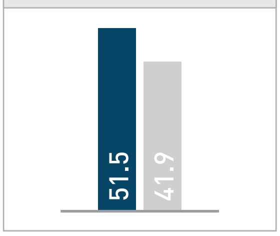
We strive to maintain an LTV target range of 35% to 40%, as we consider this to be the optimal level of gearing over the long term. We monitor and manage all our credit metrics to ensure they remain within acceptable levels. As a direct consequence of South Africa's sovereign rating downgrade, Moody's downgraded Redefine's rating on 24 November 2020 as follows:

Global long term	Global short term	National long term	National long term corporate family rating	National short term	Outlook
Ba2	**NP**	**Withdrawn Aa2.za issuer rating**	**Aa2.za**	**P-1.za**	**Negative**

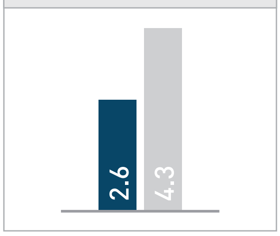
LTV ratio (%)



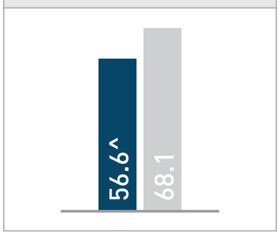
Unsecured debt to unencumbered assets ratio (%)



Interest cover ratio (times)



Equity headroom for unsecured lender (R'bn)



^ Including negative pledge assets secured post-year end, equity headroom is revised to R54.6 billion.

■ **2020** ■ 2019

MC

Manufactured capital

Park One, *Century City*

Redefine's manufactured capital

We define manufactured capital as our diversified property asset platform, which comprises local and international property investments, representing our deployment of financial capital.

How manufactured capital creates, preserves and erodes value

We allocate our manufactured capital with the creation of sustainable stakeholder value and risk mitigation in mind. By diversifying our property asset platform in terms of sectors and geographic areas, we continue to invest in well-located properties and deliver space relevant to users' needs. Our investments ensure high-value, high-quality and efficient returns – focusing on the attraction and retention of tenants to secure rental growth, maintenance of operating margins, optimisation of energy and water use, and improved cashflow.

Redefine's top priority is to address the group's LTV, which includes the rightsizing of the asset footprint to the capital base. Non-core assets to the value of R7.1 billion were disposed of in 2020, with a further R6.3 billion of disposals already concluded for completion in 2021. These disposals will have a fundamental impact on the asset platform going forward, as it will now be focused on local retail, office and industrial sectors, as well as retail and logistics in Poland. COVID-19 has had a significant negative effect on asset valuations, with the platform recording impairments of R10.2 billion.

KEY OUTCOMES

Concluded property asset disposals to realise **R13.4 billion**	Property assets under management valued at **R81.0 billion** (2019: R95.4 billion)	Local development and capex activities totalled **R1.5 billion**
Reduced geographic and currency risk exposure; **81.0%** of asset platform is now local	Offshore expansion totalled **R1.3 billion** with **R0.7 billion** invested in Poland	Asset impairments of **R10.2 billion**

Materiality

The following topics were identified as material in terms of manufactured capital during the year. Each material matter has been grouped under a materiality theme, which relates to the context in which we operated at the time.

MATERIAL MATTERS

Uncertain geopolitical and socio-economic growth factors

- Macroeconomic and fiscal uncertainty^
- Infrastructure and administrative delivery locally^

Business model resilience to the rapidly changing context

- Business model resilience^
- Disruptive technology^
- Shifting behavioural changes
- Innovation and agility*

Managing for liquidity and sustainability during COVID-19

- Health and safety*
- Ensuring business continuity in a new operating context*
- Supporting stakeholders to ensure their sustainability*
- Managing financial sustainability*
- Enhanced stakeholder engagement*
- Managing the uncertainty surrounding the trajectory of the virus*

HOW WE'RE MANAGING THESE MATTERS	PAGE
South African property portfolio	81
Overview	82
Retail	84
Office	86
Industrial	88
Alternative investments	90
International property portfolio	91

^ Heightened by COVID-19
** New*

South African property portfolio

Investment criteria	Our focus areas
▫ Diversify exposure across traditional sectors ▫ Exposure to key economic nodes ▫ Locations with solid infrastructure to reduce leasing risk ▫ Lower tenant risk and improve tenant profile	▫ Continue to ensure relevance and improve existing well-located properties through optimisation ▫ Recycle non-core assets to position the portfolio for sustained organic growth ▫ Continued implementation of a long-term strategy on an asset by asset basis ▫ Invest in younger (more efficient), well-located and better-quality properties with longer leases and A Grade tenants[1] ▫ Selective acquisitions in under-represented regions to complement existing assets[1]

Overview	2020	2019
Number of properties	**296**	302
Total GLA (million m²)	**4.4**	4.5
Vacancy (% active)	**7.3**	5.1
Asset value (R'bn)	**64.0**	71.3
Average property value (R'm)	**216**	236
Average value per m² (R)	**14 447**	15 854
Average gross rent per m² (R)	**123.2**	118.4
Weighted average retention rate by GLA (%)	**92.1**	93.3
Weighted average renewal rental growth by GLA (%)	**(4.6)**	(2.0)
Weighted average in-force lease escalations by GMR (%)[2]	**7.0**	7.3
Weighted average unexpired lease term (remaining) by GMR (years)[2]	**3.8**	3.7

[1] Placed on hold until capital markets and our LTV ratio normalises.
[2] Excludes expired but active leases and leases expiring within one year.

Manufactured capital

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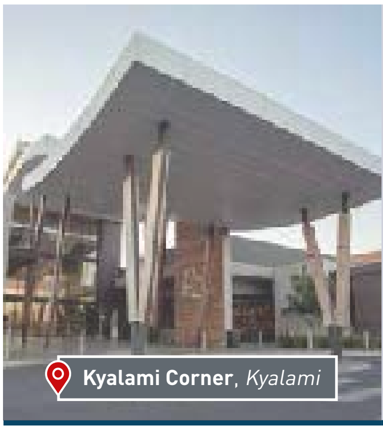
Overview

Year in review

South African property portfolio

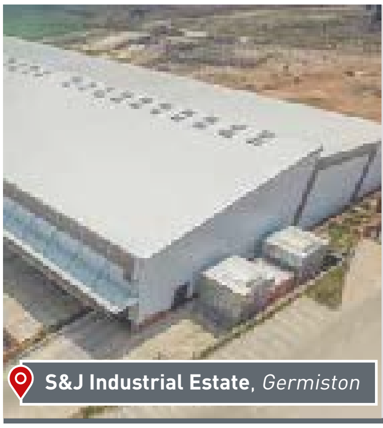


RETAIL

- Retail property valuations have decreased by R3.0 billion, representing a decline of 10.5% year on year, driven mainly by a reduction in income and letting assumptions
- Rental relief provided to approximately 90% of retailers in respect of COVID-19. Rental relief of R208.5 million and net deferred rental of R14.1 million
- Post-August further relief of R23.2 million and deferred rental of R3.6 million
- Active vacancy negatively impacted by Edcon vacates, at 5.6%
- Lease renewals mainly concluded with negative reversions of -5.4%
- Better-than-expected recovery of retail sales – sales and footfall recovery at 98% and 84% respectively for the quarter ended September 2020 versus the same period in 2019

OFFICE

- Office property valuations have decreased by R2.8 billion, representing a decline of 11.1% year on year, driven mainly by a reduction in income and letting assumptions
- Rental relief of R59.7 million provided and net deferred rental of R14.7 million. Post-August further relief of R4.1 million and deferred rentals of R2.8 million
- Active vacancy at 13.8%
- Ongoing refurbishment of properties to improve quality and efficiency
- Continued rollout of solar PV



INDUSTRIAL

- Industrial property valuations have decreased by R1.7 billion, representing a decline of 12.3% year on year, driven mainly by the restructure of the Macsteel lease
- Rental relief of R10.1 million provided and net deferred rental of R10.9 million. Post-August further relief of R1.8 million
- Vacancy of 4.1%, an increase primarily due to vacant properties
- Macsteel lease extended by five years, in exchange for reversion to market rentals
- Robor comprising 120 277m² fully let 10-year lease from 1 October 2020

Disposals	Developments	Priorities
▫ Disposed of Ermelo Mall, Alberton Mall, Kemsquare and vacant land for R493.1 million ▫ Ottery Centre and Langeberg Mall have transferred after August for proceeds of R0.9 billion	▫ Committed new development at Little Falls for 10 008m² for R175.6 million ▫ Redevelopments in progress at Centurion Lifestyle of R31.5 million	▫ Focus on longer-term leases, vacancy and tenant retention ▫ Tenant mix now more critical to success of retail centres ▫ Facilitate click-and-collect facilities at our malls ▫ Leases to be structured to recover all operating costs to mitigate impact of reduced annual escalations ▫ Portfolio lease negotiations with national retailers ▫ Increase exposure to essential service retailers ▫ Manage exposure to restaurants, gyms, cinemas, travel, and health and beauty ▫ Improve non-GLA income, which is currently under pressure, at promotional courts and kiosks ▫ Focus on COVID-19-safe environments ▫ Explore leasing to retailers previously not represented in large shopping centres
▫ 22 Fredman Drive sold during the year for R92.4 million ▫ RPA Centre transferred post-August for proceeds of R7.2 million	▫ Completed major redevelopments at 155 West Street and Knowledge Park, totalling R327.8 million ▫ Redevelopments in progress of R27.1 million	▫ Focused letting and tenant retention ▫ Continue to improve the health and safety within buildings; COVID-19-friendly buildings have increased market demand ▫ Reduce tenant installation costs by retaining outgoing tenant installations, where possible ▫ Negotiate flexible leasing structures ▫ Differentiate escalations for net rental and operating costs ▫ Monitor the performance of co-working with a view to possibly growing our exposure to the model ▫ Increase building amenities such as shared offices, food offerings, car washes and children's daycare to enhance the value proposition ▫ Focus on potential growth nodes such as Bryanston and Midrand due to easing traffic congestion ▫ Convert and lease fully furnished office accommodation ▫ Explore the possibility of leasing space to educational institutions for virtual education centres ▫ Relocation of Redefine Johannesburg office to 155 West Street
▫ Various portions of vacant land disposed of for proceeds of R148.7 million ▫ S Burde and 6 Kruger disposed of for R96.6 million ▫ Tetford Circle and Denver Industrial Park transferred after August 2020 for total proceeds of R133.6 million	▫ Completed the new development of Stamphill S&J for R94.3 million, with an initial yield of 9.3% ▫ Developments in progress of R350.7 million – Massmart and Roche DC at Brackengate and Sparepro DC at S&J ▫ Infrastructure projects in progress of R821.1 million largely complete at S&J, Atlantic Hills and Brackengate	▫ Tenant retention and leasing of vacant space ▫ Dispose of nine properties removed from the Macsteel lease ▫ Complete Green Star ratings over 23 industrial properties by February 2022 ▫ Establish fibre data infrastructure at S&J ▫ Continue to dispose of developable land at S&J, Atlantic Hills and Cornubia ▫ Promote usage of warehousing on flexible terms for logistics companies ▫ Proclamation of 18ha at S&J planned for 2021, thereby providing access to approximately 108 000m² of additional bulk ▫ Negotiate flexible leasing structures and differentiating between escalations for net rental and operating costs

Manufactured capital

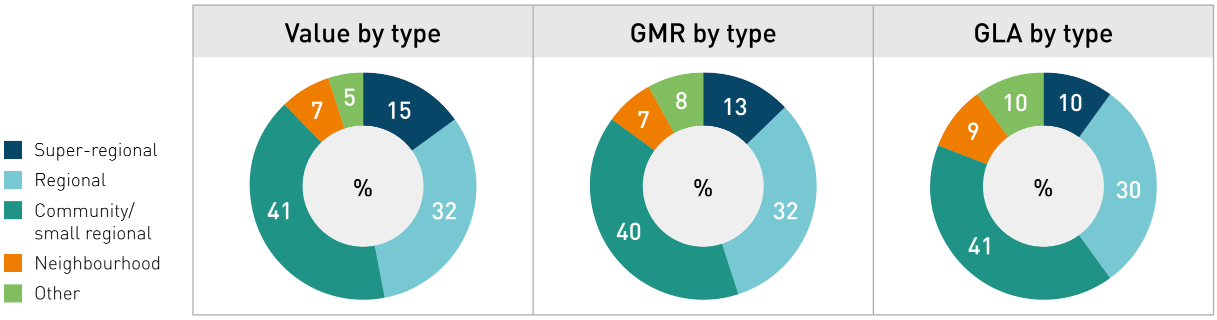
CONTINUED

South African property portfolio (continued)

RETAIL Differentiating by creating outstanding spaces for modern lifestyles

Key indicators	2020	2019
Value (R'bn)	**25.7**	28.8
Occupancy (%)	**94.4**	95.2
Tenant retention by GLA (%)	**92.6**	94.1
Renewal success rate by GLA (%)	**65.4**	72.0
GLA (million m²)	**1.4**	1.4
Footfall growth (%)	**(15.8)**	(1.8)
Rent-to-turnover (%)	**8.8**	8.0
Rental renewal reversions (%)	**(5.4)**	(1.8)

Southcoast Mall, *Shelly Beach CBD*



Retail market

TRENDS		OUR STRATEGIC RESPONSE
The lockdown accelerated the growth of **online shopping** and forced retailers to develop and enhance online platforms	➤	Facilitate **click-and-collect** at our shopping centres (implemented at Kyalami Corner)
Better-than-expected **recovery of retail sales**, apparel, homeware and hardware	➤	**Enhance convenience** of larger-format retail and **increase exposure** to essential service tenants
South African consumers under **financial pressure,** thus a focus on value shopping	➤	**Adjust tenant mix** to improve value offering
Big-box vacancies create opportunities for **new entrants**	➤	**Encourage emerging retailers** to trade in established shopping centres

Top five retail properties by value

Centurion Mall (super-regional)	
Location	Centurion, Gauteng
GLA	119 244m²
Property valuation	R3.8 billion
Occupancy	91%
Average foot count per month	0.9 million
Major anchor tenants	Woolworths, Pick n Pay, Checkers Hyper, Dis-Chem, Game, Edgars, Metro Lifestyle, Planet Fitness, Ster-Kinekor and H&M

Blue Route Mall (regional)	
Location	Tokai, Western Cape
GLA	55 728m²
Property valuation	R1.5 billion
Occupancy	99.3%
Average foot count per month	0.5 million
Major anchor tenants	Checkers, Woolworths, Edgars, Dis-Chem and Ster-Kinekor

Golden Walk (small regional)	
Location	Germiston, Gauteng
GLA	45 110m²
Property valuation	R1.4 billion
Occupancy	97.2%
Average foot count per month	1.0 million
Major anchor tenants	Shoprite, Pick n Pay and Woolworths

East Rand Mall (50% ownership) (regional)	
Location	Boksburg, Gauteng
GLA	33 937m² (our share)
Property valuation	R1.4 billion
Occupancy	95.7%
Average foot count per month	0.6 million
Major anchor tenants	Edgars, Woolworths, Mr Price, H&M and Ster-Kinekor

Kenilworth Centre (regional)	
Location	Claremont, Western Cape
GLA	53 433m²
Property valuation	R1.4 billion
Occupancy	99.8%
Average foot count per month	0.7 million
Major anchor tenants	Pick n Pay, Checkers, Woolworths, Game, Dis-Chem, Total, Claremont VW and Virgin Active

Retail asset optimisation initiatives

EXPANDING

Wilgespruit (Little Falls), Roodepoort, Gauteng

- New convenience retail shopping centre to be anchored by Checkers and Clicks

GLA	10 008m²
Cost	R175.6 million

PROTECTING

Centurion Lifestyle Centre, Centurion, Gauteng

- Refurbishing and enclosing Checkers Mall
- Improving tenant mix by adding restaurants and lifestyle tenants

GLA	62 298m²
Cost	R31.5 million

Manufactured capital

CONTINUED

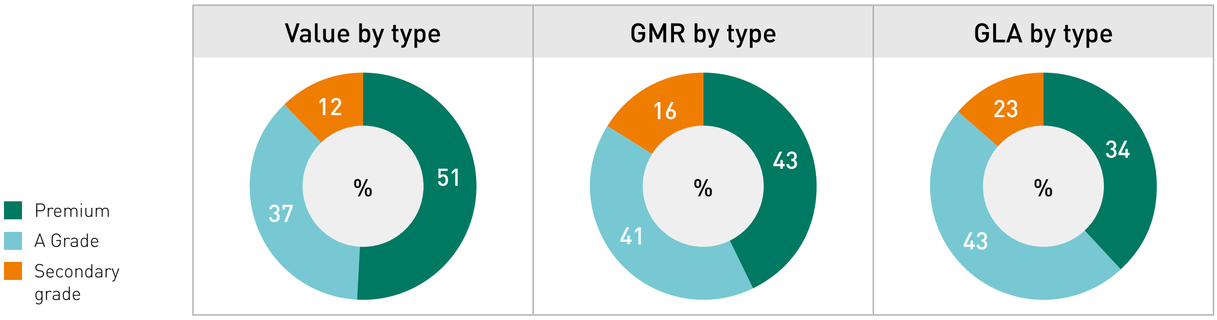
South African property portfolio (continued)

OFFICE Providing a vital role in culture, community and connection

Key indicators

Key indicators	2020	2019
Value (R'bn)	**23.3**	25.4
Occupancy (%)	**86.2**	89.8
Tenant retention by GLA (%)	**90.1**	91.4
Renewal success rate by GLA (%)	**60.6**	56.7
GLA (million m²)	**1.2**	1.2
Rental renewal reversions (%)	**(4.3)**	(2.0)

Essex Gardens, *Westville*



Office market

TRENDS	OUR STRATEGIC RESPONSE
Office downsizing will continue to be driven predominantly by need for cost savings	Cooperate with tenants to **optimise space**
Trend toward **densification** and **open-plan layouts** may reverse	All properties accommodate **COVID-19-friendly design features**
Building designs and **OHSA compliance** is changing to incorporate touchless interfaces, i.e. security access and ablutions	Focus on letting properties in **less congested nodes**
Flexible working hours becoming a norm, allowing for improved traffic patterns and work-life balance	Proactive engagement with tenants to manage their **future property demands**

Top five office properties by value

Alice Lane (P Grade)	
Location	Sandton, Gauteng
GLA	77 724m²
Property valuation	R3.2 billion
Occupancy	93.6%
Major tenants	Bowman Gilfillan, Marsh, Sanlam Life and Santam

115 West (P Grade)	
Location	Sandton, Gauteng
GLA	41 091m²
Property valuation	R1.6 billion
Occupancy	100%
Major tenants	Alexander Forbes

Black River Office Park (P Grade)	
Location	Observatory, Western Cape
GLA	71 700m²
Property valuation	R1.5 billion
Occupancy	89.2%
Major tenants	Dimension Data and Adidas

90 Rivonia (P Grade)	
Location	Sandton, Gauteng
GLA	39 964m²
Property valuation	R1.1 billion
Occupancy	98.4%
Major tenants	Webber Wentzel

The Towers (A Grade)	
Location	Foreshore, Western Cape
GLA	58 515m²
Property valuation	R0.9 billion
Occupancy	87.4%
Major tenants	Standard Bank, Vodacom and Innovation Holdings

Office asset optimisation initiatives

PROTECTING

Park One, Century City, Western Cape

- Park One offers A Grade commercial office space in one of Cape Town's leading business, lifestyle and entertainment hubs

GLA	6 200m²
Cost	R39.5 million

PROTECTING

155 West Street, Sandton, Gauteng

- Relocating Redefine's head office in 2021 to 155 West Street will unlock significant savings through a switch from better letting prospects. As a consequence, 155 West Street will be fully occupied
- An A Grade building with integrated workspace, world-class business facilities and amenities

GLA	26 500m²
Cost	R301.8 million

Manufactured capital

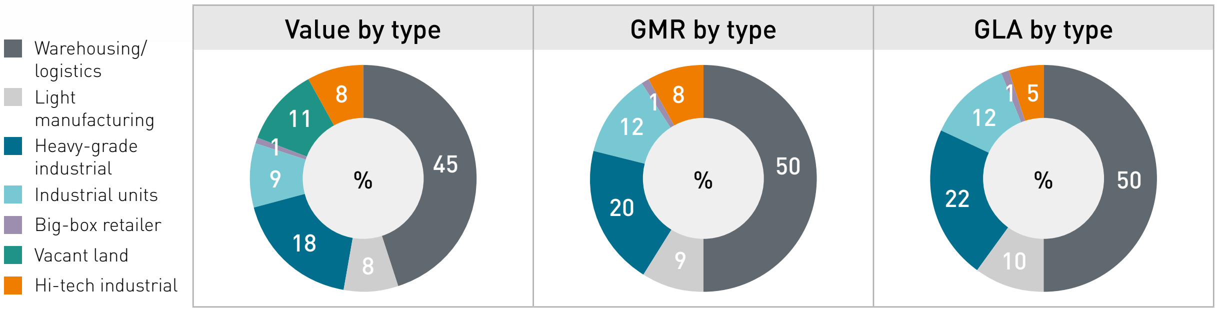
CONTINUED

South African property portfolio (continued)

INDUSTRIAL Incorporating key design elements to functionally differentiate offering

Key indicators	2020	2019
Value (R'bn)	**12.4**	13.8
Occupancy (%)	**95.9**	98.2
Tenant retention by GLA (%)	**92.7**	93.8
Renewal success rate by GLA (%)	**63.3**	65.7
GLA (million m²)	**1.8**	1.8
Rental renewal reversions (%)	**(6.9)**	(3.6)

Brackengate 2, *Brackenfell*



Industrial market

TRENDS	OUR STRATEGIC RESPONSE
Increase in demand for warehouse space as tenants supplying products into lifestyle and healthcare industry expand operations	**Well-located land** to be developed on demand
Lean inventory management by local manufacturers and importers impacted by stock shortages	**Offer flexible lease terms** to accommodate volatile demand
Local manufacturers under pressure in competing for market share with suppliers of imported goods	**Review lease terms** to ensure tenant sustainability
Demand for logistic space driven by **ecommerce consumer growth**	Provide space **relevant to users' needs**

Top five industrial properties by value

Pepkor Isando (modern logistics)

Location	Isando, Gauteng
GLA	107 017m^2
Property valuation	R0.9 billion
Occupancy	100%
Major tenants	Pepkor

233 Barbara Road (heavy industrial)

Location	Elandsfontein, Gauteng
GLA	120 277m^2
Property valuation	R0.8 billion
Occupancy	100%
Major tenants	Macsteel*

Hirt & Carter (modern logistics)

Location	Cornubia, KwaZulu-Natal
GLA	47 718m^2
Property valuation	R0.6 billion
Occupancy	100%
Major tenants	Hirt & Carter

Macsteel Lilianton (heavy industrial)

Location	Boksburg, Gauteng
GLA	73 071m^2
Property valuation	R0.5 billion
Occupancy	100%
Major tenants	Macsteel

Cato Ridge DC (modern logistics)

Location	Cato Ridge, KwaZulu-Natal
GLA	50 317m^2
Property valuation	R0.4 billion
Occupancy	100%
Major tenants	Supply Chain Services (Pepkor), Massmart

** From 1 October 2020.*

Industrial asset optimisation initiatives

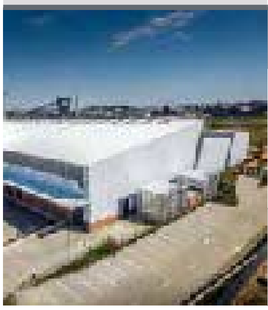
EXPANDING

Brackengate 2 (50.1%), Western Cape

- New state-of-the-art facility in South Africa
- Initial yield of 10.0%
- Lease commencement date: 1 April 2021

GLA	8 630m^2
Cost	R70.1 million (RDF 50.1%)

EXPANDING



S&J Industrial Estate (90%), Gauteng

- First completed warehouse development at S&J
- Initial yield of 9.3%

GLA	18 568m^2
Cost	R94.3 million (RDF 90.0%)

Manufactured capital

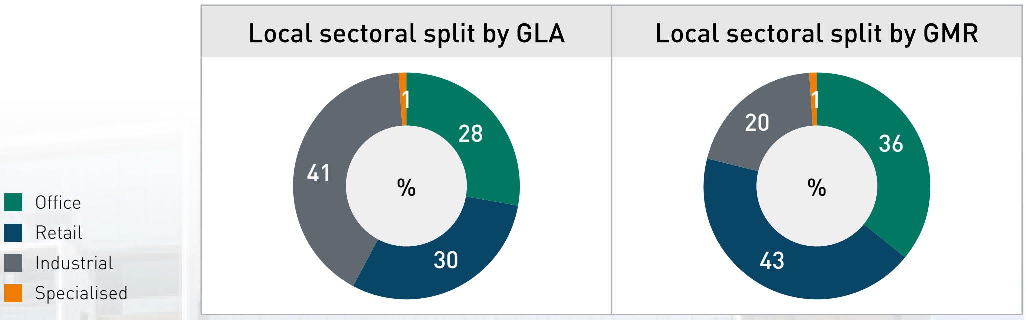
CONTINUED

South African property portfolio (continued)

ALTERNATIVE INVESTMENTS Diversifying income streams

Outside of our traditional property sectors, we have alternative investments to enhance our income generation, and to diversify our income streams.

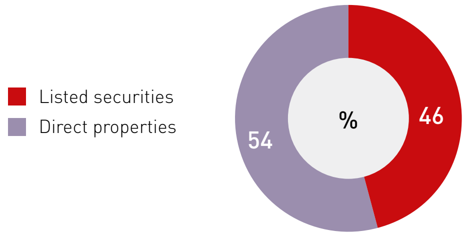
	REDEFINE'S INTERESTS	ACTIVITY	PRIORITIES
Student accommodation	▫ 53.4% equity interest in Respublica Student Living ▫ Directly hold Hatfield Square, Roscommon House and Yale Village ▫ Current bed capacity of 8 378	▫ Lockdown resulted in the shutdown of universities, and residences largely vacated ▫ All new development projects placed on hold to preserve liquidity and due to risk of not completing on time for 2021 academic intake due to disruption by COVID-19	▫ Initial disposal transaction fell through; however, there is still demand for specialist assets and therefore still poses a good recycling opportunity
Loans	▫ Loans of R1.4 billion to various third parties, attracting commercial interest rates	▫ Loan to BEE consortium for Delta shares disposal, reflected in the books at market value of the Delta shares	▫ Provide loan funding to secure strategic partners and provide transformation opportunities
Complementary investments	▫ Solar PV plants ▫ LED screens, exterior media, kiosks and wi-fi ▫ Park Central residential development ▫ Growthpoint Investec African Properties (GIAP)	▫ 28 solar PV plants with an installed capacity of 25.9 MWp ▫ Non-GLA income declined by 5.3% ▫ Park Central, comprising 159 apartments, 37.5% and 23.4% by value sold and let respectively	▫ Pipeline of solar PV projects to add another 2 511 kWp ▫ Leverage non-GLA opportunities off property base ▫ Sell or rent Park Central units ▫ Sell the equity interest in GIAP ▫ Apply for licences to lift current 1 MW restrictions on existing solar PV plants



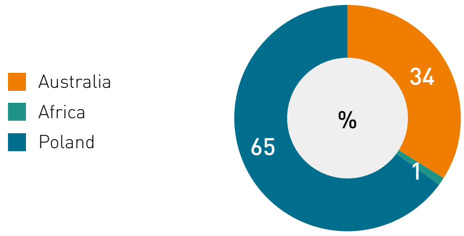
Park Central, *Rosebank*

International property portfolio

International portfolio composition



Geographical spread by value



Investment criteria

- Local partner representation, aligned with Redefine's interests
- Opportunities provide for scale
- Liquid real estate market
- Free flow of currency
- Sophisticated tax regimes and rules of law

Our focus areas

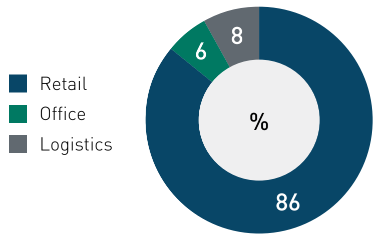
- Limited to Poland
- Provide ongoing strategic and financial support to in-country partners
- Invest directly in potential-for-capital uplift through active asset management and development
- Actively hedge income as and when the rand shows weakness
- Hedge balance sheet naturally by matching currency gearing
- Responsibly manage geographic concentration risk

Poland

Redefine's interests

EPP	Chariot	ELI
45.4%	25%	46.5%
Carrying value	**See-through value of assets**	**See-through LTV**
R10.2 billion	R27.4 billion	89.9%

Platform profile



Market overview

- Poland expected to retain a good macroeconomic position in Europe post COVID-19
- Polish retailers under financial pressure due to a weak trading environment
- Adoption of ecommerce and online shopping accelerating in Poland
- Logistics real estate proved more resilient than other real estate asset classes against COVID-19
- High liquidity (strong investor appetite for logistics assets)
- Refinancing developments on completion at better interest rates as markets recover
- Potential growth in demand due to relocation of production facilities from Asia to Central and Eastern Europe avoids costly trade wars, and closer to European consumer market
- Decline in industrial activity due to COVID-19, especially automotive sector, with negative effect on production output

Manufactured capital

CONTINUED

International property portfolio (continued)

	Redefine's activity	Redefine's strategy
EPP	There was no change in Redefine's shareholding in EPP for the year and, to protect their liquidity, Redefine was supportive of their policy to not pay dividends in 2020.	The focus in the short term for EPP is to get through COVID-19 with enough liquidity to maintain operational functionality.
Chariot	The concluded M1 Marki acquisition arrangement is as follows: ▫ Redefine Europe will forward purchase the M1 Marki SPV at a price equal to 75% of its NAV of EUR58.9 million (R1.2 billion), subject to the retention of the existing bank debt EUR44.2 million (R872.2 million) ▫ As payment, Redefine will sell its 25% interest in Chariot back to the company at a price equal to its 25% share of all Chariot's future cash distributions (rental and sale proceeds), plus cash balances as at 31 December 2021 ▫ Redefine will pay two cash amounts, EUR10 million (R197.3 million) on the later of 31 December 2020 or ten days after EPP has completed its acquisition of the M1 Tranche 3 assets, and a "true up" payment capped at a maximum of EUR15 million (R296.2 million) on 31 December 2021. The amount of the second payment will be based on actual cash distributions received, cash balances in the Chariot group, and outstanding bank debt ▫ Redefine Europe will take ownership of M1 Marki in December 2021 ▫ There is a risk that the current finance providers (HSBC bank consortium) will not be willing to retain the M1 Marki debt facility post the sale, leaving Redefine in a position to source new bank funding. In that instance, the agreement provides for two alternative funding and payment options to ensure successful conclusion of the transaction by October 2022	Redefine to implement the M1 Marki acquisition, thereby exiting minority-held Chariot, yielding non-recurring income in exchange for a wholly owned retail asset generating a recurring income stream, and simplifying Redefine's asset platform.
ELI	ELI disposed of its first development, Strykow, for EUR49.2 million (R970.9 million) on 31 January 2020. As part of the sale, the development right for the last phase (22 300m²) was retained for two years. The final settlement of the purchase price of the right was agreed in June, with Redefine's share being EUR0.9 million (R18.7 million). Madison bought 46.5% and Griffin bought 2% of the equity in ELI, effectively raising equity of EUR163 million (R3.2 billion). An equity commitment by Redefine (to match Madison) arose from the transaction, amounting to EUR66 million (R1.3 billion), of which Redefine has already deployed EUR18 million (R355.2 million) in 2020 and committed EUR14 million (R276.3 million) in 2021, leaving EUR34 million (R670.9 million) to be deployed. Included in the equity raised from the Madison transaction is earnouts on developments in progress totalling EUR22 million (R434.1 million). To date EUR3 million (R59.2 million) has been received with, EUR13 million (R256.5 million) anticipated in 2021 and Redefine expects to receive further earnout payments of EUR6 million (R18.4 million) in 2022, which will fund a part of the equity commitment made by Redefine.	Continue to grow the logistics portfolio through development opportunities in Poland by deploying the capital raised from the equity sale to Madison, which results in the reduction of risk, benefits from strong prospects of capital uplift from yield compression, creates economies of scale and, ultimately, improves the investment appeal of ELI due to its scale.

UK (RDI)
Disposal

- Sale of RDI to Starwood Capital Group for £106.3 million (R2.3 billion) concluded in July 2020 – the balance of the exchangeable bond, totalling EUR117.2 million (R2.3 billion), was fully redeemed as a result

Australia (Journal and Cromwell)
Disposal: Exit of Australian assets

- Sale of the JSAF assets to Allianz (which accommodate 1 391 beds) concluded on 26 June 2020. The sale of Leicester Street site is unconditional and proceeds were received in December 2020. The Swanston Street sale is expected to close during 2021 once COVID-19 pandemic travel restrictions are lifted
- Redefine sold its remaining shareholding in Cromwell, and realised net proceeds of AUD53 million (R674.6 million). Proceeds were used to settle Australian debt

Africa (GIAP)
Priority

- JLL has been appointed to sell Redefine's 3.7% equity interest in GIAP

Panattoni Park Krakow lll, *Poland*

HC

Human capital

What human capital means to Redefine

Our human capital refers to our people – an essential resource and strategic differentiator, the heart and soul of Redefine. Their knowledge, skills, attitude and innovation ensure that we remain sustainable in the long term.

Empowering our people

Empowering our workforce is an important aspect of nurturing a high-performance culture, and we appreciate the importance of inspiring and allowing our people to become the best version of their authentic selves. Our people are our brand ambassadors, and the energy and enthusiasm they bring to every interaction with our stakeholders strengthens our brand reputation. Our approach to empowerment is about creating an environment where, guided by our purpose and values, our people feel inspired and able to take action, driving our business forward and creating sustained value for our stakeholders.

By leveraging our employees' knowledge, skills and attitude, we differentiate the execution of our business activities. Empowering our workforce is an important aspect of nurturing a high-performance culture. Our human capital strategy focuses on strengthening the capability, energy and integrity our people bring to their roles. This, in turn, contributes to the success of the business and maximises our stakeholder value.

Human capital creating value

We believe that our employees are the driving force behind our success, leaving lasting impressions through the connections they make. We therefore strive, at all times, to ensure that our people are engaged and aligned with our people-centric brand promise, and are deeply connected through our values. In this way, we deliver on our mission to create sustained value for all our stakeholders.

KEY OUTCOMES

Employee engagement at 92%, above the global and national benchmark

Increased online learning capabilities and communications to support the **ongoing training and development of employees** working remotely and/or placed on extended leave due to COVID-19

No employee retrenchments were implemented during hard lockdown

Work-from-home protocols implemented for all staff during the hard lockdown and flexible working policies introduced post lockdown

Flexible working policies introduced post lockdown

76th percentile advanced ethical maturity score

Human capital delivering sustained value for stakeholders

INTANGIBLE VALUE for our stakeholders is created by

Promoting a values-driven corporate culture

Capitalising on our employee capabilities

Developing a strong employer brand to attract and retain employees

Tangible **ASSETS** PLUS **Intangible value** — **Our focus on human resources:** strengthening the intangible capital of the organisation — CREATES Stakeholder **VALUE**

Creating value through our people

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

Human capital

CONTINUED

Materiality

Through our materiality determination process, the following matters were identified as being material to our human capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we are operating.

MATERIAL MATTERS

The evolving role of business in creating a prosperous and sustainable society

- Transformation at a business and societal level

Business model resilience to the rapidly changing context

- Business model resilience^
- Employee skill resilience^
- Innovation and agility*

Heightened demands on governance and regulatory context

- Governance and business ethics^

Managing for liquidity and sustainability during COVID-19

- Health and safety*
- Enhanced stakeholder engagement*
- Managing the uncertainty surrounding the trajectory of the virus*

^ Heightened by COVID-19 | * New

Attracting and retaining top talent

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

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

Unpacking our staff profile

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

Permanent employees
445 (2019: 424)

Temporary employees
47 (2019: 60)

Average age
40 (2019: 40)

Average tenure
6 years (2019: 5 years)

Total employee turnover
(including temporary employees)
14.9% (2019: 22.3%)

Permanent employee turnover
9% (2019: 11.6%)

Female employees
58% (2019: 58%)

For more information, see our employee statistics in our ESG report.

Engaging with our employees

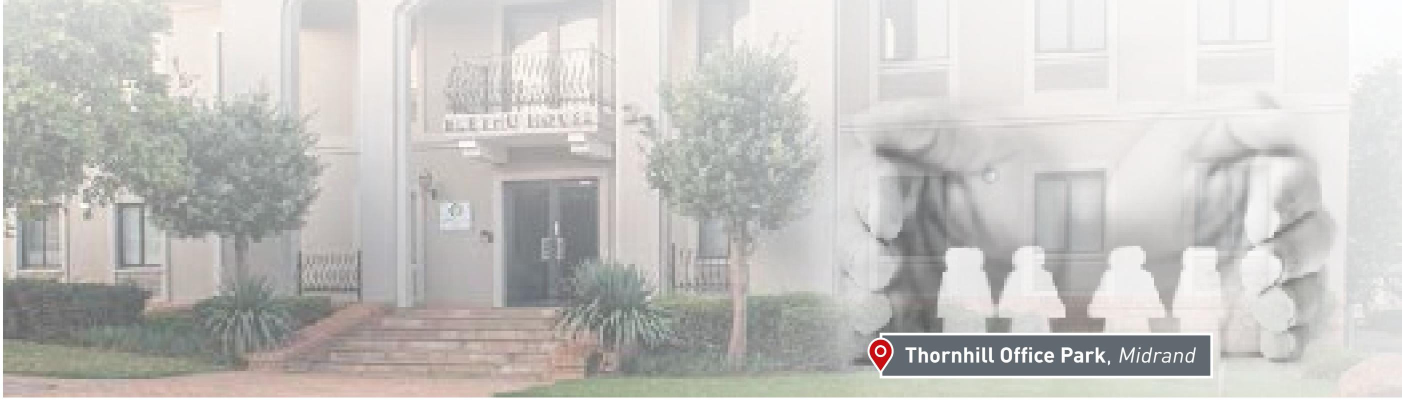
We believe that employee engagement is fundamental to understanding and improving our relationship with our people. We understand that an engaged workforce enhances our human capital value, leading to improved employee retention and higher productivity levels.

We regularly undertake employee engagement surveys for insight into the levels of engagement in our organisation, and have evolved our approach by conducting pulse surveys, which are shorter and done more frequently. Our 2020 survey indicated that our employees remain highly engaged, with a score of 92% – a meaningful improvement on our 2019 score of 87%, significantly outperforming the global and South African benchmarks of 66%. This score reflects the resilience of our employees, and the strength of the Redefine culture and brand.

The feedback we obtain from our employees during these surveys is not only an indication of employee satisfaction, but also forms part of our business strategy process. The engagement surveys are used to identify trends within our organisation which may affect employee engagement and satisfaction. We use the results to understand the areas in which the organisation is performing well, as well as areas in need of improvement. Ultimately, this enables us to sustain a strong EVP, based on the specific demographics and actual needs of our people.

During the national lockdown, engaging with our employees was more critical than ever, with most employees working remotely. Communicating in a clear, concise and consistent manner has become imperative to maintain our culture and engage with employees during the lockdown. Our values remain the core message and driver in all our communications, and we continue to reinforce our purpose. Furthermore, regular employee check-ins between line managers and employees were conducted using a multitude of digital communications platforms such as telephone, email, text message, and video conferencing. A group-wide COVID-19 awareness initiative was also implemented to create awareness and to provide information about specific employee benefits, which support the emotional and physical health of our staff and their families.

For more information, please read our ESG report.



Thornhill Office Park, *Midrand*

Human capital

CONTINUED

Responding to COVID-19

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

Snapshot of our approach to COVID-19

Health and safety	Wellbeing	Engagement	Training
▫ Prioritised the safety of all employees ▫ Implemented work from home for the majority of employees ▫ Employees whose roles did not allow them to work from home was placed on special paid leave	▫ Regular check-ins conducted ▫ Employee wellness offerings promoted to support staff	▫ Extensive internal communications campaign conducted to engage, equip and support employees during lockdown ▫ Pulse surveys conducted, as well as an engagement survey	▫ Learning and development continued, with most programmes moved online

For more information, please read our ESG report.

Preparing for the changing world of work

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

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

COVID-19 has changed the way our people work. We have successfully adapted to the new reality, rapidly setting up employees remotely, and ensuring that we could manage and motivate our team virtually. During the hard lockdown, 72% of our people worked from home, and 28% were placed on special paid leave as their functions did not allow them to work from home.

To ensure business continuity, we made significant investments in hardware, software and data to ensure those employees able to work remotely were empowered and enabled to do so. Each staff member was provided with work-from-home guidance in the form of communications and elearnings – the goal being to keep our team connected and motivated, and to maintain our unique business culture.

For more information, please read our ESG report.

Focusing on employee health, safety and wellness

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

Effective health and safety can only be achieved through joint consultation and mutual collaboration. We are committed to being proactive – anticipating, recognising, evaluating and controlling situations that pose a risk – and strive to promote wellbeing within the organisation. From the onset of the COVID-19 pandemic, we have applied the guidelines issued by the World Health Organisation and the South African government. We continue to work with regulators, industry bodies and tenants to ensure that we continuously enhance our protocols to safeguard all stakeholders from the virus.

For more information, please read our ESG report.

A values-driven corporate culture

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

We strive to be excellent We pursue innovation We embrace change	We show integrity We are fair and consistent We are honest and caring	We create lasting value We consider long-term impacts We grow together	We earn trust We show respect We place people at the heart of everything we do

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

Or scan the QR code

Embedding ethics throughout the organisation

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

To ensure our employees understand our approach to ethics, we have employee policies and frameworks in place to guide them, with training provided to ensure these policies are widely understood. We also conduct multiple employee engagement initiatives to monitor and motivate ethical behaviour. These initiatives seek to mitigate ethics risks like corruption, discrimination, human rights abuse, inequality, and conduct violations.

Our annual group ethics survey provides invaluable feedback on the effectiveness of our ethics management systems and any ethics-related risks. We are pleased to have achieved a 76th percentile advanced ethical maturity score from the Ethics Institute. Our results demonstrate the strength of Redefine's ethical capital and support our drive to maintain an ethical reputation.

For more information, please read our ESG report.

Supporting a high-performance culture

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

Redefine's performance review policy includes:

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

Human capital

CONTINUED

Supporting a culture of learning and development

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

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

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

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

Staff hours spent in training
13 172 (2019: 14 486)

Direct investments in training*
R3.8 million (2019: R4.7 million)

Total training investment**
R10.1 million (2019: R9.5 million)

For more information, please read our ESG report.

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

Gaining valuable work experience

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

Since 2013, 244 learners have graduated, and 42 participants have been offered full-time employment at Redefine since inception. In 2020, we facilitated the intake of 27 new learners and offered seven learners permanent employment.

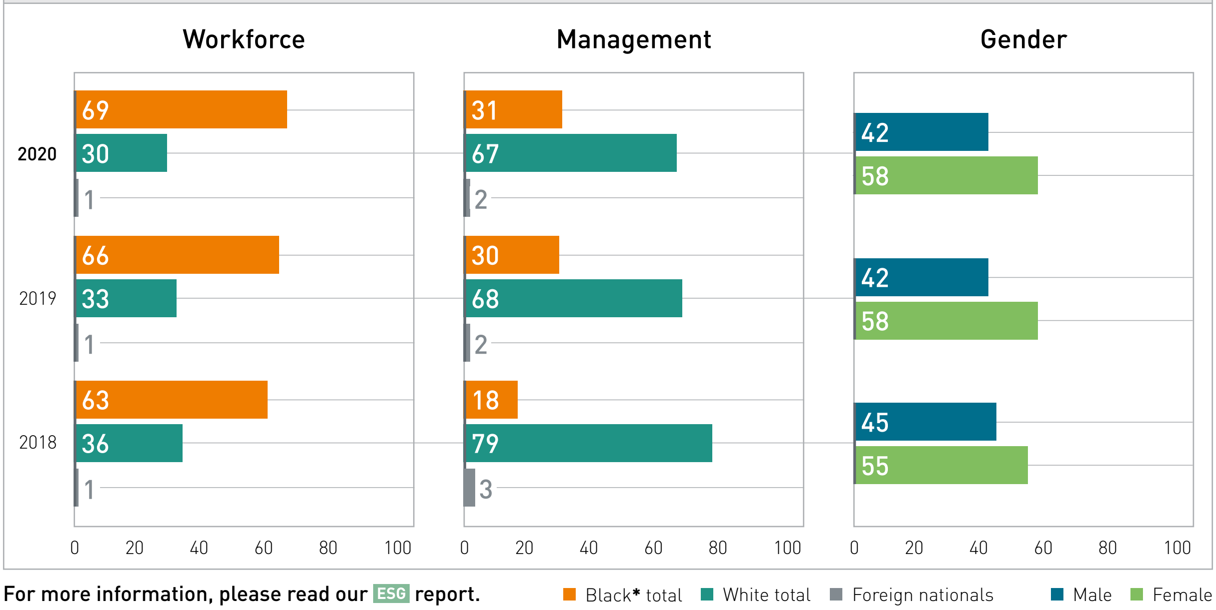
Learners are afforded an opportunity to participate in the group's internal recruitment processes, and top-performing learners are identified and integrated into the business. We have extended the programme to include full-time Redefine employees who may have necessary experience in a particular field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

For more information, please read our ESG report.

Growing our organisational capabilities through transformation and inclusion

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

Diversity (%)



For more information, please read our ESG report.

Respecting human rights

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

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

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

For more information, please read our ESG report.

Creating a discrimination-free workplace

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

For more information, please read our ESG report.

***** *Black comprises African, Coloured and Indian employees.*

Social and **relationship** capital

What social and relationship capital means to Redefine

Property is embedded in the community. As a result, we see social and relationship capital as the link between our property presence and broader society. It refers to the relationships that are the lifeblood of our people-centric approach that sets us apart.

Social and relationship capital creating value

Our social landscape shapes our strategic direction. We recognise that a socio-economic context defined by rising unemployment, weak economic growth and increasing social instability is by no means conducive to sustainable business. We therefore seek to engage positively and, in this way, have a meaningful impact on our social landscape. Through informed, targeted initiatives that create mutual benefits for Redefine and our stakeholders, we ensure the long-term resilience of our operations, which goes to the heart of our purpose to make a difference in people's lives.

KEY OUTCOMES

Offered operational support to promote the sustainability of our tenants and service providers during COVID-19 lockdown

Developed a supplier code of conduct to embed **ESG values throughout our supply chain**

Finalised our *The Red Thread* CSI strategy to ensure a consistent approach throughout our portfolio

Level 3 B-BBEE contributor status achieved

Implementation of CSI programmes at Maponya Mall based on ***Challenge Convention*** feedback (investment of **R2.5 million**)

Board members donated a **third of their fourth-quarter fees** received from Redefine to the South African Solidarity Fund

Materiality

Through our materiality determination process, the matters below were identified as being material to our social and relationship capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we operate.

MATERIAL MATTERS

Uncertain geopolitical and socio-economic growth factors

- Macroeconomic and fiscal uncertainty^
- Social volatility^

Business model resilience to the rapidly changing context

- Innovation and agility*

Heightened demands on governance and regulatory context

- Implement effective ESG strategies*

The evolving role of business in creating a prosperous and sustainable society

- Transformation at a business and societal level

HOW WE'RE MANAGING THESE MATTERS	PAGE
From investment to involvement and innovation	103
Understanding our stakeholder needs	104
Engaging to build value	108
Delivering broad-based transformation	111

^ Heightened by COVID-19 | ** New*

From investment to involvement and innovation

Property is our business and people are our purpose. As the COVID-19 pandemic continues to unfold, we remain focused on what we can control – making strategic decisions to safeguard our future and to ensure that we emerge from this crisis stronger than ever before. While we recognise that the current socio-economic context in which we operate is fraught with many unknowns, we remain committed to delivering long-term value to our stakeholders by making strategic decisions that safeguard the future.

Redefine's purpose is to create and manage spaces in a way that changes lives. To have a meaningful impact on lives, we work together for positive change in creating long-term sustainable solutions for our key stakeholders instead of once-off contributions such as donations to communities. As a group, we align our efforts across our portfolio to ensure focus on sustainability, and build long-term partnerships with key stakeholders such as investors, employees, brokers, suppliers and local communities. By assessing what value means for each stakeholder and understanding what value means to us, we can identify potential risks and opportunities.

For more information on how we identify key stakeholders, see page 32.

Our stakeholder priority assessment process

For more information on how we engage with our stakeholders, see page 32.

Social and **relationship** capital

CONTINUED

Understanding our stakeholder needs

Stakeholder	Role	Value for us	Value for stakeholders
Investors and funders	Source of sustained growth in total returns	▫ Access to equity and debt funding ▫ Liquidity of our shares ▫ Fair rating of our shares ▫ Open dialogue to understand and address concerns	▫ Solid investment case based on the business strategy, with business activities and decisions aligned with strategy ▫ Sustained growth in capital and distributions over time ▫ Assurance that sustainability and good governance are integrated into the business strategy ▫ Ability to pay interest and repay debt capital
Employees	Employer of choice	▫ Engaged employees who grow our brand and deliver on business strategy ▫ Employees with innovative ideas and solutions ▫ Nurturing and developing future talent ▫ Transformation in the workforce leads to increased engagement	▫ A working environment that provides flexibility and sustainable income ▫ Opportunities for learning, development and growth ▫ Opportunity to make valuable contributions and achieve personal fulfilment and satisfaction
Tenants	Differentiated provider of relevant space	▫ Lease renewals ▫ New tenants with innovative solutions improve our service offerings ▫ Tenant growth and timeous payment ▫ Participation in our efforts to promote and improve our buildings	▫ Relevant quality spaces that deliver on business needs at market-related rentals ▫ Retail spaces that attract shoppers, keep up with trends and foster business growth ▫ Quality relationships and support in business operations ▫ Responsible, compliant business partner
Property brokers	Preferred business partner	▫ Strong partnership and focus to let out our spaces ▫ Attract quality tenants who improve our spaces	▫ Opportunities and partnerships that assist in growing businesses ▫ Responsible and compliant business partner ▫ Spaces that deliver on clients' needs and keep up with the latest trends at market-related rentals that are easy to promote ▫ Access to information to improve the sales process
Suppliers	Source of business opportunity and growth	▫ ESD to enhance the supply chain ▫ Deliver services aligned with our values, code of conduct and ethical standards ▫ Brand ambassadors who represent our brand in our spaces to our customers	▫ Opportunities and partnerships that assist in growing businesses ▫ Responsible and compliant business partner ▫ Fair opportunities and negotiation processes
Communities	Responsible community participant	▫ Active community participation ▫ Empowering communities to identify and solve problems ▫ Uplift and attract future employees ▫ Create a pool of future investors, tenants, customers and employees	▫ Improve environment in and around our spaces (health, security and education, among others) ▫ Employment and business opportunities ▫ Exposure to other enabling resources and opportunities to collaborate

Risks	Opportunities
▫ Loss of investor confidence in the property sector and in Redefine ▫ Lack of liquidity ▫ Increased cost of capital	▫ Clearly communicating our strategy and demonstrating consistent delivery to build confidence and attract investment to Redefine ▫ Build capacity to allocate capital in a competitive environment ▫ Increase engagement with senior management through virtual events
▫ Increased employee anxiety due to COVID-19 ▫ Lack of staff retention and attraction ▫ Lower engagement during lockdown ▫ Slow pace of transformation at all levels ▫ Failure to fulfil our people-centric brand promise ▫ Losing track of the needs of a changing workforce	▫ Reconsidering how we maintain corporate culture during COVID-19 through technology-enabled engagement ▫ Enhance virtual programmes to attract and upskill future employees, address transformation issues and introduce new skill sets ▫ Encourage employees to participate and give feedback on business decisions and innovative solutions ▫ Promote our physical, emotional and financial wellness programme ▫ Invest in leadership development and mentorship programmes
▫ COVID-19 trading closures ▫ Health and safety concerns due to COVID-19 ▫ Tenants' inability to afford increased cost of occupation ▫ Inability to attract and retain tenants ▫ Constrained consumer spending ▫ Utility supply interruptions ▫ Shifting demand and customer requirements across our portfolios	▫ Adapt innovative technology and solutions that may impact tenant needs ▫ Attract and upskill future tenants ▫ Increased tenant engagement to set us apart as landlords ▫ Increase environmental efficiency and created awareness of sustainability efforts in our properties ▫ Adapt our individual asset strategy in light of COVID-19 to ensure that our offering meets the evolving needs of our tenants
▫ Loss of potential tenants due to breakdown in relationships with brokers ▫ Instability in supply chain due to COVID-19	▫ Refine engagement strategies and internal processes to improve relationships and manage the impact of current economic headwinds ▫ Further alignment with our brand promise ▫ Considering technology and tools to improve communication and access to information that best positions our vacant spaces
▫ Suppliers' business sustainability due to the impact of COVID-19 lockdown ▫ Reputational risk due to lack of service delivery or conduct of supplier, especially if not aligned with our values ▫ Local representation and opportunities to uplift small enterprises	▫ Improving supplier engagement to better understand their needs and their impact on our stakeholders and Redefine ▫ Refine engagement strategies and internal processes to improve relationships and manage the impact of current economic headwinds ▫ Consider cost-effective ways to upskill and prioritise suppliers from local communities
▫ Negative impact of our spaces and tenants on communities ▫ Lack of engagement and inclusion poses a reputational risk ▫ Lack of jobs for unemployed youth and community members	▫ Create mutually beneficial partnerships to achieve our longer-term value creation goals through community engagement and incorporating their needs into our spaces ▫ Create opportunities for smaller traders and entrepreneurs around our spaces

For more detailed information on our stakeholder engagement, please refer to our ESG report.

Social and **relationship** capital

CONTINUED

Through our stakeholder priority assessment process, we develop a set of mutually beneficial priorities to guide the development of initiatives under our ***Challenge Revolution***.

These are:

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

Challenge Revolution

We firmly believe that to create a more sustainable future, we need to move from social investment to social involvement and innovation. It was with this in mind that our ***Challenge Revolution*** initiative was designed. The initiative focuses on understanding what stakeholders' needs are, and unpacking how we can empower and facilitate innovative ways to meet these needs in an integrated way through several programmes. The ***Challenge Revolution*** is the umbrella concept under which various programmes, such as ***Challenge Convention, Innovation Challenge, The Mentorship Challenge, Learnership programme, REACH*** broker engagement programme, ***ESOTW*** tenant experience and soon-to-be-launched ***Smartten*** tenant upliftment programme, are placed.

For more information, visit http://youtu.be/9lSt9lQKmPg

Or scan the QR code

These initiatives help us integrate forward-thinking innovations into our operations, and enable us to address business and social challenges, transformation and skills gaps, while remaining relevant and offering better experiences in our spaces. Due to COVID-19, these initiatives have been put on hold temporarily. We are seeking ways to repurpose the initiatives to ensure that they are accessible virtually and remain fit-for-purpose.

We introduced the following stakeholder engagement initiatives aimed at increasing value for our stakeholders and ourselves under the ***Challenge Revolution*** umbrella:

Stakeholder engagement initiatives		Related priority business indicators	Targeted stakeholders
Stakeholder engagement forum			
Redefine challenge convention	The core purpose of the ***Challenge Convention*** is community engagement through sessions organised for community representatives, other stakeholders in and around a building, and Redefine, and can be scaled to include various forums, focus groups and organised intervention.		Tenants, suppliers, communities and the public
Employee engagement programme			
heads up hearts in hands on	Our employee engagement programme is focused on the ethos of: ▫ Heads up is about knowledge: strategy, objectives and goals ▫ Hearts in is about our employees' passion: our values and how we behave ▫ Hands on is a strong call-to-action: it's in our employees' hands		Employees
Internal mentorship programme			
MANAGERS TO MENTORS	Building on the success of our ***The Mentorship Challenge***, the ***Managers to Mentors*** programme is designed to equip our leaders with the necessary tools and skills to mentor employees and create a culture of mentorship in our organisation.		Employees
Learnership programme			
work with THE BEST TO BE	For the past seven years, our ***learnership programme*** has created exciting opportunities for participants, while also growing the pool of skilled entrants into our sector.		Future Employees
Tenant experience management programme			
EVERY STEP OF THE WAY.	Our ***Every Step of the Way*** programme ensures that employees understand their importance in shaping our tenants' experiences with Redefine because every engagement throughout the tenant life cycle impacts the brand experience.		Tenants
Brokers engagement programme			
Redefine REACH	Our broker engagement plan is packaged as our ***REACH*** programme and includes initiatives such as quarterly newsletters, our ***REACH*** magazine, marketing campaigns such as brochures, desk drops and mailers, as well as an incentive programme that includes quarterly events and trips.		Brokers
External innovation programme			
Redefine innovation challenge	The ***Innovation Challenge*** is a competition launched to inspire entrepreneurs and innovators in all walks of life to rethink, reinvent and reconfigure the physical spaces we occupy and interact with.		Future employees, tenants, suppliers, communities
External mentorship programme			
THE MENTORSHIP CHALLENGE WITH MARC WAINER	***The Mentorship Challenge***, created to make a real difference in people's lives, demonstrates our commitment to our country and its future leaders. The initiative allows ordinary South Africans to connect with legendary leaders in every possible field.		Future employees, tenants, suppliers and communities

For more detailed information on these initiatives, please refer to our ESG report.

Social and **relationship** capital

CONTINUED

Engaging to build value

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

We are committed to ensuring that every interaction is transparent, inclusive and constructive. This relational approach to business enables us to achieve our mission – to create and preserve value in the short, medium and long term. We believe that it is our unique approach to relationships that sets us apart and allows us to deliver sustained value to all our stakeholders. Engaging constructively and inclusively with our stakeholders is therefore a strategic imperative.

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

Deepening our engagement with investors and funders

As providers of financial capital, our investors and funders are crucial to the growth and sustainability of our business. To support ongoing and mutually beneficial relationships, we work to understand the needs and expectations of these stakeholders, and to address their concerns. By understanding their requirements and meeting their value expectations, we grow trust in our organisation, which strengthens our access to capital.

We remain committed to ensuring transparent communication and engagement with our investors and funders. We conduct an annual investor perception survey and, by considering the feedback we receive and issues raised, we amend our engagement strategies on an ongoing basis. We have seen how COVID-19 has weakened South Africa's already fragile economy and heightened uncertainty. We have, therefore, increased our engagement with senior management through virtual events (ESG conference, results presentations, virtual property tours and one-on-one meetings before our closed periods and after results).

Driving passion through employee engagement

Our goal is to inspire our employees to be the best in all aspects of what they do – by taking initiative and being passionate about their work. Employee engagement is vital to maintain a connected, motivated and engaged workforce. Our employee value proposition includes two-way expectations from each party – what employees can expect from us, and what we can expect from them in return.

Our employees are fundamental to growing our brand and to the delivery of high-quality service. We acknowledge the power in our employees' passion and initiative as we strive to be the best in all aspects of what we do. Our people must know that the value they bring to our organisation is as much who they are as it is what they do.

COVID-19 has encouraged us to reconsider how we engage with our employees, while maintaining our corporate culture by driving our BEST values as the core message in all our communications. We began an extensive internal communication campaign from the start of lockdown to support the evolving needs of the business and our employees. The goal was to promote sustainability and resilience, and to build a supportive corporate culture with emotional wellbeing and learning promoted. Platforms included weekly video messages from the CEO, newsletters, messages from the CEO to line managers, and others.

Redefine celebrated it's 21st birthday in 2020. We celebrated this occasion by creating an audiovisual (AV) and encouraged our employees (nationally) to participate in this initiative.

To view the AV, click here:
https://www.youtube.com/watch?v=Kf04ZtKDqRE.

Or scan the QR code

Enhancing tenant experiences

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

We're not landlords. We're people.

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

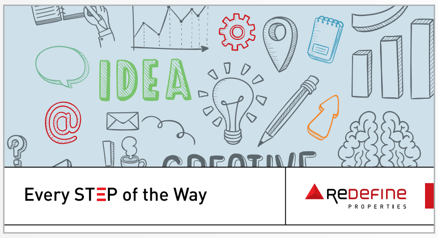
Tenant retention is a vital part of our property management focus for our long-term sustainability. We believe that maintaining and preserving tenant relationships preserves and increase our revenue-generation potential, maintains or improves occupancy levels, and ensures that shoppers enjoy a quality tenant mix offering.

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

By assisting our tenants with these relief measures, we could understand their sustainability needs and ensure our sustainability by encouraging lease renewals.

Through attracting and upskilling new-generation tenants with innovative solutions, we improve the offerings in our spaces and remain relevant to users. We recognise that to truly bring our brand positioning to life, we need our tenants to experience a meaningful connection with us as people and not as landlords.

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



Reaching out to our brokers

Tenant attraction is critical in these volatile times. We therefore partner with brokers to help reduce our vacancies. As some tenants prefer to deal with brokers and not directly with landlords, it is important for us to be top-of-mind and considered a preferred partner among brokers. We understand that property brokers are essential to our business as they let our portfolio spaces. Their alignment with our brand promise is vital.

As tenant representation and consulting services offered to tenants by brokering houses are becoming increasingly common, our relationships with tenants and the broker community must be nurtured. Our broker engagement strategy therefore aims to facilitate two-way communication and foster healthier relationships.

We have a team of internal leasing executives and a broker liaison to liaise with our brokers. Our broker engagement plan is packaged as our ***REACH*** programme and includes initiatives such as quarterly newsletters, our ***REACH*** magazine, as well as marketing campaigns such as brochures, desk drops and mailers. The plan also includes an incentive programme with quarterly events (driving experiences, golf outings and overnight getaways, and an annual incentive trip for top-performing brokers to locations worldwide). As brokers deal with all landlords, and space requirements do not always set us apart, it is crucial to ensure ongoing broker engagement with up-to-date information. Our vacancy portal is a tool we use to facilitate engagement with our brokers.

Redefine REACH

Social and **relationship** capital

CONTINUED

Partnering with suppliers

Our suppliers are valued partners who are deemed to be an extension of Redefine as they frequently interface directly with our stakeholders (tenants and retail customers). They must conduct themselves in a way consistent with our brand promise and company values – we rely on them to deliver our value proposition to other stakeholders, including our tenants and shoppers, and view them as critical representatives of our brand.

Our procurement strategy requires suppliers to sign our code of conduct. Our supplier engagement strategy includes an onboarding programme, feedback meetings, and a communication plan that drives advocacy.

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

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

Empowering communities

Our relationships with communities are vital as our tenants would not be able to trade, and our business would not exist, without them. As key stakeholders, communities play a critical role in the creation of sustainable interventions that address their challenges. Our goal is to ensure that we create mutually beneficial partnerships to achieve our longer-term value creation goals through engagement that enables us to understand our impacts on communities and thus meet their needs. We use direct engagement with communities, as well as community forums, to understand concerns and issues.

During the year, we began aligning our CSI initiatives with our refreshed CSI strategy. Our new CSI strategy is underpinned by a demand-driven rather than a business-as-usual or supply-driven approach, in line with our ***Challenge Revolution*** approach (see **page 106**). Communities identify their priorities and assist in planning and implementing solutions, with a significant stake and interest in the success of projects. A supply-driven approach is not appropriate and often fails as external stakeholders implement pre-planned projects in identified communities and develop solutions that do not necessarily respond to real community needs.

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

For more detailed information on our CSI strategy, please refer to our ESG report.

We actively involve our employees in the implementation of our new CSI strategy, which has been branded *The Red Thread* internally.

Or scan the QR code

For more information on our engagements with all key stakeholders, please see our ESG report.

Delivering broad-based transformation

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

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

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

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

The 2020 scorecard is as follows:

B-BBEE scorecard*

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

For more information, please refer to our ESG report.

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

Intellectual capital

Boskruin Office Park, *Randburg*

What intellectual capital means to Redefine

Intellectual capital refers to the knowledge and capability intrinsic to our organisation. Our intellectual capital is distinct from human capital in that it can be reproduced and shared. It's the way we do business – it is what sets us apart – and remains a key driver of sustainable growth.

Intellectual capital creating value

Redefine believes that the source of our economic value no longer depends solely on our 'brick and mortar' income-earning asset base, but rather on how we manage and use these assets and adapt to change to ensure that we extract the highest value and most efficient use of our resources, while remaining relevant to the end user's needs and living our purpose of changing lives.

It's important to have good business strategy, but agile execution of that strategy is even more important – by leveraging and consistently challenging our intellectual capital to remain relevant, enables us to refresh our strategy to effect sustainable value creation for our stakeholders and change people's lives.

KEY OUTCOMES

Development of a **supplier code of conduct** to embed ESG values throughout our supply chain	Increased online learning capabilities and communications to **support the ongoing training and development of learners and other employees** working remotely and/or placed on extended leave due to **COVID-19**
Placed **third in EY Excellence** in **Integrated Reporting Awards 2020**	Improved board independence and bolstered the board's property-related skills through the appointment of **Diane Radley – 100%** of non-executive directors are independent, and **60%** of our board is female

Materiality

Through our materiality determination process, the following matters were identified as being material to our intellectual capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we are operating.

MATERIAL MATTERS

Business model resilience to the rapidly changing context

- Business model resilience^
- Disruptive technology^
- Shifting behavioural changes
- Cyber resilience and data security^
- Employee skill resilience^
- Innovation and agility*

Heightened demands on governance and regulatory context

- Governance and business ethics^
- Regulatory compliance^
- Implement effective ESG strategies*

Managing for liquidity and sustainability during COVID-19

- Health and safety*
- Ensuring business continuity in a new operating context*
- Enhanced stakeholder engagement*
- Managing the uncertainty surrounding the trajectory of the virus*

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^ Heightened by COVID-19 * New

Entrenching integrated thinking

We operate in a long-term asset class and understand that our strategic choices have lasting impacts. We strive to integrate sustainable thinking when considering each of these impacts. We have identified the UN SDGs that we believe are most relevant in terms of potential impact and opportunity for our business – by considering ESG factors and our future sustainability we can ensure sustainable value creation.

We believe that this approach gives us an advantage over our competitors, and we strive to entrench this thinking throughout the business. Our strategy factors in the inter-relatedness of each capital at our disposal – financial, manufactured, human, social and relationship, intellectual and natural – as well as takes a long-term perspective, divided into long-term, medium-term and short-term objectives and action plans.

We take several measures to ensure that we hold ourselves accountable for our progress and impact against each of these objectives, using meaningful KPIs that apply across the organisation.

Striving for best practice governance

Our approach to governance and leadership forms part of our intellectual capital and supports our overall value creation process. To achieve sustained value, we need to establish and maintain trust with our stakeholders, which would be impossible without embracing governance as a business enabler.

Appropriate governance structures and processes ensure that our company is well managed and controlled. Our rigorous and inclusive strategy review process considers the risks and opportunities connected to the broader context in which we operate. These processes ensure that we deliver against this strategy to create value for ourselves and our stakeholders – now and into the future. Our commitment to good governance is reflected in our internal policy framework that entrenches ethics in how we do business.

Our board members are our custodians of governance and assume collective responsibility for strategy, policy, oversight and accountability. They have adopted a stakeholder-inclusive approach in the execution of their governance role and responsibilities, guided continuously by their commitment to the principles of King IV.

Structures of delegation provide for the assignment of authority, while enabling the board to retain effective control of the company. The board therefore delegates authority to relevant board committees and the CEO, with clearly defined mandates. The CEO and company secretary monitor and maintain the delegations of authority and ensure that they are reviewed on an annual basis.

Achieving compliance with applicable laws, regulations and governance practices provides a framework on which to build our mindful governance approach, which is then further directed by the board's constant pursuit of ethical and effective leadership.

For more information on how we create value through our governance processes, please refer to our ESG report, as well as our governance section on **page 18**.

Intellectual capital

CONTINUED

Entrenching innovation as part of our DNA

Today, technology and innovation are major drivers of long-term value creation. To remain competitive, we encourage the experimentation, creativity and flexibility that promote innovative thinking, while managing risk within our agreed appetite.

To ensure there is appropriate oversight and governance of this process, our risk, compliance and technology committee offers support to the business with regard to reviewing, advising and approving all aspects of IT and digitisation at the company, including but not limited to governance, strategy, operations and major risks.

The pandemic has highlighted how important innovation and differentiation is to our long-term sustainability – forcing us to reset our business model, to live our purpose, and to revise our thinking around our societal relevance. For example, as more consumers shop online, we are reviewing how this trend might permanently shift their preference toward ecommerce and the potential impact on our retail tenant mix and store offerings to accommodate these changes.

Using technology to ensure business continuity

To ensure business continuity, our technology team quickly enabled a smooth transition to work from home, with 72% of our workforce able to do so during the lockdown. We purchased additional laptops, enabled data accessibility for our workforce, and introduced Microsoft Teams engagement platform technology to ensure smooth employee interaction. This transition also introduced challenges from an IT perspective, including increased cyber risks. To address this, our technology team implemented several initiatives to promote and protect our business operations, that enhanced our cybersecurity measures.

Climate change is a priority for Redefine and, as such, we value environmental innovation. We continue to invest in solar power as a cost-effective, efficient and environment-friendly way to generate electricity. To date, we have invested R250.0 million in solar PV installations and have increased our solar PV generation capacity to 25 913 kWp (23 662 kWp in 2019). We continue to investigate other opportunities to innovate, for example, we are currently looking at options surrounding solar farms as a potential opportunity. For more information on our environmental innovation, please refer to the natural capital section on **page 116**.

Maturing IT governance and service standards

We continue to embed IT governance standards throughout our organisation and ensure that we align our IT services and infrastructure with both the current and future business needs, while maintaining an adequate, effective and agile level of IT operational management. Our internal information and communications technology committee is responsible for driving this process, and considerable progress has been made in the year under review, particularly in light of the changes required to respond to the pandemic. This approach allowed us to identify key focus areas within each architectural layer, and highlighted the need to take a prudent approach in procuring fit-for-purpose applications.

Investing in our brand through enhanced technology

Our brand is a critical element of our intellectual property and an important driver of our business strategy and decisions. We use our brand and our culture to align our people and business processes to our brand promise. Our integrated stakeholder engagement strategy is a critical focus area, forming part of our larger reputation management process.

Our client relationship management (CRM) strategy, which we term our tenant experience programme, is a key differentiator of our brand promise. We are integrating it throughout our business, impacting several business processes, systems and structures.

We drive an internal service culture of placing the tenant at the centre of everything we do, through a number of initiatives including our CRM programme and our internal change management programme. Our CRM programme is currently used primarily to manage our email distributions to key stakeholders. Work continues on implementing quick wins to improve tenant experiences with Redefine at key touchpoints.

The employee intranet was refreshed during 2019, and research into other interactive stakeholder engagement platforms continues to ensure we keep up with the latest technology trends.

Protecting our brand remains a key priority, and we have solid brand governance principles in place, including internal policies around the use of our brand, which we also cover in service level agreements with external partners.

Leveraging technology in our spaces

We believe in innovation to maximise value for our business and our stakeholders, which is why we have chosen the unconventional route of owning our wi-fi infrastructure. In this way, we maintain decision-making rights to shape the experience as we wish, and also retain ownership of the data generated.

Furthermore, we have chosen to adopt a different model for digital signage. Using our space and our own screens, we work with media partners to sell the advertising 'space' or slots. In this way, we leverage off our partners' existing relationships and knowledge of the industry, while maintaining our ownership, ensuring that the majority of the revenue remains within our business.

Our wi-fi platforms are live in 15 malls, receiving 1.2 million impressions per month and generating income from selling advertising opportunities. We currently have 20 LED screens generating revenue. Furthermore, to ensure better health screening and maximise the use of technology, electronic COVID-19 screening mechanisms were introduced for employees and visitors.

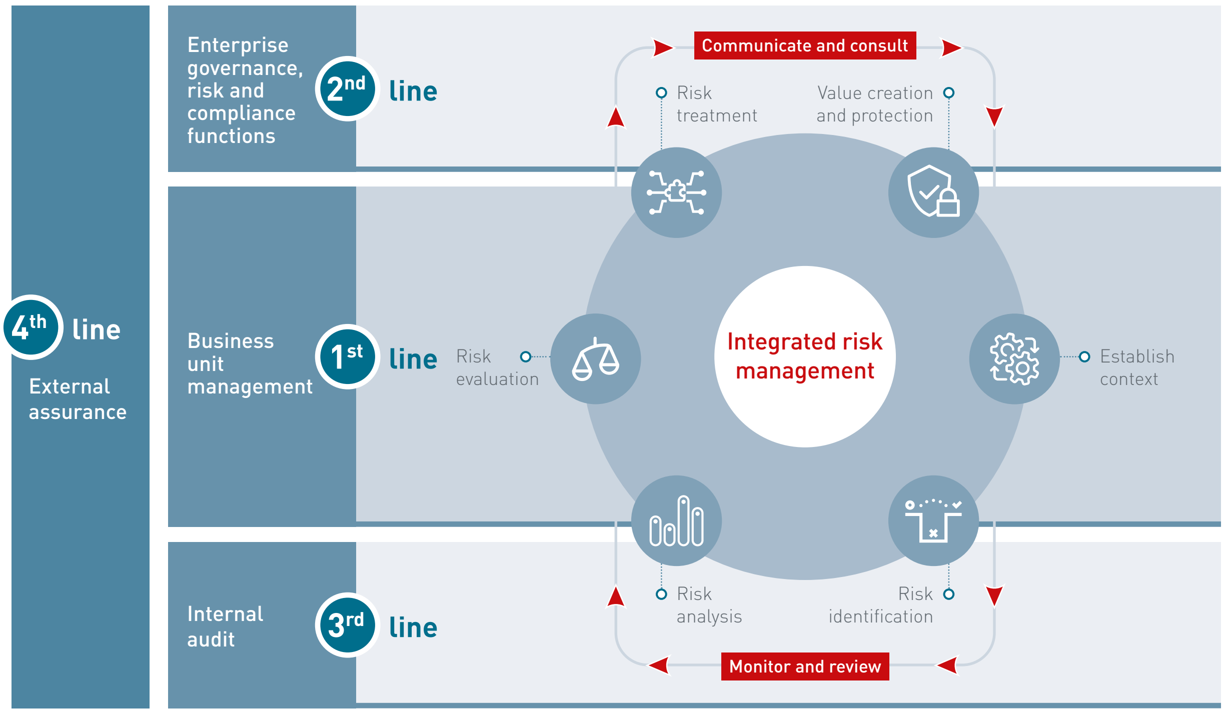
Identifying opportunities for business excellence

We continuously seek opportunities to further streamline our business processes and functions to meet our tenants' needs more efficiently. We use business process and business analytics techniques to identify core processes for success, allowing us to focus our efforts on core competencies. Furthermore, a process management centre of excellence has been established to oversee business process management efforts in Redefine.

Maturing and bedding down our combined assurance approach

Our ERM process is inextricably linked to strategy formulation and execution, with the aim of optimising the risk/return profile of the company, reducing earning volatility, strengthening management's confidence in business operations and risk monitoring, creating smooth governance procedures, improving transparency of decision-making, and maximising profitability. This could lead to an enrichment of market and brand reputation, favourable credit rating, reduced risk premium, and lowered cost of capital when approaching debt and capital markets, as well as higher distributable earnings, thus enhancing shareholders' value.

The manner in which we obtain adequate assurance throughout the integrated risk management process:



NC

Natural capital

What natural capital means to Redefine

We consider natural capital to be all renewable and non-renewable environmental resources and processes that support current and future prosperity for our business and all our stakeholders.

Natural capital creating value

Preserving the natural resources we rely on to run our business is not just a green objective; it is an overarching business imperative that will define our success for years to come. We strive to not only limit our negative contributions towards climate change, but to ensure our business is resilient in the face of this growing risk.

KEY OUTCOMES

Carbon emissions savings of **33 607 tCO_2e** from our solar installations for the year equate to taking approximately **7 260 passenger cars off the road**

Expanded internal waste management to **39%** of our properties by GLA
(2019: 30%)

Continue to install various technologies such as online monitoring and leak detection, smart shutoff valves and sensors in bathrooms to **reduce water consumption**

Sustainability Accounting Standards Board (SASB) and **Task Force on Climate-related Financial Disclosures (TCFD) aspects have been incorporated** into our reporting journey

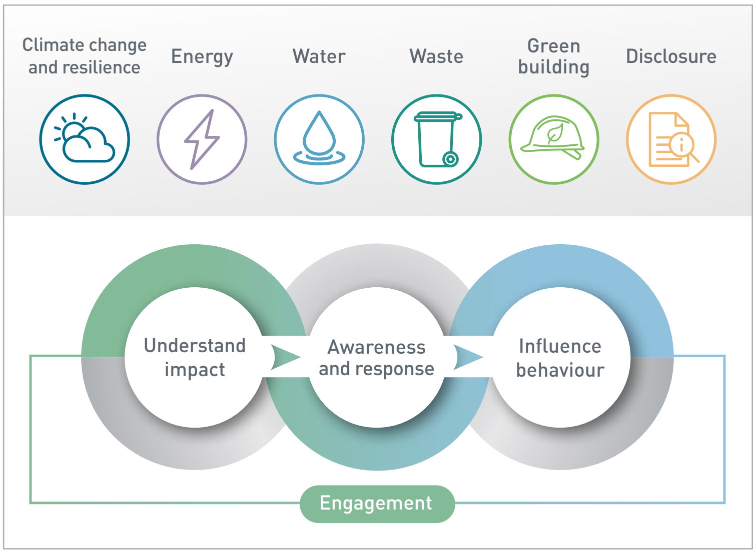
101 Green Star SA certifications
(2019: 74)

Overall carbon footprint reduced by 19% from 2019

Understanding the impact environmental change has on our business

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

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



Materiality

Through our materiality determination process, the following matters were identified as being material to our natural capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we are operating.

MATERIAL MATTERS

Uncertain geopolitical and socio-economic growth factors

- Government policy uncertainty^
- Infrastructure and administrative delivery locally^

The evolving role of business in creating a prosperous and sustainable society

- Climate change resilience^
- Energy management
- Water and waste management

Business model resilience to the rapidly changing context

- Business model resilience^

Heightened demands on governance and regulatory context

- Regulatory compliance^
- Implement effective ESG strategies*

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^ Heightened by COVID-19 | ** New*

NC

Natural capital

CONTINUED

Our overall positioning on climate change

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

In our journey to better understand the risks and opportunities presented by climate change, we have aligned our environmental disclosure to best practice frameworks and standards, which include:

- Annual carbon footprint assessment following the GHG (Greenhouse Gas) Protocol
- The SASB Real Estate Sustainability Accounting Standard
- The TCFD

Enhancing our climate resilience

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

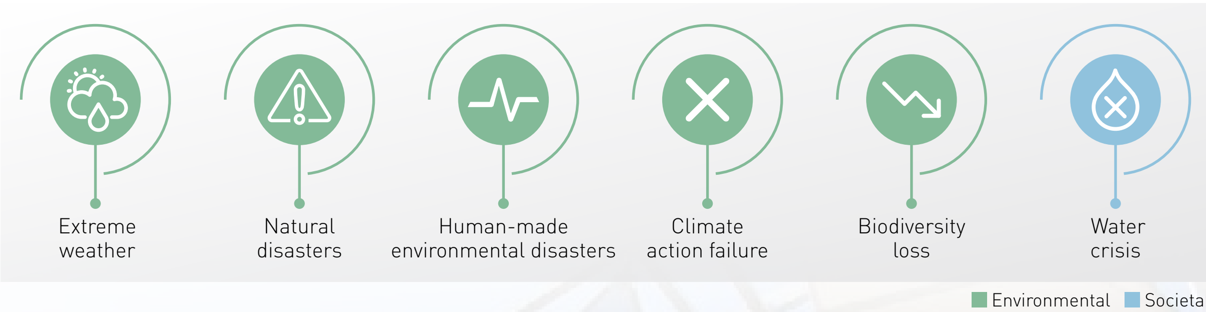
We believe that investing in a sound climate resilience strategy will ensure that our capital investments are safeguarded and remain able to create value.

For more information on our climate resilience strategy, please refer to our ESG report.

Mitigating environmental risk

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

Environmental risks (medium to long term)



For more information on mitigating environmental risk, please refer to our ESG report.

How we measure our environmental impact: metrics and targets

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

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

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

Carbon footprint reporting (GHG emissions)

COVID-19 and the associated lockdowns had a significant impact on our carbon footprint in 2020, which therefore cannot be accurately compared to our performance in recent years. As buildings were not operational, demand for electricity, water and waste management services reduced to varying degrees. In addition, initiatives aimed at efficient use of these resources were also undermined. For example, a number of our solar plants generated less electricity for on-site consumption – as a result, our emissions savings from solar PV were lower in 2020 than 2019. When normal operating conditions resume, we expect our carbon footprint to increase, and it would be more accurate to benchmark our 2021 performance against 2019.

Our overall carbon footprint reduced by 18.5% from 713 258 tCO_2e in 2019 to 581 283 tCO_2e in 2020. Electricity use contributes 98% to Redefine's overall carbon footprint. For a detailed breakdown of our carbon footprint, please refer to our ESG report.

Please refer to the full carbon footprint in our ESG report.

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

2020 vs 2019 % change			
Scope 1	Scope 2	Scope 3	Non-Kyoto gases
0.4%	-6.2%	-19.2%	87.8%

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

Natural capital

CONTINUED

Our energy strategy

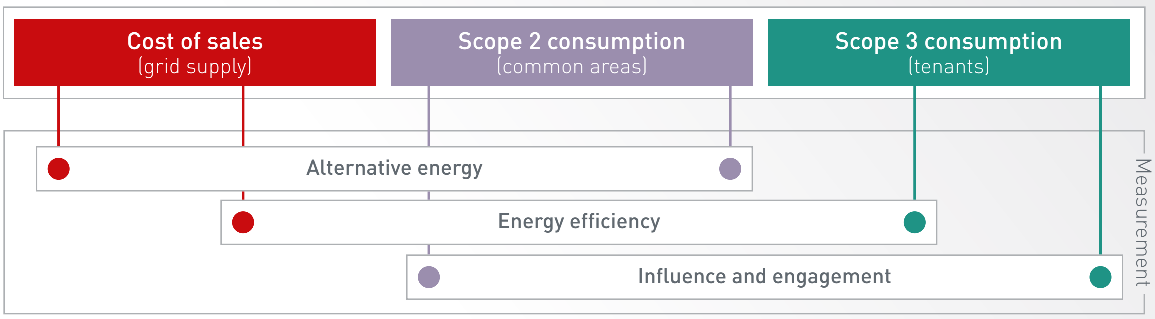
Our energy strategy focuses on three areas

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

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

Our engagement efforts increasingly address tenant consumption.

Energy framework



Absolute electricity consumption (kWh#)

2020	560 385 729
2019	656 768 309

▼ 15% DECREASE

Scope 2 like-for-like energy consumption (kWh*#)

2020	26 302 431
2019	28 348 042

▼ 7% DECREASE

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

For more information on energy use metrics and optimisation, please refer to our ESG report.

The growing imperative of renewable energy

We believe that solar power is the most cost-effective, efficient and environment-friendly way to generate our own electricity. We continue to hold our position as the REIT with the largest solar PV footprint in South Africa. An additional 2.6 MWp of solar PV capacity was installed in 2020. Taking into account the disposal of Alberton Mall (350 kWp), this takes our total installed capacity to 25.9 MWp.

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

During the COVID-19 lockdown, there was reduced energy demand resulting in less consumption from our solar PV plants.

For more information on solar PV projects, please refer to our ESG report.

*Excludes extrapolated data, acquisitions, disposals and developments.

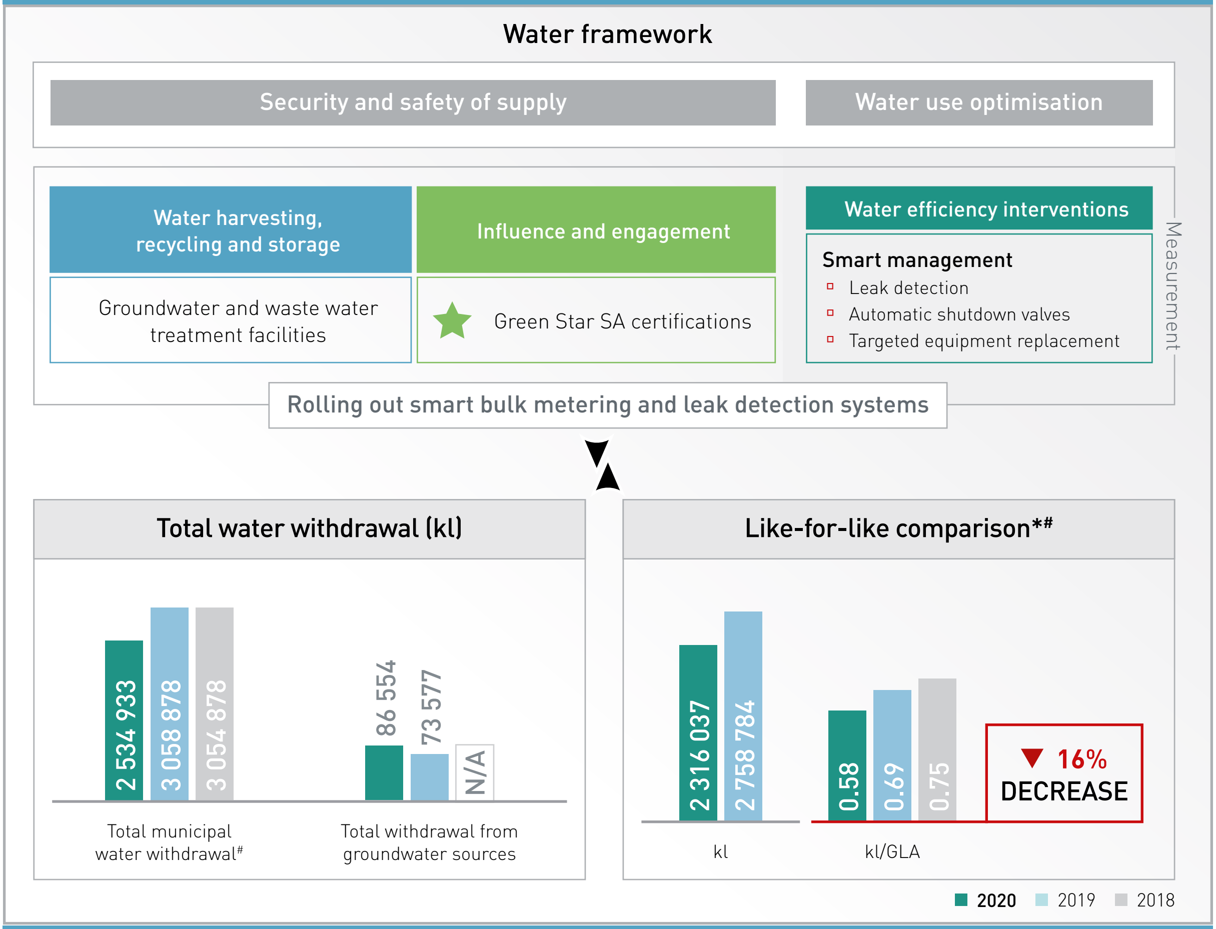
#Impacted by COVID-19 lockdown.

Our water strategy

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

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

In 2020, our total water use reduced by 16% (2019: 9%).



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

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

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

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

For more information on water, please refer to our ESG report.

**Excludes extrapolated data, acquisitions, developments and disposals.* *#Impacted by COVID-19 lockdown.*

Natural capital

CONTINUED

Our waste management strategy

We remain largely dependent on municipal waste removal services for the majority of our portfolio (61% of GLA). We continuously strive to internalise waste management services to ensure that we can measure and understand our waste streams, and how best to control them. During 2020, we increased our internal waste management footprint, now covering 39% of our total GLA (2019: 30%).

In 2020, we assessed our waste footprint for the fourth comparative year. We recycled 2 560 tonnes of waste (2019: 2 702 tonnes), which accounts for 29% of internally managed waste removal.

We further expanded our waste management data collection efforts beyond the inclusion of properties within our operational control, and have included waste management metrics below, aligned to our SASB activity metrics:

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

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

We reached a waste management milestone in 2020, as it was the first year in which we fully categorised and reported all our recycled waste in specific waste streams.

The above metric was prepared following the activity metric boundaries aligned to SASB, although this metric is not in itself part of the SASB Real Estate Sustainability Accounting Standard.

For more information on waste, please refer to our ESG report.

Midway Park, *Midrand*

Our green building journey

Redefine articulates the business case for green buildings as follows:

Developer	Landlord	Tenant
Why build a green building? ▫ Ability to secure preferential finance ▫ Rapid return on investment ▫ Increased market value ▫ Reduced vacancies	**Why own a green building?** ▫ Tenant attraction ▫ Lower operating costs ▫ Compliance with legislation and corporate social responsibility requirements	**Why lease a green building?** ▫ Reduced downtime ▫ Lower operating costs ▫ Lower maintenance costs ▫ Health and wellbeing

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

While we continue to pursue certifications which add value to our office buildings and our business, the Green Star SA certification process for other building sectors is challenging, with higher costs to implement and less mature local tools not well-suited for the industrial and retail sectors. It is worth noting that market maturity and tenant demand do not currently drive Green Star SA certifications. Despite these challenges, we continue our green building journey.

101
Green Star SA certifications
(2019: 74)

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

We strive to use materials sustainably and have distributed tenant guidelines at our Green Star SA-certified buildings to encourage our tenants to do the same. By consistently raising awareness about the green building movement and crucial sustainability issues, we should positively enable a behavioural shift.

For more information on our green building journey, please refer to our ESG report.

Biodiversity

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

As we improve our understanding of our reliance on nature itself, and its services, we are becoming increasingly aware of the reliance of our activities, especially in construction and fit-outs, on the extraction of resources directly from nature. We are also acutely aware of the potential risk to our business as a result of biodiversity loss.

As we further progress our alignment with TCFD, we are confident that our understanding of biodiversity-related risks will improve and, in turn, provide a roadmap of potential new opportunities to explore, which would positively impact biodiversity. We are encouraged by global thinking around regenerative design principles, to one day move our business beyond degenerative or zero impact practices.

For more information on biodiversity, please refer to our ESG report.

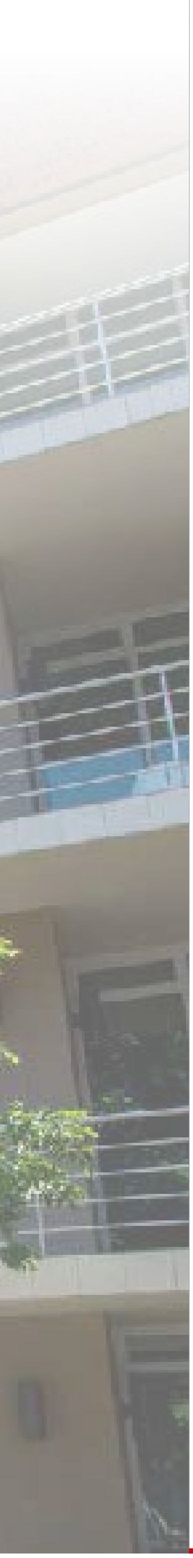
Shareholders' diary

Important dates to note	DATE
Annual general meeting	**Tuesday, 23 February 2021**
2021 half-year end	**Sunday, 28 February 2021**
Summarised interim financial results for 2021 published on or about	**Monday, 17 May 2021**
Interim dividend declaration on or about	**Monday, 17 May 2021**
2021 financial year end	**Tuesday, 31 August 2021**
Summarised annual financial results for 2021 published on or about	**Monday, 08 November 2021**
Final dividend declaration on or about	**Monday, 08 November 2021**

** Please note that these dates are subject to alteration.*

Ballyoaks Office Park, *Bryanston*

Definitions



International <IR> Framework	The International Integrated Reporting Council's International Integrated Reporting Framework
AFS	Annual financial statements
AGM	Annual general meeting
AV	Audiovisual
B-BBEE	Broad-based black economic empowerment
board	Board of directors
B4SA	Business for South Africa
capex	Capital expenditure
CDP	Formerly the Carbon Disclosure Project
CEO	Chief executive officer
Chariot	Chariot Top Group
COO	Chief operating officer
CO_2e	Carbon dioxide equivalent
Companies Act	Companies Act No 71 of 2008 (as amended)
COVID-19	Coronavirus disease 2019
CRM	Client relationship management
Cromwell	Cromwell Property Group
CSI/R	Corporate social investment/responsibility
EME	Exempted mirco-enterprise
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
ERM	Enterprise risk management
EVP	Employee value proposition
FCSA	Financial Sector Conduct Authority
FD	Financial director
FY	Financial year
GDP	Gross domestic product
GIAP	Growthpoint Investec African Properties
GHG	Greenhouse gas
GLA	Gross lettable area
GMR	Gross monthly rental
GRESB	Formerly the Global Real Estate Sustainability Benchmark
Griffin	Griffin Real Estate
IFRS	International Financial Reporting Standards
IR	Integrated report
IT	Information technology
JSAF	Journal Student Accommodation Fund
JSE	JSE Limited
King IV	King IV Report on Corporate Governance for South Africa 2016
kl	kilolitre
KPA	Key performance area
KPI	Key performance indicator
kWh	Kilowatt hour
LED	Light-emitting diode
LTI	Long-term incentive
LTV	Loan-to-value
Madison	Madison International Holdings VII LLC
MOI	Memorandum of Incorporation
MWh	Megawatt hour
MWp	Megawatt peak
NAV	Net asset value
NGO	Non-governmental organisation
PV	Photovoltaic
PIG	Property Industry Group
Redefine	Redefine Properties Limited
REIT	Real Estate Investment Trust
SA	South Africa
SAPY	SA Listed Property Index
SARS	South African Revenue Service
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SENS	Stock Exchange News Service
SME	Small and medium-sized enterprise
STI	Short-term incentive
TMPS	Total measured procurement spend
TCFD	Task Force on Climate-related Financial Disclosures
TGP	Total guaranteed package
TNAV	Tangible net asset value
UNGC	United Nations Global Compact
VAT	Value-added tax

COVID-19 disclaimer

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