



Accountability

EXTRACTED SECTIONS FOCUSING ON OUR ACCOUNTABILITY

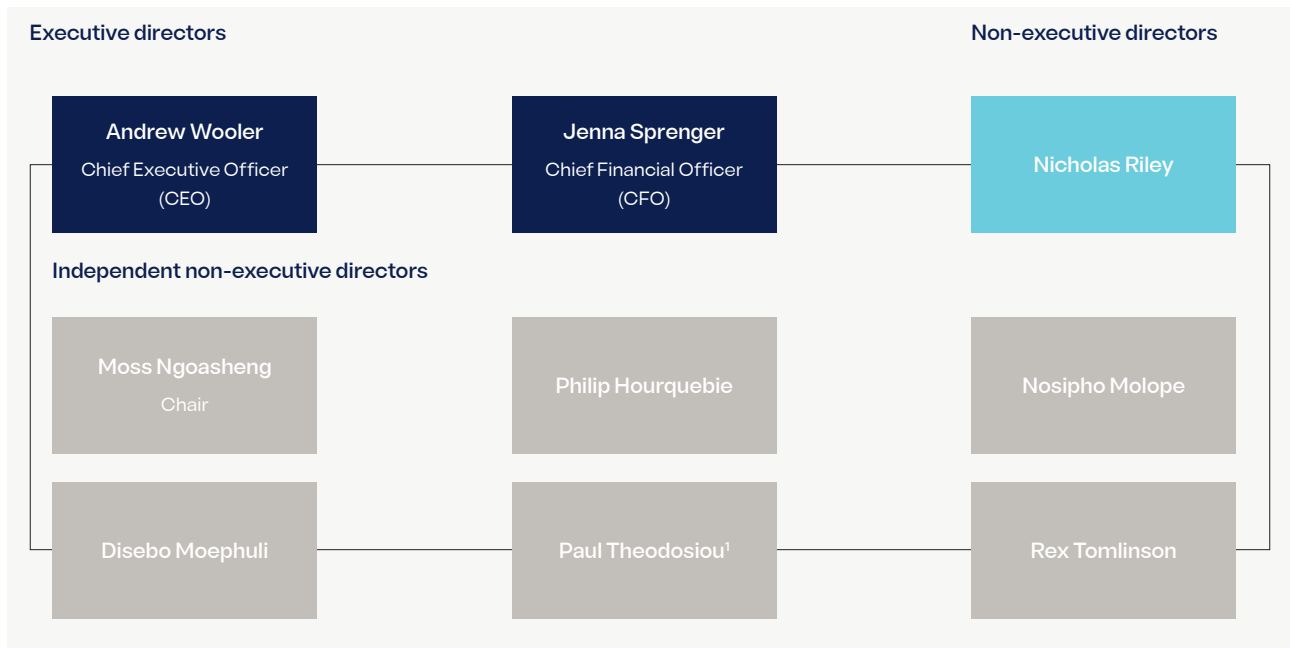
These extracted sections must be considered in the context of the full integrated report which includes our audited financial statements, as well as our strategic and financial performance. The full integrated annual report is available to download on our website

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* Disebo Moephuli Paul Theodosiou Rex Tomlinson	Rex Tomlinson* Disebo Moephuli Moss Ngoasheng	Moss Ngoasheng* Philip Hourquebie Rex Tomlinson	Rex Tomlinson* Philip Hourquebie Moss Ngoasheng	Paul Theodosiou* Moss Ngoasheng Nicholas Riley	Moss Ngoasheng Nosipho Molope
Invitees:	Invitees:	Invitees:	Invitees:	Invitees:	Invitees:
Andrew Wooler Jenna Sprenger	Andrew Wooler Jenna Sprenger	Andrew Wooler Jenna Sprenger	Andrew Wooler Jenna Sprenger	Andrew Wooler Jenna Sprenger	Andrew Wooler 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.

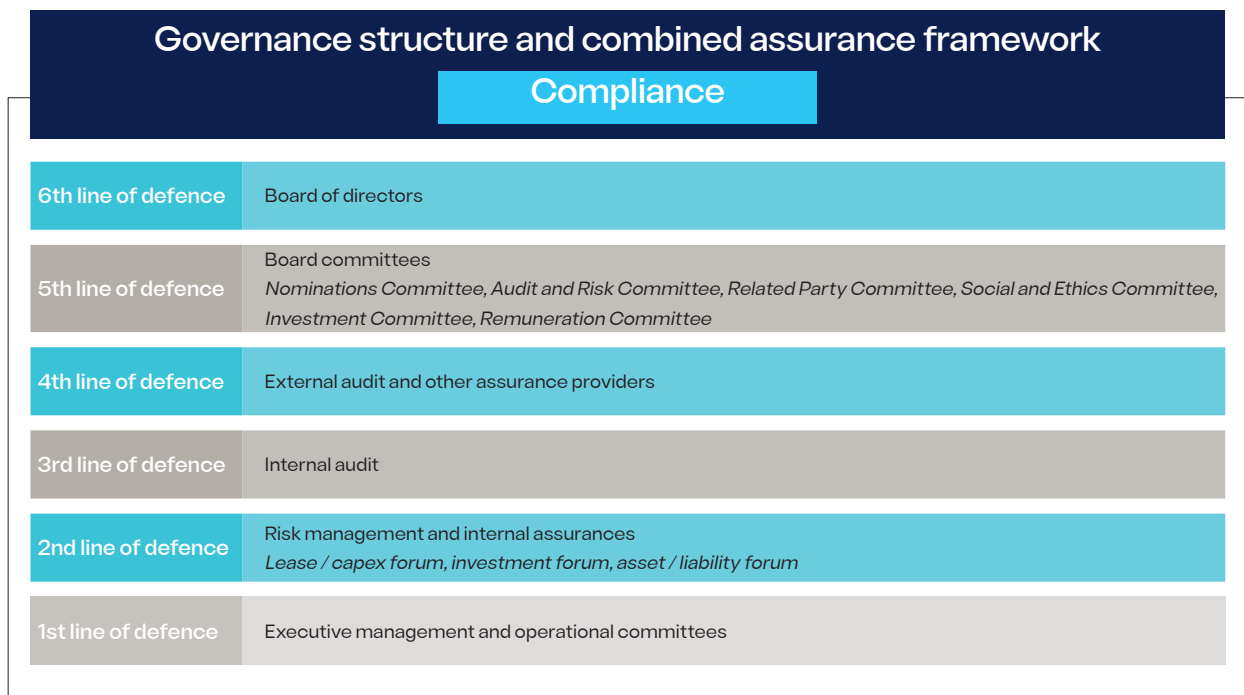
Stakeholders are assured that the Group is managed ethically and in accordance with international best practice at all times.

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

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

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-BBEE 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