



Integrated annual report 2024

and annual financial statements

EXTRACTED SECTIONS FOCUSING ON

OUR IMPACTS AND ACCOUNTABILITY

These extracted sections must be considered in the context of the full integrated report which includes our audited financial statements, as well as our strategic and financial performance. The full integrated annual report is available to download on our website



Transform potential



Our impacts

EXTRACTED SECTIONS FOCUSING ON OUR IMPACTS

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Sustainability

Overview

We recognise the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business. Our sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of Environmental, Social and Governance (ESG) aspects and aims to achieve net-zero emissions. Within this broader strategy, it is important that the Company drives transformation throughout the business with a clear focus on gender, cultural and racial diversity (locally and internationally), and remains cognisant of specific B-BBEE requirements in South Africa.

Our sustainability positioning and strategy

Sustainability positioning

We aim to create stakeholder value that:

1. **Positively impacts our planet**
2. **Acts as an enabler of ESG within our clients' businesses**
3. **Improves the lives of our staff, clients and the communities in which we operate**

Our commitment is to:

- Create broader stakeholder value – financial and non-financial
- Embed ESG considerations into our investment process
- Manage and mitigate ESG risks, including climate risks
- Achieve net-zero emissions by 2050
- Contribute to sustainability opportunities aligned to the United Nations Sustainable Development Goals (UN SDGs)

Alignment with the UN SDGs

Our primary SDGs are those most relevant to our business and include the unique contexts of the regions in which we invest.

 <p>Clean water and sanitation</p>	 <p>Affordable and clean water</p>
 <p>Decent work and economic growth</p>	 <p>Industry, innovation and infrastructure</p>
 <p>Sustainable cities and communities</p>	 <p>Responsible consumption and production</p>
 <p>Climate change</p>	

The greatest impact we can have is through the development of our people and the communities in which we operate; partnerships with clients; and environmental and climate actions

Sustainability strategy

Direct

Use our direct impact and control to:

- Manage our carbon footprint and decarbonise the portfolio
- Eliminate greenhouse gas emissions in line with the Paris agreement
- Increase the use of renewable energy
- Reduce and manage water usage
- Reduce and manage waste across the portfolio
- Protect biodiversity and incorporate nature-related considerations
- Invest in/support the development of our communities
- Invest in meaningful learning opportunities for our employees

Indirect

Use our influence to:

- Provide healthy, safe and efficient green buildings
- Partner with clients/tenants and our supply chain to implement ESG strategies
- Provide reliable data to enable clients/property managers to promote efficiency
- Engage with communities to assist with energy, water and waste initiatives

Environmental, Social and Governance

Over the past year, with the support of the Board and led by the Chief Executive Officer (CEO), we continued to embed ESG considerations into our investment process and risk management framework, ensuring these aspects are considered as part of the Group's day-to-day business and operations. Furthermore, we have worked with, and continue to work with experts and consultants to implement the Group's broader long-term sustainability strategy.

We consider the variety of socio-economic and environmental factors which impact our clients and tenants, as well as the local context where our properties are situated. We strive to advance sustainability through collaboration with our clients, working with them to improve the environmental performance of our properties and minimise their impact on climate change. We believe that this approach will ultimately be to the benefit of all stakeholders through reduced cost of occupation for tenants, enhanced asset values for shareholders and sustainable outcomes for surrounding communities.

We are cognisant of the increasing need to quantify our impact and have enhanced our focus on disclosure and delivering greater levels of meaningful ESG data. This process will continue to be improved over time. Our carbon footprint is independently verified. We are active members across the industry with members sitting on several relevant industry bodies namely the SA REIT Association, SA Property Owners Association (SAPOA), South African Council of Shopping Centres (SACSC), the Property Industry Group and the Green Building Council South Africa (GBCSA).

Details with respect to our environmental and social initiatives are included in this section of the Integrated Report and details of our governance structure and policies can be found in the corporate governance report on pages 102 to 108.

Environmental

Environmental problems, including pollution, water scarcity and climate change, rank amongst the biggest problems we face today. We cannot have a vibrant society or a sustainable economy without a healthy environment. We comprehend the significance of climate-related risks and the necessity for open reporting since we are a company that places the long-term vision at the centre of all we do. South Africa is one of the most difficult markets in the world to operate in terms of climate change due to its dependency on coal. As a result, we have put time and effort into learning about climate change and the road to net zero.

Our environmental strategy

Burstone believes in creating financial and social value in a sustainable way that ensures a low-carbon inclusive world. The Group is committed to embracing its responsibility to understand and manage its direct environmental impact and create awareness that encourages positive sustainable behaviour.

We continue to assess and understand our environmental footprint and impact. We seek to align and integrate our environmental strategy into the Group's broader strategy, with the client at the heart. In doing so, we are cognisant of the cost of occupation for tenants. We have implemented several environmental initiatives which support our environmental strategy and we will continue to explore opportunities in this regard.

In line with our Environmental Policy and Climate Change Statement, we are committed to the following environmental goals and objectives:

- Advocating climate action within our own business, alongside our clients and engaging with the communities in which we operate
- Reducing our carbon footprint
- Working towards collecting appropriate data to enable the setting of defined science-based targets, seeking to measure performance against these going forward
- Incorporating considerations regarding climate change into our decision-making processes
- Allocating capital in a manner that is not environmentally destructive or carbon-intensive and, where possible, investing in the roll-out of return-generating renewable energy
- Commitment to open and transparent reporting of our sustainability progress

Environmental achievements in the financial year ended 2024 (FY24):

South Africa

Strategy	Achievements in FY24
Climate and energy	
Solar	• Total portfolio capacity of 14.8 MWp
Energy performance certificates	• 32 buildings (2023: 27 buildings)
Carbon Disclosure Project (CDP)	• B-rating • Identified gaps for improvement
Reducing cost of occupation	• 70% of properties (by GLA) have back-up power • Supporting clients through loadshedding • Reducing cost of occupation through energy assessments, wheeling considerations and interfacing solar to generators
Sustainable buildings	
Green star ratings and green leases	• Total 28 buildings (82% of office; 18% of industrial portfolio) • Market leader - Burstone piloted the roll-out of industrial certifications and achieved 4-star Industrial Green Star certification for five of our buildings • Achieved three new 4-star ratings in our office portfolio and recertification on nine 4-star ratings • Multiple green leases with clients on solar shared savings models
Water	
Water savings	• Exploring borehole as alternative source to reduce reliance on municipal supply • First borehole pilot studies implemented at three properties (Fleurdale, 345 Rivonia and Balfour Mall), with pleasing results • Further feasibility studies are being undertaken at four sites

Environmental CONTINUED

Europe

The Pan-European logistics (PEL) portfolio is still in the early stages of rolling out its ESG strategy. We have made progress with various environmental initiatives in the PEL portfolio:

Strategy	Achievements in FY24
Climate and energy	
Solar	<ul style="list-style-type: none"> The business has planned to deliver a photovoltaic (PV) roll-out which will produce around 4.5 MWp across the portfolio over the next 12 to 18 months
LED lighting	<ul style="list-style-type: none"> Over the past three years, Burstone has invested €1 million in light-emitting diode (LED) lighting and will continue investing in this going-forward. This will enhance the sustainability of our portfolio and reduce costs for our clients
Energy performance certificates	<ul style="list-style-type: none"> All 32 properties have energy performance certificates (EPCs) certificates <ul style="list-style-type: none"> 82% of assets by contracted rent reported ratings have a C or above energy rating 64% of assets by contracted rent have a B or above (or equivalent) energy rating 22% of assets by contracted rent have an A (or equivalent) energy rating
Smart-metering	<ul style="list-style-type: none"> Smart meters have been installed across the entire portfolio
Sustainable buildings	
BREEAM ratings	<ul style="list-style-type: none"> The European business performed BREEAM in-use pre-assessments across the entire portfolio
Biodiversity	
Biodiversity risks and opportunities	<ul style="list-style-type: none"> Biodiversity considerations incorporated when environmental impact assessments are conducted Biodiversity measures to be assessed as part of BREEAM in-use improvements
Tenants	
Tenant risk and occupier engagement	<ul style="list-style-type: none"> Continued engagement and implementation of green leases at lease regears or upon entering into new leases to support data sharing and emissions reduction

Our carbon footprint

The Group submits an annual carbon footprint to the CDP and has achieved a B-rating. This is a commendable achievement for the Group and sets the stage for what we aim to achieve going forward.

The CDP is an international body that runs the global disclosure system for investors, companies, cities, states and regions to manage and rate their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action and is fully aligned to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Our carbon footprint assessment is calculated according to the Greenhouse Gas Protocol and follows the operational control approach. Greenhouse Gas emissions are categorised into three scopes. Scope 1 covers direct emissions from owned or

controlled sources, while Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling. Scope 3 includes all other indirect emissions that occur in our value chain. Our carbon footprint has undergone limited third-party verification following ISO 14064-3.

The total South African greenhouse gas emissions have been calculated at 105 282 tCO₂e, following the Greenhouse Gas Protocol. Non-Kyoto Gases were calculated at 84 tCO₂e.

We are pleased to report on our emissions in our European portfolio for the first time and will further embed our reporting processes over the course of the next year.

The total greenhouse gas emissions incurred for the European portfolio have been calculated at 21 551 tCO₂e.

Year-on-year emissions

South Africa

Scope	Category	Emissions source	Total tCO ₂ e			FY24 vs FY23 % change
			FY22	FY23	FY24	
Scope 1	Stationary combustion	Diesel (generators)	476	4 104	4 210	3%
	Stationary combustion	Natural gas	136	182	7	(96%)
	Stationary combustion	LPG	-	46	54	17%
	Fugitive emissions	Refrigerant gases	277	308	452	47%
Total Scope 1			889	4 640	4 723	2%
Scope 2	Market-based electricity	Burstone electricity	2 534	2 310	2 330	1%
Total Scope 2			2 534	2 310	2 330	1%
Total (Scope 1 and 2)			3 423	6 950	7 053	1%
Scope 3	Downstream leased assets	Tenant electricity	127 097	105 774	96 646	(9%)
	Fuel- and energy-related activities	T&D losses	n/a	n/a	211	n/a
	Purchased goods and services	Municipal water	622	616	518	(16%)
	Waste	Waste recycled	8	10	45	350%
	Waste	Waste disposal	344	401	809	102%
Total Scope 3			128 071	106 801	98 229	(8%)
Total tCO₂ emissions (Scope 1, 2 and 3)			131 494	113 751	105 282	(7%)
Total non-Kyoto gases			1 606	69	84	22%

Europe

Scope	Category	Emissions source	Total tCO ₂ e
			FY24*
Scope 1	Stationary combustion	Diesel	22
	Stationary combustion	Oil	46
	Stationary combustion	Natural gas	5 874
	Fugitive emissions	Refrigerant gases	-
Total Scope 1			5 942
Scope 2	Purchased electricity	Market-based	97
Total Scope 2			97
Total (Scope 1 and 2)			6 039
Scope 3	Downstream leased assets	Tenant electricity	15 074
	Fuel- and energy-related activities	T&D losses	10
	Municipal water	Water	16
	Municipal water	Effluents	18
	Waste	Waste recycled	21
Waste	Waste disposal	373	
Total Scope 3			15 512
Total tCO₂ emissions (Scope 1, 2 and 3)			21 551
Total non-Kyoto gases			-

* This is the first year that we are disclosing our emissions in our European operations

Environmental CONTINUED

- **Scope 1** emissions refer to direct emissions from sources that are owned or controlled by the Company. In Burstone's case, these are refrigerant gases (used for heating, ventilation and air conditioning (HVAC)), natural gas, liquefied petroleum gas (LPG) and diesel (used for generators).
- **Scope 2** emissions refer to indirect emissions from the consumption of purchased electricity, heat or steam. In Burstone's case, this is purchased electricity not recovered by tenants and electricity used in common areas.
- **Scope 3** emissions are all indirect emissions that occur in the value chain of the Company, including both upstream and downstream emissions. In Burstone's case, this is tenant recovered electricity, water and waste.

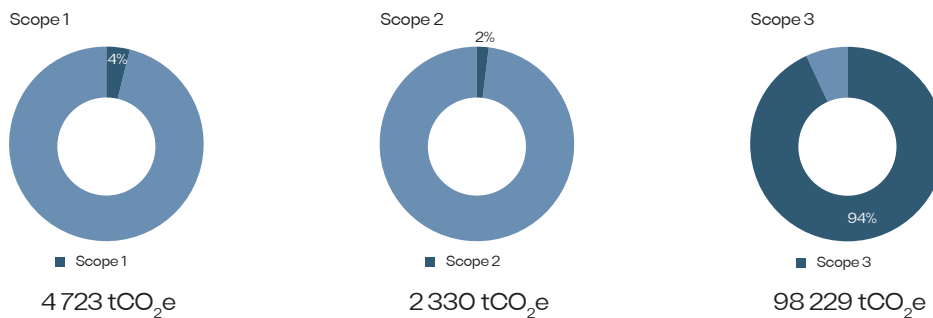
Reducing Scope 3 emissions:

- **Emissions associated with tenant recoveries are the largest contributor towards the overall carbon footprint.** Scope 3 emissions are reduced by lowering grid-consumed electricity. This can be achieved by decreasing energy consumption through energy efficiency initiatives (for example, installing solar PV and entering into green leases).

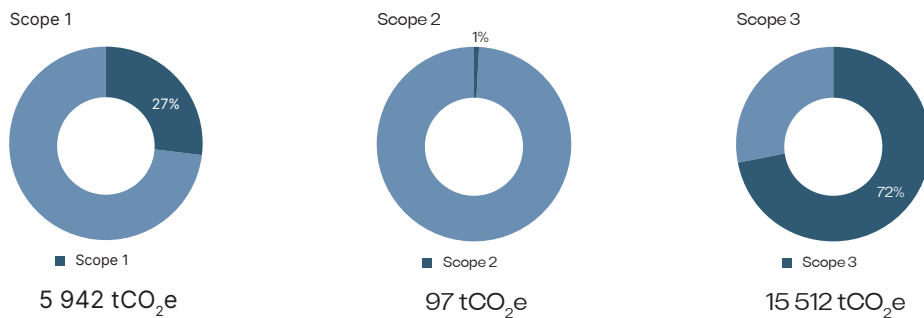
Electricity benchmarking

Emissions associated with tenants' electricity were the highest contributor to Burstone's carbon footprint in South Africa and Europe:

- South Africa: Tenant electricity contributed 96 646 tCO₂e, comprising 92% of total emissions.



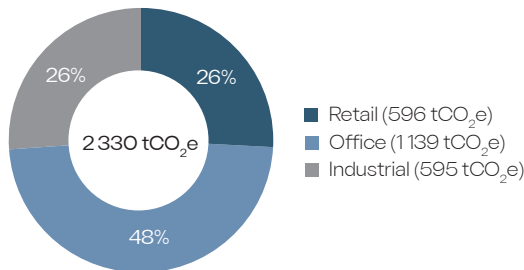
- Europe: Tenant electricity contributed 15 074 tCO₂e, comprising 70% of total emissions.



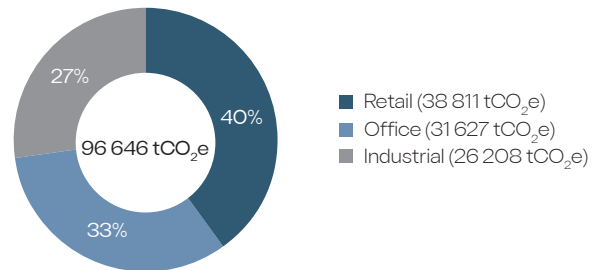
Scope 1, 2 and 3 intensity	FY22	FY23	FY24	FY24 vs FY23 % change
South Africa				
Scope 1 and 2 / Square meter	0.0032	0.0065	0.0070	7%
Scope 1 and 2 / Revenue	2.28	3.83	3.44	(10%)
Scope 3 / Square meter	0.1183	0.1005	0.0971	(3%)
Total emissions per sector (%)				
	FY24			
	Total	Retail	Office	Industrial
South Africa				
Scope 2 and 3 electricity tCO ₂ e	98 976	39 407	32 766	26 803
Square meter*	1 011 477	294 118	246 035	471 324
tCO ₂ e / Square meter	0.10	0.13	0.13	0.06

* Based on square meterage over the period, including properties that are bought and sold during the period.

Scope 2 electricity emissions in South Africa by sector



Scope 3 electricity emissions in South Africa by sector



Addressing climate change

The Group's Environmental Policy and Climate Change Statement considers the challenges to the global economy. We recognise the complexity and urgency of climate change and are committed to the transition to a cleaner, low-carbon world. In line with this, we understand that addressing climate change requires complex, bold and urgent action. Thus, we support the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts towards limiting it to 1.5°C.

Burstone is seeking to align its climate-risk management framework to the TCFD alongside its CDP submission. The Group aims to understand and approach potential risks and opportunities as guided by this framework. This will assist in aligning the strategy, plans of action and policies and objectives towards addressing the Group's climate-related risk. The Board plays an integral role in respect of oversight specifically in relation to climate change. The Group will consider issuing a standalone TCFD report at the appropriate time, if the Board deems it appropriate.

Top climate-related risks and opportunities

The Group recognises the risks and opportunities that climate change presents to the global economy.

Climate-related risk	Mitigation	Theme financial impact
Carbon tax transitional risk (current regulation)	<ul style="list-style-type: none"> Solar PV roll-out and energy efficiency actions to reduce emissions and associated risk with future carbon tax liability 	<ul style="list-style-type: none"> Increase indirect (operating costs) Decreased revenue
Energy performance certificates transitional risk (current regulation)	<ul style="list-style-type: none"> Procurement of EPCs - this will allow the Group to understand sites which are inefficient, with the aim to improve EPC ratings in line with our environmental strategy 	<ul style="list-style-type: none"> Penalties related to non-compliance
Amendments and phased roll-out of legislation including NEMA 1998, National Waste Act 2008, National Water Act 1998 and municipal by-laws (emerging regulation)	<ul style="list-style-type: none"> Continuous engagement with experts along with internal tracking and research on regulatory changes that could impact the Group 	<ul style="list-style-type: none"> Increased direct costs through capital expenditure to ensure legal and regulatory compliance Increased costs associated with litigation, penalties and fines
Substitution of existing products and services to lower emission options (technology)	<ul style="list-style-type: none"> Continued pursual of green-certified properties The roll-out of solar PV and energy efficiency measures 	<ul style="list-style-type: none"> Decreased revenues due to reduced demand for products and services
Exposure to climate-related litigation (legal)	<ul style="list-style-type: none"> Ensure compliance with all relevant environmental legislation 	<ul style="list-style-type: none"> Increased indirect (operating) costs through litigation, fines and penalties
The increased cost of raw materials (market)	<ul style="list-style-type: none"> The roll-out of solar PV and energy efficiency measures We will continue to implement back-up battery systems to reduce our diesel consumption. 70% of properties (by GLA) have back-up power 	<ul style="list-style-type: none"> Increased indirect (operating) costs from diesel, electricity and water purchases

Environmental CONTINUED

Climate-related risk	Mitigation	Theme financial impact
<p>Increased water stress leading to drought conditions, increased water tariffs necessitating water storage infrastructure</p> <p>Chronic physical risk (water security and resilience)</p>	<ul style="list-style-type: none"> • Bulk remote meters have been installed throughout the South African portfolio, allowing monitoring of portfolio and alarms set on irregular consumption trends • Aqua trips installed on a number of sites. Night flow monitoring across the South African portfolio to identify wastage and / or possible leaks • Smart water meters installed to monitor water consumption and inform our operational strategy • Irrigation metered with timers • Retail centres: all bathrooms are separately metered and air-rated nozzles installed on majority of taps • Water wise vegetation across portfolio • Investigating water initiatives on identified properties: <ul style="list-style-type: none"> - Water-storage tanks - Grey water harvesting • Borehole water: <ul style="list-style-type: none"> - Exploring borehole as an alternative source to reduce reliance on municipal supply - The first three borehole pilot studies have delivered pleasing results - Further feasibility studies are being undertaken at four sites 	<ul style="list-style-type: none"> • Impact on tenant operations, increase in indirect costs (operating costs) and decrease of revenue • Borehole project costs of R1.8m incurred to date • The boreholes at 345 Rivonia and Fleurdal Mall came online in June 2023. From then until year-end, they have resulted in savings of approximately R183 000 and R494 000, respectively
<p>Structural damage to infrastructure and property because of extreme weather events</p> <p>Acute physical risk (infrastructure)</p>	<ul style="list-style-type: none"> • Tracking weather-related insurance claims • Portfolio risk assessment performed using the WRI Aqueduct tool and WWF climate-risk tool. This is used to identify areas that are vulnerable to extreme weather for planned response by business: floods, droughts and wildfires 	<p>Events leading to unforeseen damage to properties, increased insurance claims, higher capital expenditure and operational costs, thus reducing distributable earnings</p>
<p>Energy supply, storage, increased consumption and increased tariffs</p> <p>Transitional risk (energy security and cost)</p>	<ul style="list-style-type: none"> • Planned asset by asset environmental assessment to get to net zero, with costing • Greener, more efficient buildings • Energy efficient assessments performed by specialists • Solar energy investment • Battery back-up • Utility optimisation • Lighting retrofits • HVAC optimisation • LED lighting • Installation of smart meters 	<p>Increased direct and indirect (operating) costs</p> <p>Decreased revenues due to reduced demand for 'product' - shift in consumer preferences</p>
<p>Increased pressure to decarbonise</p> <p>Transitional risk</p> <p>Reputational risk</p>	<ul style="list-style-type: none"> • Obtaining Green Star certification to understand and address areas related to decarbonisation and shifting consumer behaviour 	<p>Receiving greater attention around the world as it poses an environmental and now financial risk due to severe weather patterns</p> <p>South Africa and numerous European countries have signed up to the Paris Agreement to reduce emissions to below 1.5°C</p> <p>Inability to raise capital (equity and debt)</p>

Insurance claims

Using insurance claims to measure weather-related damage is one way to track the impacts of climate change. The table below sets out the amount of weather related claims in respect of the South African portfolio over the past year.

	FY23	FY24 [^]	% change
South Africa (ZAR)			
Earthquake / sinkhole	-	-	0%
Rain / floods*	2 058 392	-	(100%)
Hail	-	-	0%
Wind	27 435	-	(100%)
Lightning	177 780	-	(100%)
Total cost of weather-related damage resulting from changing weather conditions	2 263 607	-	(100%)

* Storm-related claims.

[^] No claims made in FY24.

Energy

We have always played a leadership role in this sector by using and promoting efficient, reliable and sustainable energy resources.

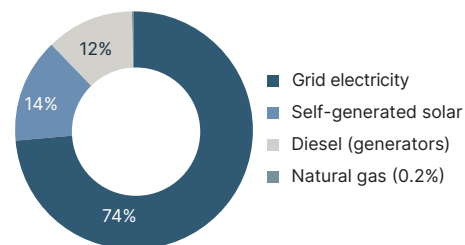
We continually seek opportunities to reduce our energy consumption by introducing renewable energy sources such as solar PV installations, minimising energy usage in common areas and assisting our tenants in reducing energy consumption and cost. In FY24, our energy consumption in South Africa equated to 135 180 MWh (including solar consumption, electricity sold to tenants, diesel and natural gas consumption), from 135 672 MWh in FY23. For the European portfolio, the total energy consumption equated to 64 337 MWh in FY24.

Rising electricity costs impact tenant affordability. In our South African operations, the country's reliance on coal generated electricity means that the use of grid energy has an adverse impact on the environment. Due to this, we continually seek to reduce our reliance on grid electricity. In FY24, the average amount of grid electricity consumed per square metre of the South African portfolio area increased to 102.3 kWh/m² (Mar-23: 100.8 kWh/m²). This was exacerbated further by increased reliance on diesel power to fuel generators through persistent loadshedding. Grid electricity consumption per square metre of the European portfolio amounted to 33.7 kWh/m².

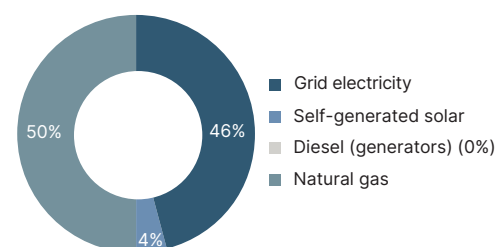
Over the past year, Burstone succeeded in containing the increase in the Group's total electricity cost to 6%, well below the Nersa increase of 18.7% and 12.7% in 2023 and 2024 respectively. This is a direct result of the Group's ESG roll-out i.e. LED lighting, tariff optimisation etc. However, due to severe loadshedding, Burstone's total diesel spend amounted to R36.6 million, of which c.76% is recoverable from clients.

Total energy consumption

South Africa FY24



Europe FY24



Investing in renewable energy

To reduce reliance on the grid, minimise our negative environmental impact and decrease costs, we continue to invest in renewable energy.

Since 2016, Burstone has invested R197.7 million (Mar-23: R113 million) into renewable energy initiatives in South Africa. Although the Group's European portfolio is not currently using renewable energy, the business has planned to roll-out solar PVs that will produce c. 4.5 MWp in the next 12 to 18 months.

Burstone's South African solar plants have generated a total of 74 572 653 kWh's of renewable energy which have resulted in savings of approximately 76 416 tonnes of CO₂e and R124 million in financial savings. During FY24, the solar PV plants have saved Burstone R37.6 million in grid supplied electricity. The plants generated 18 612 785 kWh's of renewable energy, saving 18 334 tCO₂e (FY23: 15 844 tCO₂e) purely due to solar PV installations.

South Africa	FY24	FY23
Total solar PV capacity (MWp)	14.88	13.24
Energy produced by solar / PV installations (MWh)	18 613	15 234
Annual saving in electricity spend from solar / PV installations (R'm)	37.6	26.8

Environmental CONTINUED

Our total solar generation capacity for the year was 14.8 MWp. Burstone has continued to support its clients during loadshedding by reducing the cost of occupation through various initiatives such as: (1) energy assessments, (2) wheeling considerations, (3) interfacing solar to generators, (4) rolling out additional solar power initiatives and (5) improving back-up power in Burstone's buildings.

In Europe, we are assessing the cost of solar PV roll-out in phases, i.e. Phase 1 - to generate sufficient capacity to satisfy current tenant requirements and Phase 2 - exploring the opportunity to further utilise roof space and sell additional capacity into the grid. This will not only provide return on investment opportunities and additional revenue streams but will also have a significant impact on the path to net zero. The business has planned to deliver a solar PV roll-out which will produce around 4.5 MWp across the portfolio over the next 12 to 18 months.

Energy efficiency

We frequently review our energy performance and seek opportunities to address operational efficiencies. The Group has implemented smart electricity metering systems across the European portfolio which identify energy saving opportunities and influence behavioral drivers. Alerts for unexpected energy consumption are issued by the meters to track irregularities and support benchmarking performance against industry norms. The Group is performing energy assessments throughout the portfolio to: (1) understand the potential areas of improvement and (2) maximise efficiencies in our drive to reduce tenant cost of occupation.

Buildings are the largest end-users of energy globally and account for a significant portion of the world's end-use of energy. Although solar and other renewable energy technologies are generally in the limelight, energy efficiency is the unsung hero on the route to decarbonisation.

Lighting forms a significant component of electricity consumption. With the help of a third-party consultancy, we conducted a lighting assessment across the South African portfolio and have replaced lights with energy efficient fittings. Over the past three years, Burstone has invested over €1 million in LED lighting for its European portfolio - enhancing the sustainability of the Group and reducing costs for our clients. This is one of the simplest and most cost-effective measures to reduce electricity consumption and related greenhouse gas emissions.



Marseille Park, Marseille, France

Newcastle solar project

Newcastle Mall (Phase 1):



Newcastle solar farm (Phase 2):



Newcastle Phase 1 and 2 combined

System size (kWp)	2 102
kWh savings per year	4 887 665
Emissions savings per year (tCO ₂ e)	5 027

Solar installation at Newcastle Mall creates 5 027 metric tons of emission savings per year

This is equivalent to CO₂ emission from:



1.9 million litres of diesel consumed



2.6 million kilograms of coal burned



634 homes energy use for one year



978 homes electricity use for one year



11 627 barrels of oil consumed

This is equivalent to greenhouse gas emissions avoided by:



190 528 incandescent lamps switched to LEDs



217 597 trash bags of waste recycled instead of landfilled



1 739 tons of waste recycled instead of landfilled



248 garbage trucks of waste recycled instead of landfilled



1.4 wind turbines running for a year

Environmental CONTINUED

Water

We continually seek ways to reduce our water consumption. Bulk-check meters have been installed across the South African portfolio which allow for early detection of wastage, including water leakages. Furthermore, the Group has implemented night flow monitoring across the South African portfolio to identify wastage and / or possible leaks. We have also installed smart water meters across some of the South African portfolio and the entire European portfolio to monitor water consumption and inform our operational strategy.

	FY24	FY23
South Africa		
Total portfolio water consumption (kilolitres)	580 311	665 819
Percentage municipal water (%)	97%	100%
Average amount of water consumed per square metre of portfolio area (kl / m ²)	0.57	0.64
Europe		
Total portfolio water consumption (kilolitres)	93 014	n/a*
Percentage municipal water (%)	100%	n/a*
Average amount of water consumed per square metre of portfolio area (kl / m ²)	0.07	n/a*

* This is the first year that we are disclosing information on our European operations.

The Group continues to investigate back-up water systems, where necessary, prioritising high water outage areas. In this regard, we are exploring borehole as an alternative source to reduce reliance on municipal supply. The first borehole pilot studies have been implemented at three properties in South Africa (Balfour Mall, Fleurdale and 345 Rivonia). Further feasibility studies are being undertaken at four other sites.

Climate-related risks such as flooding and heatwaves can directly impair the performance and longevity of buildings and infrastructure. Therefore, it is critical to understand the possible impact of these risks on our business. The portfolio was assessed for water flood risk. The assessment was conducted using the World Resource Institute (WRI) aqueduct tool to measure, map and mitigate water risks. The following is a breakdown of the risks identified within our portfolio, which are being taken into account when considering the implementation of any potential water initiatives:

Baseline water stress ¹			Riverine flood risk ²		
South Africa	No. assets	% of Total	South Africa	No. assets	% of Total
Arid and low water use	2	6%	High (6 in 1 000 to 1 in 100)	8	8%
Extremely high (>80%)	64	81%	Medium to high (2 in 1 000 to 6 in 1 000)	1	4%
High (40% - 80%)	-	-	Low to medium (1 in 1 000 to 2 in 1 000)	50	42%
Medium to high (20% - 40%)	3	5%	Low (0 to 1 in 1 000)	16	46%
Low to medium (10% to 20%)	6	8%			
Low (<10%)	-	-			
Total	75	100%	Total	75	100%

¹ Baseline water stress measures the ratio of total water withdrawals as percentage of total available renewable surface and groundwater supply.

² Riverine flood risk measures the percentage of population expected to be affected by Riverine flooding (i.e. when rivers overflow their banks).

Drought risk ³		
South Africa	No. assets	% of Total
Medium to high (0.6 - 0.8)	61	77%
Medium (0.4 - 0.6)	14	23%
Total	75	100%

³ Drought risk measures where droughts are likely to occur, the population and assets exposure and their vulnerability to adverse effects.

Waste

Burstone manages a waste register to better understand our waste management across the portfolios and identify opportunities to implement programmes to reduce the waste sent to landfills.

South Africa

Our total amount of non-hazardous, solid waste generated from externally managed waste for 22 of South African buildings was 3 683 tonnes (general waste: 1 554 tonnes and waste recycled: 2 129 tonnes).

Europe

Our total amount of non-hazardous, solid waste generated for 10 of our European buildings was 1 659 tonnes (general waste: 663 tonnes and waste recycled: 996 tonnes).

Green buildings

Investing in greening our buildings enhances our performance towards achieving a portfolio of properties that contribute to more sustainable cities. The GBCSA has developed rating tools to recognise and reward environmental leadership, creating a common standard of measurement for green buildings.

Benefits of green buildings include:

Lower operating costs	Increased property values	Minimising churn	Combat climate change	Responsible investing	Higher returns on assets

During the year, an additional three Green Star ratings were achieved. In total, 28 buildings have received Green Star ratings, comprising 82% of the office portfolio and 18% of the industrial portfolio.

In Europe, we have adopted the BREEAM certification for our buildings and full BREEAM in-use assessments have been undertaken on the entire portfolio. It is the world’s first and leading sustainability assessment and certification scheme for the built environment and is an international standard that is locally adapted, operated and applied through a network of international operators, auditors and industry experts.

BREEAM in-use helps building managers reduce the running costs and improves the environmental performance of existing buildings. It consists of a standard, easy-to-use assessment methodology and an independent certification process that provides a clear and credible route map to improving the sustainability of the asset and its operation.



30 Jellicoe, Rosebank, Gauteng, South Africa

Environmental CONTINUED

Green Star Existing Building Performance industrial PILOT project

The GBCSA's Green Star Existing Building Performance (EBP) rating tool was designed to rate the sustainability of the operational performance of existing buildings. In practice, it had been successfully utilised for commercial office projects, but the tool previously had limitations in its usage for industrial buildings. However, more recently the tool was adapted for this sector and the EBP's custom industrial PILOT tool was launched in June 2022.

The tool enables landlords and tenants to work together to measure and improve operational performance. This is particularly beneficial where the tenants concerned have their own corporate targets and policies on sustainability that align with the landlord's goals.

The development of an industrial-specific tool involved a customisation process to offer the market a standardised guideline for energy and water benchmarking for industrial

buildings, which did not exist in the South African property market. As with the standard EBP tool, a buildings' performance in terms of energy and water use is measured over a 12-month period. Staff also complete questionnaires about the indoor environment, which includes aspects such as natural daylight and fresh air, particularly in occupied spaces. Indoor air quality is also tested for carbon monoxide and other contaminants. The certification is then valid for three years and a building will then need to be re-certified.

In line with Burstone's desire to achieve a more sustainably built environment, the Group partnered with the GBCSA to participate in the Green Star EBP Industrial PILOT rating tool.

Burstone is proud to have partnered with GBCSA and to have obtained three additional Green Star certifications this year. The Group looks forward to continued collaboration to achieve the sustainability of the environment and the societies we operate in.



4 Sandown Valley
(Sandton, Gauteng)

GLA: 11 168 m²

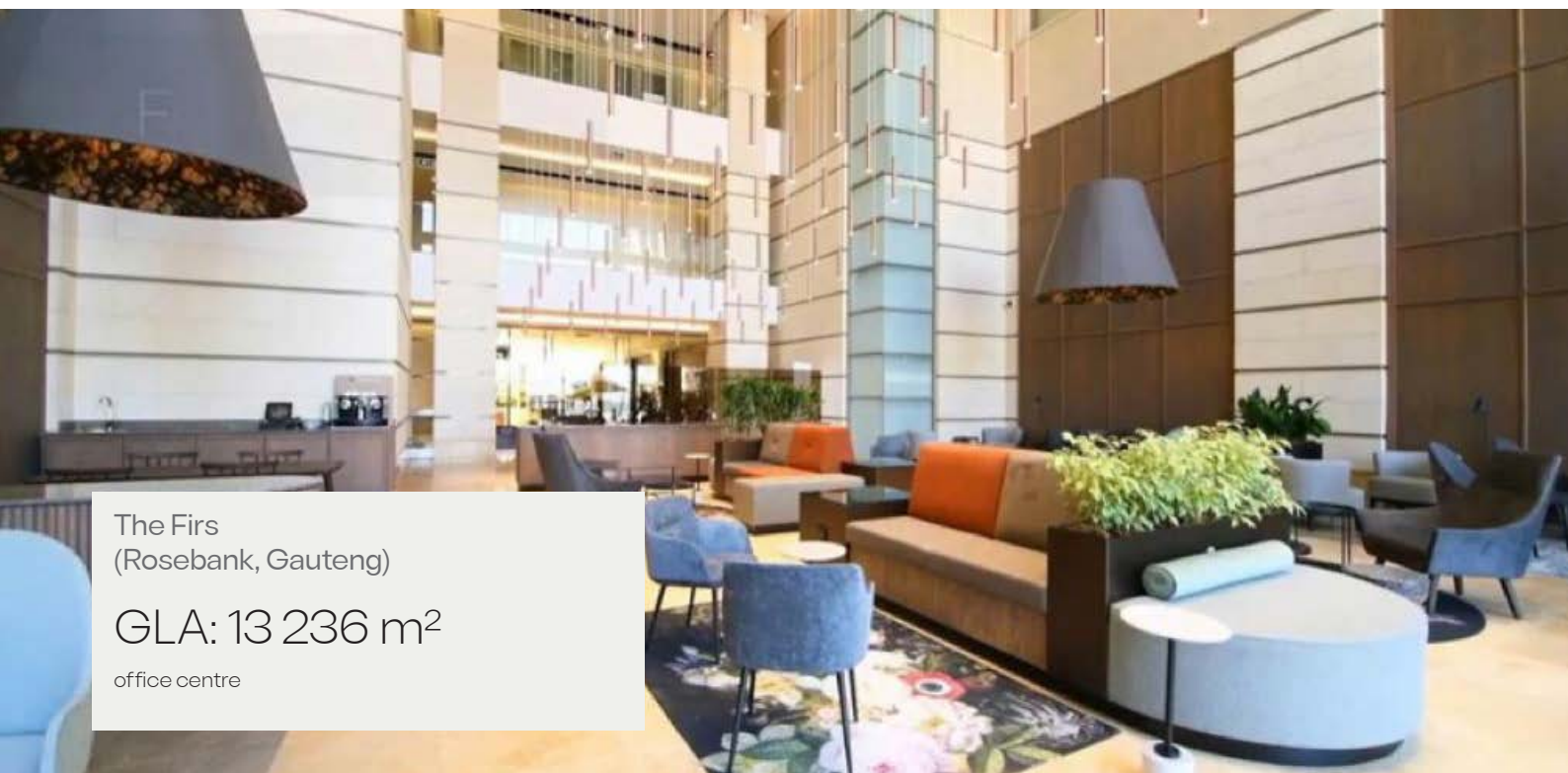
office centre



Bigen Africa
(Pretoria, Gauteng)

GLA: 5 340 m²

office centre



The Firs
(Rosebank, Gauteng)

GLA: 13 236 m²

office centre

Social

The social pillar of our ESG strategy concentrates on our relationships with our employees, clients, partners and the communities in which we operate, including our value chain and all stakeholders in our value chain, ensuring that everyone's interests are taken into consideration and addressed as effectively as possible. Burstone believes in fostering a sense of purpose and meaning amongst its employees. Beyond business, we support, develop and grow the communities in which we operate, through donations and time. This is fundamental to our approach to transformation and holistic sustainability.

OUR PEOPLE

Overview and year in review

The internalisation of the Group's South African and European management businesses in July 2023 brought about several changes from a people perspective. Before the internalisation, the Manager (a wholly owned subsidiary of the Investec Group) employed all the employees of Investec Property Fund (the Fund). The Manager rewarded the Fund's employees (including executive directors) aligned to the Fund's performance, and in accordance with the Investec Group's remuneration approach.

After the internalisation, Investec Property Fund was rebranded to the Burstone Group (the Group). The Group has had to develop its own remuneration and retention framework and Remuneration Policy. The year under review was thus heavily focused on our people. Critical to the success of the internalisation of the business were the people in it. Ensuring that key management and employees were retained and all employee agreements were smoothly transitioned after the internalisation was a key focus.

Our people continue to be one of our key differentiators and are at the core of who we are and what we want to achieve. The move out of Investec left Burstone in a unique position where there was certainly a huge uptick in the need for hiring, namely in more 'core services' functions that were predominately serviced from within Investec. From a people perspective, the first six months were therefore focused on the attraction of best-in-class talent, hiring, integration, support, enablement and designing for, forming teams and functions that never existed within Burstone before. There has been extensive focus on driving and streamlining people processes, practices and policies, across the Group and more importantly across regions, and navigating and leveraging the nuances that would naturally exist in the merging of two businesses globally. With our inherent culture leading us into this internalisation, the need to bring it alive in its own way under the new Burstone name was also a focus for business.

As a culture-led organisation, our values are our north star and derive from the assumption that the business will be successful through deep and meaningful relationships, together with strong underlying principles. These characters underpin everything we do and how we do it. We choose to operate in a flat, autonomous, and enabling structure, ensuring high levels of access for all. We uphold an environment that encourages authentic dialogue, high-levels of flexibility and trust, and exceptional delivery in line with the Group's purpose and strategy.

Beyond business we are committed to creating holistic and sustainable partnerships in all of our engagements, for all our stakeholders. We invest deeply in early childhood development initiatives, with a focus on education and job creation in the communities in which we operate. These initiatives align to our support of the UN SDGs, and particularly our commitment to:

- SDG 4: quality education
- SDG 8: decent work and economic growth

Burstone's people philosophy and practice

We employ passionate and talented people who are aligned with Burstone's strategic objectives and upskill and empower them to perform extraordinarily. We focus on our people and authentic relationships as a key part of our business philosophy. Leaders, together with the people function are responsible for delivering, curating and upholding our employee experience throughout the employee lifecycle, with the intention of creating value and enhancing individual and organisational performance.

Key components of the Burstone employee experience and people philosophy include:

- High levels of engagement, participation and ultimately delivery through authentic and rich dialogue and debate. The experience of being together enables relationships and interactions that underwrite the exceptional experience our clients and partners expect.
- Our working environment and space reflects who we are. Unmistakable, Simple, Agile, Bold. We aim to create and maintain a safe in-office environment in all our regions that fosters open and honest face-to-face engagement. We believe that the energy we create through our physical presence is a key part of our culture, which is one of our strategic differentiators. Trust, connection, flexibility and freedom to operate, innovation, collaboration, access, efficiency, performance and fun are fundamentals we hope to enable through a workspace and experience that reflects Burstone's characters.

- Continuous development of our employees, by prioritising and offering distinctive, evolving and bespoke learning opportunities and development programmes. Attracting and nurturing talent is a key driver for us; exceptional people bring about exceptional results. We stretch and develop our people, and support and enable their professional and personal growth, recognising that the calibre of our employees is a unique long-term competitive advantage. We focus on personal, interpersonal, technical and professional skills development and explore, test and nurture our organisational culture and purpose, through rich and diverse dialogue. We value mentorship and coaching to support individuals in their learning journeys. Over and above this, we offer our people access to public programmes, conferences, seminars and courses and provide employees with formal development opportunities through registered and accredited institutions, to enable the acquisition of knowledge and skills necessary for career development.
- Recognition and reward. We recognise and reward high performance and remunerate people meaningfully for performance and contribution through a holistic global remuneration framework aligned to our culture. Post internalisation, with the foundational principles around Investec's remuneration philosophy, Burstone consulted Deloitte to assist us with the design and implementation of a new remuneration framework. Our reward mechanisms are clear and transparent, designed and administered to align directors' and employees' interests with those of all stakeholders and ensure the Group's short-, medium-, and long-term success. Our remuneration framework is explained in detail in our Remuneration Report. Burstone is supportive of a minimum living wage and ensures that all its employees globally are paid above the relevant minimum statutory wage.
- Holistic wellbeing. We value the physical and mental health, social and financial wellbeing, as well as the safety and security of our employees. We recognise that as a deeply caring organisation which values holistic health, our employees achieve individual growth, authenticity, meaning and excellence and in turn, this leads to increased employee engagement and organisational performance. Our proactive and preventative offerings consider the health of the individual, their family, as well as the health of the team and the system as a whole.

Safety in the workplace is critical to achieving overall wellbeing, health and safety for our employees. It is essential that we prioritise the welfare, health and safety of all employees, in turn enabling them to feel safe at work, and know what is expected of them. Safety, health and protection of the environment forms an integral part of Burstone's planning and decision-making. We seek to manage the organisation, wherever we do business, in an ethical way that strikes an appropriate and well-reasoned balance between economic, social and environmental needs. We believe in and commit to reducing work-related accidents and occupational diseases by adhering to the minimum standard legislation(s) of the Health and Safety Act's of each region we operate in.

- Belonging, inclusion and diversity. Transforming our workforce is critical to Burstone's long-term success. Our approach is to recruit and develop based on aptitude and attitude, with the deliberate intention to build a diverse workforce, by actively seeking difference, engaging with minority groups, females and people with disabilities. We recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world. By fostering a culture of inclusivity and belonging, where diversity is appreciated, and where it feels "safe to be me", Burstone looks to uphold a working environment that is more inclusive, agile and responsive to the needs of all individuals.

Burstone is committed to being an equal opportunity employer. In accordance with our policies and practices, and relevant international labour organisation conventions and legislation, we do not tolerate any form of discrimination based on gender, gender reassignment, race, ethnicity, religion, belief, age, disability, nationality, political opinion, sensitive medical conditions, pregnancy, maternity, civil partnership and sexual orientation. People with different abilities are an essential part of a diverse talent pool and every effort is made to facilitate an accessible environment.

At 31 March 2024	Total	Female	Male
South Africa	29	18	11
Europe	18	4	14
Total number of employees	47	22	25

Social CONTINUED

OUR COMMUNITIES

Our properties are embedded in communities. We recognise that inclusive economic growth is vital in supporting the Group's sustainability and delivering value for all our stakeholders. Our approach to transformation means we focus on sustainability and building long-term partnerships. It also includes a focus on supplier and enterprise development, procurement and economic and socio-economic development. In FY24, the Group invested over R7 million in South Africa on enterprise, supplier and social development, as well as various CSI initiatives.

Socio-economic development initiatives

Burstone's socio-economic development initiatives centre around the AMP Programme and its Early Childhood Development initiatives.

AMP Programme

Burstone has continued its successful collaboration and partnership with Property Point Venture Catalyst, an industry-agnostic programme designed to drive economic inclusion for small and growing businesses (SGBs) and to implement enterprise and supplier development programmes within the South African property sector.

The Burstone AMPreneurs Enterprise Development Programme was launched to support and grow small businesses in the property sector. This comprehensive two-year initiative selected nine SGBs to participate. Six of these entrepreneurs were part of the previous programme and were

reselected for the new programme. The entrepreneurs receive essential skills, knowledge and development opportunities in areas such as entrepreneurial mindset development, business management, personal mastery, corporate governance, industry mentorship, peer learning, individual coaching, financial literacy, sales and marketing, and sustainability.

The programme is designed to offer a unique approach to rental relief coupled with business development support by driving supply chain integration for businesses that demonstrate the capability, competency and capacity to meet Burstone's procurement needs.

Key achievements

The AMPreneurs programme made remarkable strides in revenue expansion, job creation and securing major contracts. Businesses under the programme saw consistent revenue growth, leading to the creation of 12 new permanent jobs and an additional 42 roles within the AMPreneurs businesses. These accomplishments underscore the close relationship between revenue growth and job opportunities. Moreover, the programme successfully facilitated substantial contract acquisitions totalling R13 million, contributing significantly to revenue expansion and increased hiring across their businesses.

Burstone fitted out a new office space for the AMPreneurs in our building at 1 Protea Place. The AMPreneurs moved into their new, vibrant workspace in July 2023, enhancing their environment with modern amenities and design.



The AMP Programme team

Skills and development

Participants in the AMPreneurs programme benefitted significantly from targeted training and certification upgrades, empowering them to explore higher-value prospects, especially in environmental assessments and green technologies. Additionally, regular workshops emphasised key areas such as financial management, labour law compliance, green technology and social media marketing, resulting in notable enhancements in overall business competencies.

Program impact

The AMPreneurs programme has delivered a substantial positive impact on the participating SGBs, showcasing tangible results such as a total revenue of R40.3 million and a 24% median growth rate since the programme's inception. Additionally, the programme's effectiveness in fostering sustainable growth is evident as seven businesses achieved profitability. The programme's strategic focus on promoting women-owned businesses is also yielding promising outcomes, with 50% of the current programme participants being women-owned, in line with Property Point's goal of supporting 75% women-owned businesses within the next two years. Currently, Property Point's representation across all programmes stands at 64%.

Strategic partnerships

The programme's success is bolstered by strategic partnerships with key organisations like the National Cleaner Production Centre of SA (NCPC), the South African National Energy Development Institute (SANEDI) and the GBCSA. These partnerships provide businesses with critical support and skills to position themselves for opportunities in the green building value chain.

Future focus

The programme's future focus areas include emphasising technical skills workshops in project management, quality standards and green technologies. Facilitating registration with the GBCSA for select businesses is a priority. Coaching and mentorship modules will be launched to focus on talent management and pairing high-potential SMEs with industry mentors. Financial management training will target areas like cash flow and working capital management, while in-depth performance reviews will refine support for underperforming businesses.

The Burstone AMPreneurs Enterprise Development Programme has demonstrated significant progress and impact, validating the tailored approach of providing intensive, customised support to small and growing businesses. The programme continues to align with Burstone's commitment to driving economic inclusion and enterprise development within South Africa's property sector.



Scatterlings, Balfour Mall, Gauteng, South Africa

Social CONTINUED

OUR COMMUNITIES continued

Early Childhood Development

Burstone's key initiative relating to socio-economic development and our purposeful impact in the communities in which we operate has been focused on Early Childhood Development (ECD). ECD is a comprehensive approach to programmes and initiatives for young children in their critical developmental years. Its purpose is to protect the rights of children to develop their full cognitive, emotional, social and physical potential.

Early childhood offers a critical window of opportunity to shape the trajectory of a child's holistic development and build a foundation for their future. For children to achieve their full potential, as is their basic human right, they need healthcare and nutrition, protection from harm and a sense of security, opportunities for early learning, and responsive and nurturing caregiving. All of this is needed to nourish developing brains and fuel growing bodies. In the South African context, we have extremely high levels of disadvantaged children - including children living in poverty or affected by conflict, abuse, crime and discrimination.

Burstone recognises the importance of ECD in South Africa in particular, and has joined with a number of partners in this area in an effort to support children in this critical phase as we believe that integrated early child development programmes may be the most effective intervention for assisting poor children, families and communities to escape the inter-generational cycle of poverty.

Our ECD partners include Scatterlings, the Starfish Greathearts Foundation and the Johannesburg Childrens Home. Further information on our partners is provided below.

Scatterlings

Scatterlings is a non-profit organisation and has almost 20 years' experience in building ECD schools. They aim to identify and train women in disadvantaged communities to join the existing workforce, implement established programmes, provide ongoing monitoring and support, and establish partnerships with sponsors and/or government organisations.

Contributing to improving quality of life in South Africa is at the heart of Burstone's retail property business. The programme is based in Balfour Mall Shopping Centre and currently has 110 children within the centre. Approximately 450m² of retail space is being utilised. This includes naturally lit play areas, rest spaces, learning facilities, with educational equipment and dedicated bathrooms, all serviced by a team of devoted teachers and caregivers. Children are provided with a healthy lunch and refreshments on a daily basis.

Burstone has continued to support Scatterlings throughout the financial year with rental subsidisation and other initiatives. The facility has seen rapid growth over the last year from 74 children to 110 children and has resulted in the hiring of more staff - from six teachers to ten teachers, along with assistants, cleaners and chefs. With the support of Burstone, Scatterlings has recently embarked on an Occupational Therapy programme to assist children with barriers to learning. Though still in its preliminary stages, it has already shown remarkable outcomes. By providing this essential service directly from Scatterlings in the Balfour Mall Shopping Centre, Scatterlings has significantly eased the burden on parents, ensuring convenient access to crucial therapy for their children. This initiative is a groundbreaking first for Scatterlings, addressing a dire need that they have been unable to meet since their inception. Burstone will look to provide additional space to Scatterlings in the new financial year to support their growth and expansion.

A few highlights for Burstone and Scatterlings over the last year:

- Through a partnership with Excellerate JHI and OpenFibre, Burstone installed a fully subsidised Fibre Network Operator (FNO) to provide access to high-speed internet connectivity to Scatterlings. This installation significantly enhances the learning opportunities for children and teachers through the integration of digital learning tools and resources into the children's curriculum where they can explore interactive educational platforms, access online libraries and engage in virtual learning experiences. In turn, promoting digital inclusion by enriching their educational journey and preparing them for success in a digital world. Teachers are able to conduct research, collaborate on projects and develop digital literacy skills that are essential for their future academic and professional endeavors.
- Our South African team enjoyed a transformative conversation with Theresa Aaronson and Esimy Kabeya from Scatterlings. Theresa and Esimy shared the journey of Scatterlings, how it has come to be and how our staff could get more involved in making a significant impact in early childhood development and the lives of these young children. Esimy is the author of "Beyond Comrades. A race to self-discovery" and shared her inspiring story of self-discovery and quest for meaning in life with us.



Esimy Kabeya, Scatterlings

Staff participation

The South African team visited Scatterlings ECD centre on numerous occasions during year, and each time, these visits left a lasting impression on many of our staff. Some of the memorable events were the Grade R's first graduation as well as our team contributing to the Scatterlings Christmas party by sponsoring entertainment for the children, and gifting the crèche with books and educational toys donated by the team.



Scatterlings, Balfour Mall, Gauteng, South Africa

Social CONTINUED

Starfish Greathearts Foundation

Burstone offers rental subsidisation to the Starfish Greathearts Foundation at Design Quarter Shopping Centre and will continue to do so for the next three years.

Starfish Greathearts have three key focus areas for their foundation:

- **Nutrition:** Starfish provide proper nutrition to impoverished children, ensuring improved childhood growth, development and health. Their partners help initiate agricultural programmes and invest in community health.
- **Health:** Starfish ensure that impoverished and remote communities have access to primary health services through their Wellness Wagon programme. Children receive health care services, vaccines, HIV and tuberculosis testing as well as anti-retro-virals and adherence support.
- **Education:** Their commitment extends beyond academics to encompass emotional, social and physical development, fostering resilience and self-esteem. Through tailored educational curricula and innovative play-based learning, we aim to empower each child to thrive despite adversity.

Johannesburg Children's Home

The end of 2023 brought about a new partnership for Burstone, with Johannesburg Children's Home. The Johannesburg Children's Home is a registered Non-Profit Organisation and Public Benefit Organisation which provides a safe refuge for up to 64 children of all races who have been found in need of care by the Children's Court.

They care for Orphans and Vulnerable Children (OVC) found to be disadvantaged through physical, sexual or emotional abuse, severe neglect or abandonment, some are affected or infected by HIV/AIDS. At the Johannesburg Children's Home they start a new life, living communally in cottages, under the loving eyes of trained Child and Youth Care Workers.

The Johannesburg Children's Home established an ECD Centre in January 2021, developed for children aged 2-3 and 3-4, and focuses on school readiness, proper nutrition and supporting family strength. Burstone will look to continue this partnership with Johannesburg Children's Home as part of our ECD focus and holistic sustainability strategy.

Although still in its infancy, the partnership took off with much excitement in December 2023, where Burstone sponsored the school uniforms for all the children in the ECD centre and funded the Holiday Camp for some of the children that did not have families to go home to over the December holidays.



Johannesburg Children's Home end of year camp

Preferential procurement in South Africa

We focus on several initiatives across our supply chain and we remain cognisant of ensuring that transformation takes place across all these aspects. Over 80% of the Group's spend in South Africa is directed towards suppliers with a Level 1 and Level 2 B-BBEE status.

Excellerate JHI

JHI are the property managers of all of Burstone's properties in South Africa. Excellerate JHI is a leading real estate services firm that combines global standards with specialised local knowledge to create customisable high-performance solutions for its clients. Excellerate JHI advises property owners and occupiers on every aspect of their property strategies and assists them in the development, buying, selling, leasing, valuing and management of their assets. Excellerate JHI in South Africa are a Level 1 B-BBEE contributor. They support various corporate social investment and enterprise development initiatives and seek innovative solutions with high impact in these areas. Their structured procurement division secures services from B-BBEE suppliers to meet minimum targets for the procurement of the property sector's scorecard.

Burstone will continue to work with JHI to ensure that we make a meaningful contribution across the supply chain and seek out skills development opportunities to assist in the training and development of their employees.



Accountability

EXTRACTED SECTIONS FOCUSING ON OUR ACCOUNTABILITY

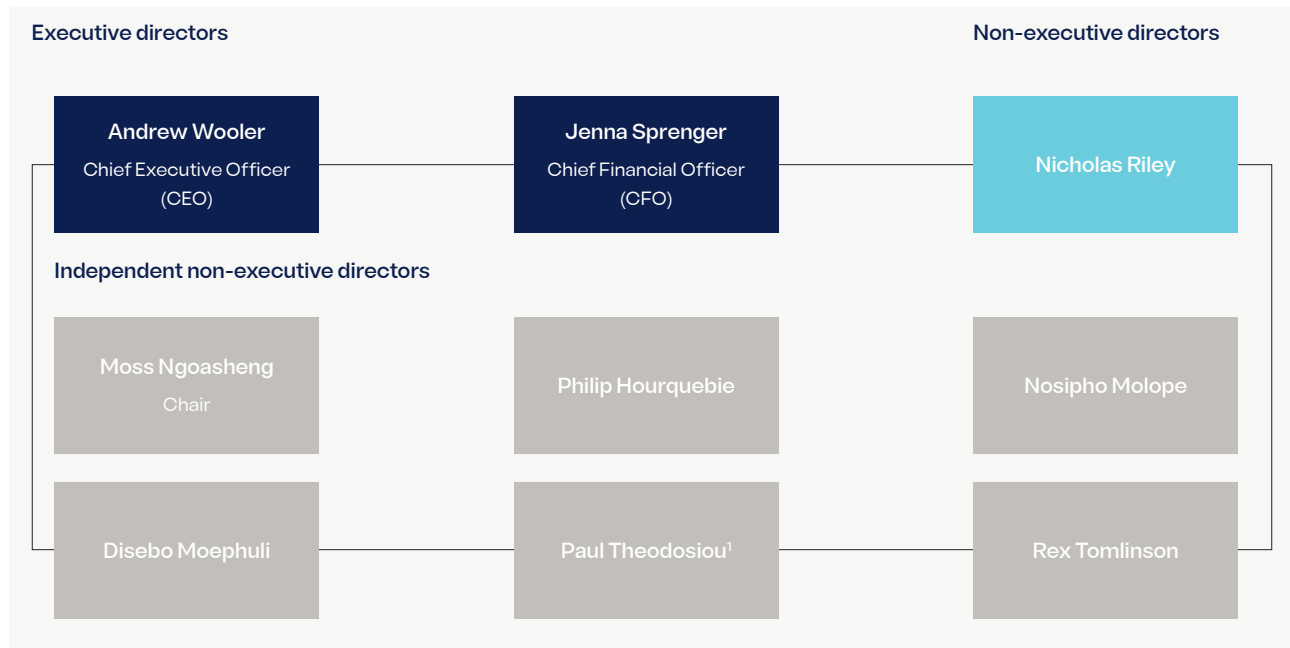
These extracted sections must be considered in the context of the full integrated report which includes our audited financial statements, as well as our strategic and financial performance. The full integrated annual report is available to download on our website

Corporate governance

Governance structure and combined assurance framework

Our governance structure and combined assurance framework is aimed at managing the business ethically and effectively, ensuring risk is managed within an environment of effective control.

The Board



Notes

1. Paul Theodosiou was appointed as an independent non-executive director with effect from 16 November 2023

The Board normally meets four times a year. Special board meetings are held as required.

Information on our leadership team is provided on pages 20 to 23.

Board committees

Roles and responsibilities

Audit and Risk Committee (ARC)	Social and Ethics Committee (SEC)	Nominations Committee (NC)	Remuneration Committee (RC)	Investment Committee (IC)	Related Party committee
See page 165 for the report	See page 109 for the report		See page 113 for the report		
Members					
Nosipho Molope*	Rex Tomlinson*	Moss Ngoasheng*	Rex Tomlinson*	Paul Theodosiou*	Moss Ngoasheng
Disebo Moephuli	Disebo Moephuli	Philip Hourquebie	Philip Hourquebie	Moss Ngoasheng	Nosipho Molope
Paul Theodosiou	Moss Ngoasheng	Rex Tomlinson	Moss Ngoasheng	Nicholas Riley	
Rex Tomlinson					
Invitees:	Invitees:	Invitees:	Invitees:	Invitees:	Invitees:
Andrew Wooler	Andrew Wooler	Andrew Wooler	Andrew Wooler	Andrew Wooler	Andrew Wooler
Jenna Sprenger	Jenna Sprenger	Jenna Sprenger	Jenna Sprenger	Jenna Sprenger	Jenna Sprenger

Note:

* Chair.

Roles and responsibilities

Audit and Risk Committee (ARC)

- Reviewing reports, annual financial statements and integrated annual report;
- Reviewing the appropriateness of accounting policies and application;
- Establishing appropriate financial reporting procedures and ensuring they are effective;
- Overseeing the external audit process and monitoring quality thereof;
- Considering the scope of the external audit;
- Reviewing internal audit plans, reports, capacity and capability;
- Ensuring compliance with legal requirements, accounting standards and the Johannesburg Stock Exchange (JSE) Listings Requirements;
- Ensuring the finance function is adequately skilled, resourced and experienced;
- Ensuring the expertise and experience of the financial director is appropriate;
- Ensuring the effectiveness of the internal financial controls and procedures;
- Reviewing the audit firm and designated partner and ensuring that the external auditor is overseeing the external audit process and monitoring the quality thereof;
- Reviewing risk processes and key risk areas; and
- Ensuring that the appointment of the auditor is tabled as a resolution at the annual general meeting of the Group pursuant to Section 61(8) of the Companies Act.

Social and Ethics Committee (SEC)

- Ensure that the Group promotes social and economic development;
- Oversee ethical business practices and mitigate reputational risk;
- Observe the Group's behaviour as a good corporate citizen, including its contribution to the development of our communities;
- Assisting the Board in defining the Group's strategy relating to Environmental, Social and Governance (ESG) matters and overseeing the management of ESG matters; and
- Responsible for monitoring sustainability-linked debt.

Related Party Committee

- Review proposed transactions between the Group and its related parties, to:
 - Assess whether the transactions are in the best interests of Burstone and its shareholders;
 - Evaluate whether the transactions fall within the ambit of a normal business relationship, including whether the related party service providers have the adequate skills and capacity and services are provided at market competitive rates; and
 - Confirm whether the terms of such transactions are no more favourable than would reasonably be expected of transactions negotiated on an arm's-length basis.

Nominations Committee (NC)

- Identifying and nominating suitable candidates to fill vacancies on the Board;
- Determining and evaluating the adequacy, efficiency and appropriateness of the corporate governance structure and practices;
- Establishing and maintaining a board continuity programme to:
 - Review the performance of the chair and identify successors;
 - Ensure the continued presence of non-executive directors; and
 - Conduct an annual self-assessment of the Board and committees;
- Regularly reviewing the structure, size and composition (including the skills, knowledge experience and diversity) of the Board;
- Making recommendations to the Board with regard to any proposed changes to the Board; and
- Providing recommendations to the Board for the retention of a current director, when appropriate.

Remuneration Committee (RC)

- Determine, develop and agree with the Board, the framework or policy for the remuneration of executive directors, executive management and other employees;
- Ensure that the Group's remuneration framework is fair, equitable and promotes responsible pay practices for all employees;
- Ensure that qualified and experienced management and executives are provided with appropriate incentives to encourage enhanced performance and are rewarded for their contribution to the success of the Group and alignment with the corporate objectives and business strategy;
- Recommend to the Board for approval, the level of non-executive director fees, that would be subject to shareholder approval at the AGM;
- Review and approve the remuneration report, including the implementation report, for inclusion in the annual integrated report;
- Review and approve the design of, and determine targets and objectives for any performance-related remuneration schemes operated by the Group and approve the aggregate annual payouts under such schemes;
- Review and approve, within the terms of the agreed policy, the total individual remuneration packages of executive directors including, where appropriate, bonuses, and long-term incentive rewards; and
- Oversee any major changes in the Group's employee benefit and remuneration structures.

Investment Committee (IC)

- Reviewing and recommending or approving or recommending to the Board:
 - Acquisitions or disposals of investment properties; or
 - Development or redevelopment opportunities; and
 - Any other investments or disposals for which the Board may require the approval of the investment committee, subject to the authority levels specified in the Terms of Reference;
- Ensuring all investment proposals approved by the committee are in the best interests of the Group; and
- Assessing whether any proposed deal represents a significant risk or conflict of interest or whether it could cause embarrassment for the Group.

Corporate governance CONTINUED

Board focus areas

During the period under review, the Board deliberations included the following:

Strategy and performance

- Periodically reviewed the Group's short- and long-term strategy to ensure the business evolved with changing operating conditions and remained relevant and innovative
- Approved the strategic repositioning of the Group towards a fully integrated, international real estate company and the shift towards a capital light business model
- Monitored and reviewed the transition arrangements as the Group implemented the internalisation of its business
- Considered proposed acquisitions and disposals and approved the execution of transaction activity undertaken during the year
- Approved annual budgets, capital expenditure plans, business plans and property valuations
- Assessed the quantitative and qualitative aspects of performance through a system of financial and non-financial monitoring that involved an annual budget process, detailed quarterly reporting against budget, regular reviews of forecasts and regular management of strategic and operational updates

Balance sheet and treasury management

- Understanding the impact of the global volatility in interest rates on the business and ensuring appropriate measures are in place to manage this risk
- Monitored gearing, liquidity and debt covenant levels ensuring compliance with all statutory, regulatory and other obligations
- Ongoing monitoring of derivative instruments ensuring the balance sheet is exposed to an acceptable level of foreign exchange and interest rate risk

Annual governance review

- Annual review of terms of reference of all committees and sub-committees and ensuring all authorisation / approval levels are appropriate
- Ongoing review of policies and procedures to ensure that internal systems of control are effective
- Ensured the induction and ongoing training and development of directors
- Evaluated the performance of the Board, senior management and considers succession planning

Risk and compliance

- Ongoing monitoring of the Group's risk register with all new and amended risks highlighted on a quarterly basis and ensured that the appropriate measures are in place to mitigate these risks
- Monitored compliance with relevant laws, regulations and codes of business practice
- Ensured the Group implemented the required processes necessary to facilitate the internalisation of its business

Conflict of interest and independence

- All conflicts of interest are managed through conflicts of interest policy which is available on our website at <https://www.burstone.com/investor-relations>
- Conflicts declared and noted prior to commencement of committee meeting and conflicted party refrained from voting on decision-making matters
- There are no conflicts to report on
- Independence managed through the related party committee where related party matters requiring approval are opined and escalated by committee where required

Environmental, Social and Governance

- Approved the Group's ESG strategy, including implementation and monitoring thereof
- Ensured that the Group's business practices, including our social and environmental activities, are sustainable
- Delivery of key CSI initiatives for the year
- Ensured that appropriate risk governance processes are in place to determine the Group's risk tolerance level and the integrity of its risk assessment procedures
- Ensured that appropriate information and technology governance processes are in place, and ensured that these processes are aligned to performance and sustainability objectives

Stakeholder engagement

- Monitored communication with all stakeholders to ensure that it is transparent, relevant and understandable
- Access and engagement through various platforms including, but not limited to, results roadshows, engagement around transaction activity, investor conferences and AGM
- The Chair of the Board and the Chair of the Remuneration committee specifically engaged with our largest shareholders on governance and remuneration related matters following the internalisation

The Board aims to exercise leadership, integrity and judgement in pursuit of these strategic goals and objectives in order to secure the long-term sustainability, growth and performance of the Group. Conflicts of interest and related party transactions are dealt with in terms of formalised processes.

Ethical leadership

The Group's philosophy, values and processes inform its compliance with legislative, regulatory and best-practice requirements. It provides the framework against which we measure behaviour and conduct practices to ensure the highest standard of corporate governance.

The Group's values, culture, processes, functions and organisational structure are informed by a fundamental commitment to best practice corporate governance.

The Group's values require that directors and all stakeholders, and those providing services to the Group, act with integrity, displaying consistent and uncompromising moral strength and conduct in order to promote and maintain trust amongst all our stakeholders. The business is structured in such a way as to ensure that our values and ethics are embedded in all business processes, which are consistently assessed and enhanced. A written statement of values serves as the Group's code of ethics.

The Group complies with all relevant regulations (and all international equivalents), including:

- The Companies Act (No. 71 of 2008, as amended);
- King IV™;
- The JSE Listings Requirements; and
- The JSE Debt Listings Requirements.

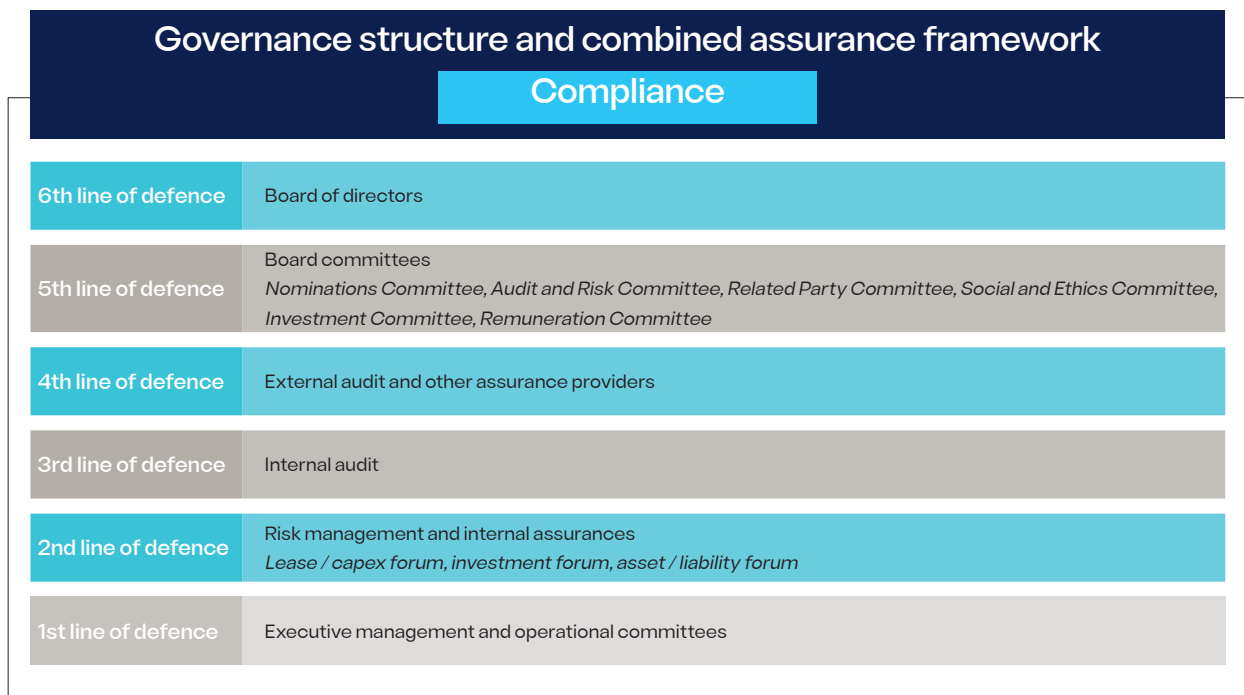
Stakeholders are assured that the Group is managed ethically and in accordance with international best practice at all times.

External service providers, including property managers, are held to the highest standards, and these have been incorporated into the relevant service level agreements.

Governance framework

The Group has adopted a risk and governance structure that enables it to operate effectively by delegating certain responsibilities to the committees of the Board. The roles and responsibilities of the Board committees are outlined on page 103.

Governance structure and combined assurance framework



Compliance with applicable laws

The Group has remained compliant with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act, and has operated in conformity with its memorandum of incorporation during the year under review.

Corporate governance CONTINUED

Value-enhancing governance	
Key corporate governance practices in place within our business	
✓ At least one-third of non-executive directors offer themselves for re-election at each Annual General Meeting in line with MOI	✓ Proactive stakeholder engagement
✓ Annual review of board leadership structure	✓ MOI includes provisions on the protection of shareholder rights and the equitable treatment of shareholders
✓ Annual board and committee evaluations	✓ Combined assurance approach
✓ Directors are entitled to seek independent professional advice	✓ Shareholder right to call special meetings
✓ Succession planning	✓ Related-party transactions monitored and transparently disclosed
✓ Risk management through an enterprise risk management framework	

The Board

The Board recognises that sound corporate governance is essential to creating value as well as protecting against value erosion. The Board provides effective leadership based on an ethical foundation and together with its committees is responsible for assessing and managing risk and ensuring that appropriate risk management policies and procedures are in place. By understanding key risks to the business, determining risk tolerance, and approving and reviewing implementation processes, the Board mitigates risk and capitalises on opportunities. The Board ensures that appropriate information and technology governance processes are in place, and that these processes are aligned to performance and sustainability objectives.

The Board oversees significant capital expenditure and the approval of acquisitions and disposals of investments.

The Board approves, and is responsible for, the business strategy developed by the executive and monitors the implementation thereof, as well as ensuring legislative and regulatory compliance. The Board constantly reviews and updates corporate strategy and works to promote the highest standards of corporate governance by assessing and approving key policies and objectives, as well as by ensuring that obligations to its shareholders and other stakeholders are understood and met.

The Board aims to exercise leadership, integrity and judgement in pursuit of these strategic goals and objectives in order to secure the long-term sustainability, growth and performance of the Group. In doing so it ensures that the Group's business practices, including our social and environmental activities, are sustainable.

The Board, through the Nominations Committee, ensures the induction and ongoing training and development of directors. It further evaluates the performance of senior management and considers succession planning.

It provides leadership within a framework of effective controls, which allow for risks to be properly assessed and managed. Conflicts of interest and related party transactions are dealt with in terms of formalised processes.

The Board charter details the objectives of the Board and its scope of responsibility. In order to achieve the Group's strategic objectives, the Board may delegate certain duties and functions to the Board committees or to executive management while not abdicating its own responsibilities. All of these committees have specific Terms of Reference, appropriately skilled members and access to specialist advice, when necessary.

In fulfilling its responsibilities, the Board monitors the implementation of the strategies and plans it has approved.

Board composition

The Board recognises that a range of perspectives is critical to ensure effective oversight and strategic decision-making. The diversity of skills, experience, background and outlook is essential for the Group to operate effectively. While non-executive appointments are based on merit and overall suitability for the role, the Nominations Committee is mindful of all aspects of diversity, including gender and race, when making recommendations for appointment to the Board. A board diversity policy is in place. The Board Nominations and Board Evaluation Policy is available on our website at <https://www.burstone.com/investor-relations>.

The balance of executive and non-executive directors is such that there is a clear division of responsibility to ensure a balance of power. No single individual or group can dominate board processes or have unfettered decision-making powers.

The chair is an independent non-executive director. Although he has a longer tenure with the Company, the Nominations Committee is comfortable that he remains independent and his institutional knowledge is critical, particularly as the Group completes the internalisation, of its business and its strategic repositioning.

In compliance with international standards of best practice, the roles of the chair and the CEO are separate and distinct, with a clear division of responsibilities that have been approved by the Board.

Skills and experience

The Board has diverse skills which serve as a competitive advantage. In our continual pursuit of best practice governance, we seek areas where board skills can be bolstered to address the dynamic context in which we operate. The skills and experience of the Board members, who are subject to annual evaluation, were deemed appropriate to fulfil their duties and responsibilities. In assessing the skills requirements considering the current operating environment and forward-looking material matters, our analysis identified that additional skills in the areas of ESG sustainability would be advantageous. These board development focus areas are broad, yet could have an impact on our ability to create sustainable value over the longer term. The Board will continue to build its proficiency in these areas, supported by a skilled management team.

For detailed overview of the Board of directors' CVs, refer to pages 20 to 23.

Company secretary

The role of the company secretary is performed by Pieter van der Sandt who is not a director or a shareholder of the Group and maintains an arm's-length relationship with the Board and the individual directors. As the company secretary, he is responsible for the flow of information to the Board and the Board committees, as well as for ensuring compliance with board procedures. All directors have access to the advice and services of the company secretary, whose appointment and removal is decided by the Board.

The Board is assured that the company secretary is suitably qualified, competent and experienced.

Debt officer

Jenna Sprenger is the debt officer pursuant to the Debt Listings Requirements.

The Board has satisfied itself on the competence, qualifications and experience of the debt officer.

Independent advice

Through the chair or the company secretary, individual directors are entitled to seek independent professional advice at the Group's expense on matters relating to the fulfilment of their duties and responsibilities.

Rotation of directors

In line with the recommendations of King IV™, the periodic, staggered rotation of non-executive directors serves to introduce members with new expertise and perspectives while retaining valuable knowledge, skills and experience, and maintaining continuity. This year, Nicholas Riley, Disebo Moephuli and Nosipho Molope will retire by rotation at the AGM. Nosipho Molope is not available for re-election.

Board and directors' performance evaluation

The performance of the Board, the Board committees and individual directors are evaluated regularly against recognised standards of corporate governance that cover all areas of the Board's processes and responsibilities.

The chair conducted a formal performance evaluation process for the 2024 financial year by means of both questionnaires and one-on-one meetings with each director. The meetings were used as an opportunity to discuss personal observations and, in particular, to seek comments on the strengths and areas of development of the members, the chair and the Board as a whole.

Terms of appointment

Non-executive directors are appointed in accordance with terms set out in a letter of appointment. Amongst other things, this letter sets out their duties, responsibilities and expected time commitments. It also provides details of the Group's policy on obtaining independent advice and, where appropriate, details of the Board committees on which the non-executive director will serve.

Tenure

The Board is of the view that none of the current non-executive directors have served on the Board for a period that materially interferes with their ability to act in the Group's best interests.

Ongoing training and development

Ongoing training and development are a standing agenda item for the Board, and the Board pack includes updates on various training and development initiatives. Training and development happens on an as needed basis. Board members receive regular formal presentations on regulatory and governance matters, as well as on the business and support functions.

Board meetings

The Board meets at least four times a year. During the year ended 31 March 2024, six meetings were held. The chair, in consultation with the CEO and the company secretary, is responsible for setting the agenda for each meeting. Comprehensive information packs on matters to be considered by the Board are provided to the directors in advance of the meetings.

Corporate governance CONTINUED

Board and committee meetings attendance

Director	Audit and Risk		Social and	Nominations	Remuneration	Investment
	Board meetings	Committee meetings	Ethics Committee meetings	Committee meetings	Committee meetings	Committee meetings
Moss Ngoasheng (Chairperson)	6/6	-	2/2	4/4	5/5	3/3
Andrew Wooler (CEO)	6/6	Invitee	Invitee	Invitee	Invitee	Invitee
Jenna Sprenger (CFO)	6/6	Invitee	Invitee	Invitee	Invitee	Invitee
Philip Hourquebie	6/6	-	-	4/4	5/5	-
Samuel Leon ¹	5/5	-	-	-	-	2/2
Disebo Moephuli	6/6	5/5	2/2	-	-	-
Nosipho Molope	5/6	4/5	-	-	-	-
Nicholas Riley	6/6	-	-	-	-	3/3
Khumo Shuenyane ²	2/3	3/3	-	3/3	4/4	-
Paul Theodosiou ^{3/4}	1/1	1/1	-	-	-	1/1
Rex Tomlinson ⁵	6/6	2/2	2/2	4/4	5/5	-

Notes

- Retired as non-executive director with effect from 16 November 2023.
- Retired as non-executive director with effect from 3 August 2023.
- Appointed as non-executive director with effect from 16 November 2023. Number of meetings reflect those meetings that took place post him becoming a non-executive director.
- Appointed to the Audit and Risk Committee and Investment Committee following his appointment as a non-executive director in November 2023. Number of meetings reflect those meetings that took place post him becoming a member.
- Appointed as member of the Audit and Risk Committee following the retirement of Khumo Shuenyane as a director. Number of meetings reflect those meetings that took place post him becoming a member.

Directors' dealings

Directors' dealings in the securities of the Group are subject to a policy based on regulatory requirements and best-practice governance.

King IV™

The Board is of the opinion that the Group has complied with the guidelines set out in King IV™ throughout the reporting period. This is evidenced by the information disclosed throughout this report. An overview of all the principles and the extent of their application is set out on our website.

Remuneration

The Group's remuneration policy and remuneration report are provided on page 113 to 146.

Financial reporting and going concern

The assumptions underlying the going-concern statement are discussed at the time of the approval of the annual financial statements by the Board. These include budgeting and forecasts; profitability; capital; and solvency and liquidity.

In addition, the directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the annual financial statements, accounting policies and the information contained in the integrated annual report. In undertaking this responsibility, the directors are supported by an ongoing process for identifying, evaluating and managing the risks associated with preparing financial and other information contained in this integrated annual report.

The process is implemented by executive management and independently monitored for effectiveness by the Audit and Risk Committee and other Board committees.

Our annual financial statements are prepared on a going-concern basis, taking into consideration the:

- Group's strategy, prevailing market conditions and business environment;
- Nature and complexity of our business;
- Risks, management and mitigation;
- Key business and control processes in operation;
- Credit rating and access to capital;
- Needs of stakeholders;
- Operational soundness;
- Accounting policies;
- Corporate governance practices; and
- Desire to provide relevant and clear disclosures.

The Board is of the opinion, based on its knowledge of the workings of the Group and in consideration of the key processes in operation and specific enquiries, that there are adequate resources to support the Group as a going concern for the foreseeable future. Furthermore, the Board is of the opinion that the risk management processes and systems of internal control are effective.

The Board is required to confirm that it is satisfied that the Group has adequate resources to continue in business for the foreseeable future.

Social and Ethics Committee report

Introduction

I am pleased to present our first Social and Ethics Committee (SEC) report as the Burstone Group. While not starting from scratch, post the internalisation in July 2023, the focus of the year was on building the capacity and structures to support our ongoing initiatives independent of support from the Investec Group. A key area of focus for the Committee involved reviewing the sustainability initiatives prior to the internalisation and tracking their progress while agreeing a future broader long-term strategy for the Group, that was underpinned by a solid roll-out plan across all jurisdictions. The roll-out of this plan is work in progress with some areas, such as our people, receiving more management focus in a year of transition.

The strategy looks to ensure we strive to use natural resources as efficiently as possible while we carefully manage our direct operational footprint and aim to provide our tenants with energy and water security. We are pleased to report a reduction of 7% in our calculated South African carbon emissions and have developed reporting to measure emissions for our European portfolio.

People was a key focus for management over the year as we looked to transition staff from Investec to the Burstone Group. This was successfully achieved while improving the racial and gender diversity of our South African team in the process. We remain at a B-BBEE Level 1 for the current year, but envisage this will drop to Level 2 in the year ahead.

The report below outlines how we have continued to make progress over the year and the areas of focus for the year ahead as we look to implement the Group's broader long-term sustainability ambition.

Overview and governance framework

The SEC assists the Board in ensuring that the Company conducts itself as a responsible corporate citizen with a focus on sustainable growth and social and economic development guided by high ethical standards. The Committee takes responsibility for monitoring the non-financial elements of sustainability and monitors the Group's performance in terms of climate-related and sustainability (including ESG) indicators. It is responsible for monitoring Burstone's activities, having regard to any relevant legislation, other legal requirements, or prevailing codes of best practice. The Committee is chaired by independent non-executive director, Rex Tomlinson, and further comprises of two independent non-executive directors, Moss Ngoasheng and Disebo Moephuli.



Social and Ethics Committee report

CONTINUED

The Committee may delegate any of its powers, authorities and responsibilities to a sub-committee comprising such other forums or committees or individuals and may revoke or vary such delegation, as it sees fit. The CEO is the executive who takes responsibility for working with the SEC to ensure that Sustainability and ESG principles are embedded in the Company's activities.

The Audit and Risk Committee (ARC) has the primary role of providing assurance to the Board on the effectiveness of the compliance function, control framework, procedures and processes. However, the SEC will rely on the input of the ARC to give assurance in relation to these issues as well as any other matters where there may be overlap with matters dealt with by the ARC.

Two meetings were held during the year and agenda items that were discussed included:

- The Group's sustainability strategy, journey and proposed plan;
- Employment equity and the B-BBEE scorecard;
- Our People philosophy and developments within the year;
- Progress with respect to our CSI initiatives;
- Progress regarding our environmental objectives and developments;
- Reputational matters; and
- ESG targets for inclusion with the Group's remuneration framework.

Sustainability

We recognise the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business. Our sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of ESG and seeks to achieve net-zero emissions. Within this broader strategy it is important that the Group drives transformation throughout the business with a clear focus on gender, cultural and racial diversity (locally and internationally), and remains cognisant of specific B-BBEE requirements in South Africa. The Company's commitment is to create broader financial and non-financial stakeholder value; embed ESG considerations into its investment processes; manage and mitigate ESG risks (including climate risks); seeks to achieve net-zero emissions by 2050; and contribute to sustainability opportunities aligned to the United Nations Sustainable Development Goals (SDGs). We are cognisant of the increasing need to quantify our impact and have enhanced our focus on disclosure and delivering greater levels of meaningful ESG data, this process will continue to be improved over time. In this regard, we have worked with, and continue to work with experts and consultants in this area.

Environmental

The climate-related responsibilities of the Committee include:

- Promoting environmental responsibility (including action on climate change).
- Assessing, and where appropriate minimising, the impact of Burstone's activities and its properties on the environment and the communities in which it operates.
- Considering, reviewing and monitoring climate-related risks and opportunities within the ambit of the built environment.
- Reviewing changes to Burstone's chosen SDGs.
- Reviewing new climate-related and sustainability (including ESG) policies and any material changes to existing policies.
- Reviewing and approving the sustainability information as published as part of the annual reporting process.
- Reviewing and approving the Carbon Disclosure Project (CDP) submission and monitoring Burstone's performance.

The SEC is informed of climate-related issues through a standing agenda item.

Developments during the year included:

The European business conducted several analyses including: commissioning a decarbonisation review of the entire portfolio; and an assessment of "self-consumption" covering solar strategy. The European business is planning the delivery of a substantial photovoltaic (PV) roll-out which will produce 4.5 MWp across the portfolio when complete over the next 12 to 18 months. Progress in the roll-out of this strategy will be presented to the SEC over the next year.

The European business performed BREEAM in-use pre-assessments across its entire portfolio. The business has also concluded a smart meter roll-out across all European assets. This will allow the landlord access to live energy consumption data, also for those assets where the tenants hold the utility contracts, and help in promoting energy efficiency, driving cost savings over time, and supporting our strategy to reduce carbon emissions. The Group will look to see how it can use the improved data to improve its carbon emission tracking and will report back to the SEC.

In South Africa, 70% of Burstone's portfolio is covered by back-up power and the Group has installed 14.8 MWp of solar generation capacity to date to alleviate the burden of the energy crisis. In South Africa, the Group implemented its first borehole pilot studies with pleasing results. Multiple green leases have been entered into with clients on solar-shared savings models. The South African business partnered with Green Building Council South Africa (GBCSA) to participate in the Green Star Existing Building Performance Industrial pilot rating tool and achieved 4-star Industrial Green Star certification for five of its buildings. The South African business achieved three new 4-star ratings in its office portfolio and recertification on nine 4-star ratings.

The total South African greenhouse gas emissions have been calculated at 105 282 tCO₂e, following the Greenhouse Gas Protocol, these emissions have reduced by 7% over the year.

We are pleased to report on our carbon emissions in the European portfolio for the first time and will further embed our reporting processes over the course of the next year. The total greenhouse gas emissions incurred for the European portfolio have been calculated at 21 551 tCO₂e.

Looking ahead to the financial year ending 31 March 2025 (FY25), the Group will aim to:

- Complete further analysis of borehole viability across the South African portfolio;
- Approve a pilot study for alternative energy sources outside of solar in South Africa;
- Undertake a carbon audit across the European portfolio: the audit should inform the processes and steps we need to take to align with the 2030 Paris Agreements;
- Roll-out its European solar strategy; and
- Further reduce its emissions.

Social

The social pillar of our ESG strategy concentrates on our relationships with our employees, clients, partners and the communities in which we operate, including our value chain and all stakeholders in our value chain, ensuring that everyone's interests are taken into consideration and addressed as effectively as possible. We are committed to creating holistic and sustainable partnerships in all of our engagements, for all our stakeholders. We invest in early childhood development initiatives, with a focus on education and job creation in the communities in which we operate. These initiatives align to our support of the SDGs, in particular SDG 4: quality education and SDG 8: decent work and economic growth.

The Group has a transformation strategy which sets out its philosophy and approach towards transformation in its South African business. The transformation strategy incorporates its targets for many aspects within the B-BBEE framework. Progress in this regard is reported on at the SEC.

The SEC also monitors the Group's approach with respect to diversity and inclusion.

Developments during the year included:

During the year, Burstone maintained its Level 1 B-BBEE status. The Group continues to spend over R7 million per year in South Africa on enterprise, supplier and social development and several other CSI initiatives. We focus on several initiatives across our supply chain and we remain cognisant of ensuring that transformation takes place across all these aspects. Over 80% of the Group's spend in South Africa is directed towards suppliers with a Level 1 and Level 2 B-BBEE status. We employ 29 people in South Africa: 43% of our staff are black; 60% of our staff are female and 34% of our staff are black female.

Burstone continues to collaborate with Property Point Venture Catalyst on its AMP programme to drive economic inclusion for small and growing businesses and to implement enterprise and supplier development programmes in South Africa within the property sector.

In 2023 Burstone partnered with Scatterlings early childhood development to open a new site in Balfour Mall, providing both the space and funding for the centre. Scatterlings is a non-profit organisation and has 20 years' experience in building early childhood development schools. They aim to identify and train women in disadvantaged communities to join the existing workforce and provide early learning development for children. The programme in Balfour Mall currently has 110 children within the centre with capacity to take up to 150 children. We have continued our sponsorship of the learning centre and following its successful implementation, will look to potentially roll this out to some of our other retail properties.

Looking ahead to FY25:

- The Group will report on employee data within its B-BEEE framework. This was not a requirement for the Group prior to its internalisation. It is anticipated that the Group's B-BBEE status will fall from a Level 1 and the Group is committed to maintaining a status of Level 2 or higher.
- We are well placed to deliver our employment equity plan over the next three- to five-years and aim to maintain at least 50% black staff and 30% black female (targeting 40% black female) across the South African business and at various levels of seniority. We also wish to maintain at least 50% female staff across the Group.
- We are committed to rolling out initiatives such as training, graduate and bursary programmes to upskill, grow and develop, not only our own staff, but also employees of our suppliers and other individuals in the communities in which we operate.
- We remain committed to supporting, developing and growing the communities in which we operate through our various enterprise, supplier and social development and several other CSI initiatives.



Rex Tomlinson
Social and Ethics Committee chairman

4 July 2024