



Sustainability Framework



Table of contents

1.	Definitions / Abbreviations	2
2.	Summary	3
3.	About the Framework	3
4.	Delivering Sustainable Value	4
5.	Process for Sustainability Monitoring, Reporting and Verification	7
6.	Disclaimer	8

Sustainability Framework

1. Definitions / Abbreviations

In this Framework, the following words and expressions shall have the following meanings;

“**BREEAM**” means Building Research Establishment Environmental Assessment Methodology

“**Company**” or “**Firm**” or “**Equites**” means Equites Property Fund Limited

“**Committee**” means the Company’s Social Ethics and Transformation Committee

“**EDGE**” means Excellence in Design for Greater Efficiencies

“**ESG**” means Environmental, Social and Governance

“**Framework**” means this Sustainability framework

“**Group**” means the Company and its subsidiaries

“**IFRS**” means International Financial Reporting Standards

“**ISSB**” means International Sustainability Standards Board

“**JSE**” means the Johannesburg Stock Exchange

“**MSCI**” means Morgan Stanley Capital International

“**REIT**” means Real Estate Investment Trust

“**S&P**” means Standard and Poor

“**SLB**” means Sustainability Linked Bond

“**TCFD**” means Task Force on Climate – Related Financial Disclosures

“**UNSDG’s**” means United Nations Sustainable Development Goals

“**WEF**” means World Economic Forum

Sustainability Framework continued

2. Summary

2.1. History/Context

Equites is a specialised Real Estate Investment Trust (REIT) that was listed on the JSE in May 2014. The Company's primary focus is on long-term investments in the industrial property sector through the development of logistics facilities. The nature of its operations, means that the firms impact on the environment and surrounding communities requires holistic environmental and social governance guidelines that drives its actions from the beginning of each development. This warrants a greater awareness by the Company of the wider landscape in which it operates. The firm therefore considers the implementation of a sustainability framework that is aligned to global best practice as a key process, which will provide the structure where Environmental, Social and Governance metrics are identified, measured and disclosed to all stakeholders.

2.2. Objectives

The Company's focus on sustainability is in line with its strategy to be an environmentally and socially responsible corporate citizen by minimising the effect of its operations on all stakeholders. With this in mind, Equites aims to introduce ESG targets that are aligned to global frameworks in order to evaluate and monitor its current position and any changes thereto over time. This will allow the business to focus its efforts on areas where improvements can be made. These targets will be frequently reviewed to ensure that they remain relevant to the Company and its operations.

2.3. Compliance

There are no legislated requirements for Equites to comply with, however, there are several global frameworks that can be adopted for best practice. To date, Equites has used the **United Nations Sustainable Development Goals (UNSDG's)** to guide its strategy from a sustainability perspective. The Company has recognised that the threat of climate change requires a proactive approach, and the responsibility which they have as a corporate citizen and developer, to minimize their impact on the environment.

As such, the firm has adopted the recommendations of the **Taskforce on Climate - Related Financial Disclosures (TCFD)** as a tool to communicate its sustainability outcomes to all stakeholders. The TCFD recommendations have been adopted by international financial regulators including those in the United Kingdom. The firm believes this to be an effective means to understand its carbon emissions and identify ways to reduce its carbon footprint.

2.4. Value Creation

Equites is committed to providing value to its people, the environment and the communities within which it operates. The Company focuses on quality and environmentally conscious developments which fulfil all its tenants specifications and places an emphasis on empowering its employees to develop their full potential. The firms strategy is to ensure that its buildings comply with the highest international standards in term of building design, are energy and water efficient and powered by renewable energy. The business is committed to responsible procurement practices and where possible, supports local communities to ensure that surrounding neighbourhoods are beneficiaries of economic and social empowerment.

3. About the Framework

Equites has developed this framework to outline the objectives of the Company on economic, environmental, governance and social sustainability within the Company's management structure and systems as well as considering the impact of the Group's operations on affected stakeholders. These guidelines have been adopted from the TCFD, and a regular review of all sustainability efforts will be undertaken as indicated.

Globally, reporting and disclosure requirements around ESG and sustainability are changing at a rapid pace, driven not only by investors, but also by multiple standards organisations that are competing to be the preeminent body for verification and ranking firms on their sustainability scores. Organisations such as the WEF, IFRS, S&P, MSCI, and many others have released their own guidelines, frameworks, standards, best practice and measurement techniques creating uncertainty amongst corporates as to which to follow. Most recently, the formation of the ISSB was announced at the COP26 conference, and has been adopted by IFRS. It is for this reason, the firms sustainability framework seeks to outline a broad approach that will continually be updated and redefined as we seek to follow global best practice and sector-specific requirements.



Sustainability Framework continued

4. Delivering Sustainable Value

4.1. Role of the Social Ethics and Transformation Committee

The Committee has an independent role within the Company and is accountable to both the Board and shareholders. The Committee's Terms of Reference outlines the evaluation and monitoring of the sustainability goals set out in this Framework. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers and other members of senior management of the Company.

4.2. Sustainability Objectives aligned to the United Nations SDG's

Sustainability Objective	Sustainable Development Goal Description	SDG	Equites Actions and Targets 2022	Expected Impacts	Target Status
EMPLOYEE WELLNESS AND OCCUPATIONAL HEALTH & SAFETY	To encourage good health and well-being for our employees, contractors and the members of the communities in which we operate.		<p>Annual health checks for all employees to promote well-being such as:</p> <ul style="list-style-type: none"> - Annual flu vaccinations for employees and families of employees - Annual medical check ups - Subsidising medical aid benefits to ensure greater access to health and wellness facilities <p>Development, implementation and performance evaluation of an occupational health and safety policy</p> <ul style="list-style-type: none"> - Health and safety on site - Quote number of accidents on site since inception 	Prevention of physical and mental harm, and the promotion of workers' health and well-being.	Achieved targets in 2021
EDUCATING THE COMMUNITIES	To ensure quality education through our affiliated Foundation, whose mandate is focused on educational initiatives.		<p>Educate learners from disadvantaged backgrounds through our tertiary education bursary programme and Equites learnership program.</p> <p>Intend to make a positive impact to schools in the communities in which we operate. (SAME Foundation)</p> <p>To ensure that all employees are trained and skilled to reach their maximum potential.</p>	Promote lifelong learning opportunities for all through our staff bursary programme	Achieved targets in 2021 and intend to increase disbursements in 2022.

Sustainability Framework continued

4. Delivering Sustainable Value continued



4.2. Sustainability Objectives aligned to the United Nations SDG's continued

Sustainability Objective	Sustainable Development Goal Description	SDG	Equites Actions and Targets 2022	Expected Impacts	Target Status
EQUAL OPPORTUNITIES FOR ALL	We aim to encourage gender equality in all our employment practices as well as increased focus on empowering women through educational initiatives employed by the Foundation.		Aim for 50% female staff complement and be mindful of female owned businesses in our appointment of suppliers.	Break the glass ceilings which exist and encourage gender equality in all employment and appointment processes.	Achieved targets in 2021. Included ESD target in SLB issued in 2021.
ENERGY CONSUMPTION	Ensure access to affordable, reliable, sustainable and modern energy for all		Equip all our parks with PV panels which feed into energy production plants Photovoltaic power systems Energy savings representing at least 20% from traditional building specifications.	Reduced reliance on coal powered energy and increased access to efficient energy sources resulting in lower carbon emissions. Furthermore, this improves air quality and promotes better human health.	Achieved targets in 2021. Included renewable energy target in SLB issued in 2021.
DEVELOP AND EMPOWER PEOPLE	Focus on creating employment opportunities for surrounding communities particularly on our development sites. Promote safe and secure working environments where we adhere to the strictest health and safety standards and will endeavour to create new employment opportunities for both male and female workers as we grow.		Create employment opportunities on development sites Create employment opportunities at head office level	Promotes sustained, inclusive and sustainable economic growth and full and productive employment and decent work for all.	Ongoing measurement.

Sustainability Framework continued

4. Delivering Sustainable Value continued



4.2. Sustainability Objectives aligned to the United Nations SDG's continued

Sustainability Objective	Sustainable Development Goal Description	SDG	Equites Actions and Targets 2022	Expected Impacts	Target Status
EMPOWERING COMMUNITIES	Make our impact felt in the surrounding areas to provide local inhabitants with access to high quality roads, electricity and water services as industrial precincts are usually established in under-resourced areas.		Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being.	Achieve world class infrastructure in the parks we establish, which benefits the surrounding communities.	In progress
EQUITABLE OPPORTUNITIES FOR ALL	Reduction in inequality in the workplace through instilling the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status.		Eliminate bias when hiring, promoting, empowering or engaging with stakeholders.	Reduction in inequality in the workplace which results in higher job satisfaction for employees and better relationships with other stakeholders.	In progress
GREEN BUILDINGS	Increased energy savings representing at least 20% Water and electricity savings representing at least 20%		All new buildings developed to EDGE standards in SA and at least BREEAM "Very Good" in the UK. Embodied energy savings representing at least 20% Water and electricity savings representing at least 20% Develop buildings that use quality and sustainable materials	Reduced Carbon emissions and improvements to water conservation and quality. Reduction of soil contaminants and chemical hazards as well as better air quality and human health.	Achieved all targets for 2021. Included EDGE requirement in SLB issued in 2021.

Sustainability Framework continued

4. Delivering Sustainable Value continued

4.2. Sustainability Objectives aligned to the United Nations SDG's continued

Sustainability Objective	Sustainable Development Goal Description	SDG	Equites Actions and Targets 2022	Expected Impacts	Target Status
RESPONSIBLE AND SUSTAINABLE CONSTRUCTION	Monitor and encourage responsible water consumption with the use of rain harvesting, grey water management solutions.		<p>Reduce water consumption over the whole portfolio</p> <p>Reduce coal powered electricity consumption by 10%</p> <p>Implement solar panels as main source of energy in 50% of our projects</p>	Reduced environmental impact as a result of appropriate design of our buildings, parks and in managing our tenants	<p>In progress</p> <p>Have commenced retrofit of solar PV panels at existing properties.</p>
REDUCING CARBON FOOTPRINT	Drive initiatives for responsible construction, water saving and energy conservation.		<p>Reduce carbon emissions by 5% per annum. Undergoing baseline carbon assessment now to understand our footprint and will devise net zero goal.</p>	Reducing our carbon footprint in development and operations of buildings	In progress

5. Process for Sustainability Monitoring, Reporting and Verification

5.1. Monitoring

Equites intends to monitor the progress of the sustainability objectives set out herein against the targets set bi-annually by the Committee. Any corrective actions proposed or changes to the objectives contained in this Framework must be agreed upon and minuted by the Committee. The template in table 1 below will be used to track progress on achieving these sustainability goals.

Table 1: Table to track the progress on achieving the Company's sustainability goals

#	Sustainability Development Goal Category	Sustainability Development Goal Description	Planned Actions and Targets	Performance against Targets	Comments

5.2. Reporting

A report/register of the sustainability metrics and the Company's performance against these metrics will be made available on the firms website and presented as part of the Group's annual integrated report.

5.3. Verifications

Annual verification of the reporting referred to above will be performed by an independent provider of ESG research and ratings. Sustainalytics, a global ESG rating agency will assess the firm and allocate a rating/score per item assessed, in accordance with their methodology. This verification can be requested from management.

Sustainability Framework continued

6. Disclaimer

- 6.1. This framework is intended to provide non-exhaustive, general information. This framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Equites and accordingly, no representation, warranty or undertaking, express or implied is made and no responsibility or liability is accepted by Equites as to the fairness, accuracy, reasonableness or completeness of such information.
- 6.2. This framework may contain statements about future events and expectations that are prospective statements. None of the future projections, expectations, estimates or prospects in this framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this framework. Equites has no obligation, nor does it undertake, to update, modify or amend this framework or the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any recipient if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.
- 6.3. This framework is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase any securities, nor does it constitute any recommendation in relation to any securities. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.
- 6.4. The information contained in this framework has not been independently verified. The recipient is solely liable for any use of the information contained herein and Equites shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of or reliance on this framework by the recipient.



**Cape Town
(Head Office)**

+27 21 460 0404

14th Floor, Portside Tower
4 Bree Street
Cape Town
8001
South Africa

Johannesburg

+27 10 286 0469

4 Meadowview Lane
Equites Park, Meadowview
Linbro Park
2065
South Africa