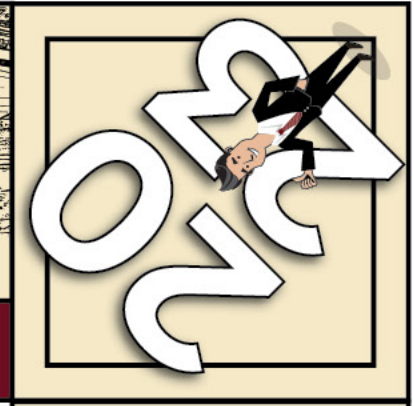




BOARD MEETING: 10 MAY 2023

AUDIT AND RISK MEETING: 5 APRIL 2023



PUTPROP

Sustainability Report
for the year ended 30 June 2023



INTERIM DIVIDEND: 3 APRIL 2023

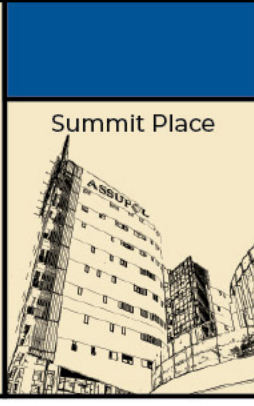
BOARD MEETING: 8 MARCH 2023



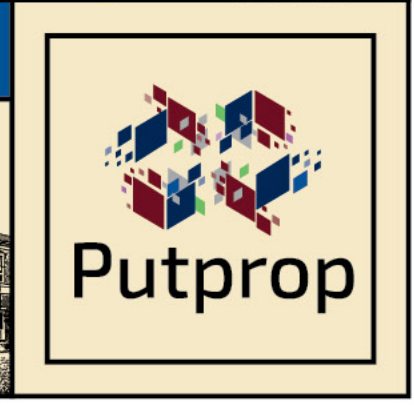
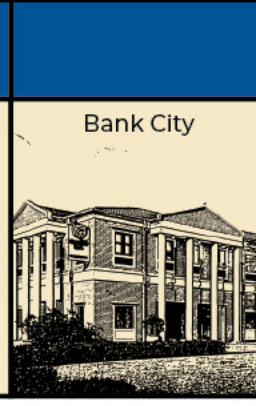
STRATEGY MEETING: 15 FEBRUARY 2023
AUDIT AND RISK MEETING: 22 FEBRUARY 2023



ANNUAL GENERAL MEETING: 08 NOVEMBER 2023



13 PROPERTIES
Located in three provinces
GAUTENG
MPUMALANGA
NORTH WEST



SUSTAINABILITY REPORT

The Board accepts overall responsibility for the implementation of policies and the advancement of sustainable development within the Group.

INTEGRATING SUSTAINABILITY

We are committed to integrating sustainability into our long-term decision-making. We will create sustainable value for our stakeholders by being a good corporate citizen and adopting the principles of integrated sustainability.

Our goal is to create value that extends beyond profits, to ensure our efforts benefit our people, the communities we operate in and our stakeholders by demonstrating good corporate citizen leadership attributes in our development activities whilst considering our impact on the planet. We drive this goal by upholding the rights, responsibilities, and obligations of society at large and the natural environment in which we operate. To achieve this, we focused our attention on formulating a sustainability strategy, investigating how to report and communicate key sustainability metrics; and subscribing to the following sustainability objectives:

- Using energy, water, and materials responsibly by reducing, reusing, and recycling
 - Engaging meaningfully with stakeholders around issues of sustainability
- Being cognisant of climate change projections in the areas in which we operate

Putprop subscribes to the following sustainability objectives:

- Implementing sustainable practices such as energy efficiency
- Using energy, water and waste materials responsibly by reducing, reusing and recycling
- Being cognisant of climate change projections in the areas in which we operate



Our Environment	85
Empowering Our People	
Social Initiatives	

ENVIRONMENTAL REPORT

UN SUSTAINABLE DEVELOPMENT GOALS

While each of the 17 UN Sustainable Development Goals (“SDGs”) is important, Putprop's current position is to place emphasis where practical, on the following goals during the current year:



Good health and well-being

Ensuring our properties maintain and promote good health through indoor air quality, water quality, thermal comfort and lighting.



Clean water and sanitation

Putprop believes in responsible water management. We strive to improve the operational usage and quality of water in our properties.

- Management and reduction of water usage
- Alternative water initiatives in the form of boreholes and water storage



Affordable and clean energy

Ensuring tenants have access to affordable, reliable, sustainable, and modern energy.

- Solar PV installation in the portfolio
- Reduction in electricity usage through energy efficiency projects



Sustainable cities and communities; and climate action

Ensuring that the Group's buildings are environmentally sustainable and climate resilient.

- We invest in renewable energy
- Reduction of emissions



Life on land

We strive to serve communities responsibly and protect the surrounding environment and biodiversity at our properties.

- Beehive's installed at select properties to combat bee population declines.
- Owl project implemented for ecological control of rodents



Partnerships for the goals

We partner with parties that advocate for sustainable development in the property sector.

NATURAL CAPITAL



NATURAL CAPITAL

OUR APPROACH TO ENERGY AND WATER USE

Managing and, where possible, reducing the environmental impact of our properties, as well as monitoring our carbon footprint, are recognised as strategic objectives by the Board.

As a Group, we are committed to reducing the impact our asset base may have on the environment, with the goal of limiting any negative impact.

As our assets are relatively large energy consumers, we aim to become as self-sufficient as possible in the provision of utilities, despite the challenges faced due to government and municipal inefficiencies.

The implementation and management of this objective will, by necessity, have to occur with the active support and input of all of our stakeholders and will also, be an ongoing process.

All solutions identified and implemented need to be workable, cost efficient and self-sustaining, for the immediate future.

With the current energy and environmental challenges facing South Africa, these initiatives can have identifiable financial benefits for all our stakeholders.

ENERGY EFFICIENT INITIATIVES

To make informed energy efficient decisions linked to effective implementation, we need to evaluate the most practical and cost-effective means to manage our utilities.

The current Eskom inability to provide a reliable energy source and the greater than inflation increases have accelerated the need to have alternative energy solutions. A large number of our properties are occupied by tenants whose energy consumption is high but who also need a consistent, reliable and cost-efficient supply.



The following initiatives have been identified and either implemented or under discussion in our properties:

Renewable energy in the form of Solar Power. Currently the Group is fast track the implementation of Solar Power on all suitable assets in the portfolio. Many properties have large roof areas which is ideal for bulk solar panel installations. Discussions are underway with several parties to convert this roof space into a renewable energy generation source.


Formal monthly program that monitors consumption of energy across our asset base that highlight variations in consumption, enabling early detection of system defects and incorrect billings

Our associate company has successfully already implemented a solar installation in a large retail centre

Programmes to introduce efficient light fittings and globes in all of our properties as well as future refurbishments are in progress.

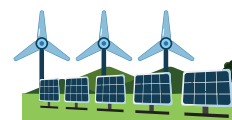
Discussions are underway with suitable parties to invest in rooftop solar farm installations. Putprop House was the initial project chosen. This was successfully completed at our head office in May 2023. The aim is to become net zero.

Further suitable rooftop assets have been identified and are currently under review for feasibility and meaningful outputs.



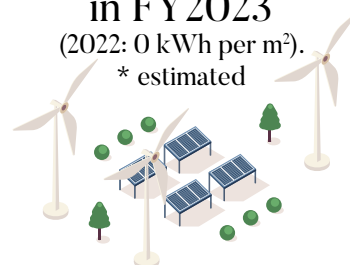
AVERAGE ENERGY CONSUMPTION:

We consumed
49.3 kWh per m²
 in FY2023
 (2022*: 46.0 kWh per m²).



RENEWABLE ENERGY PRODUCED:

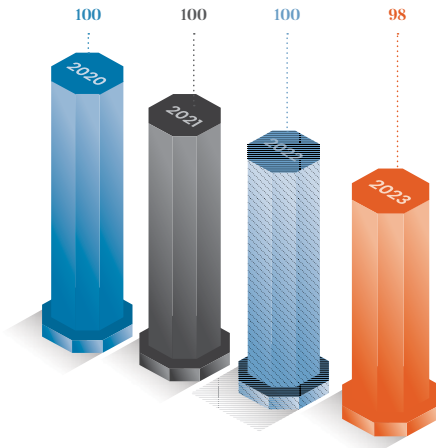
We produced
1.8* kWh per m²
 in FY2023
 (2022: 0 kWh per m²).
 * estimated



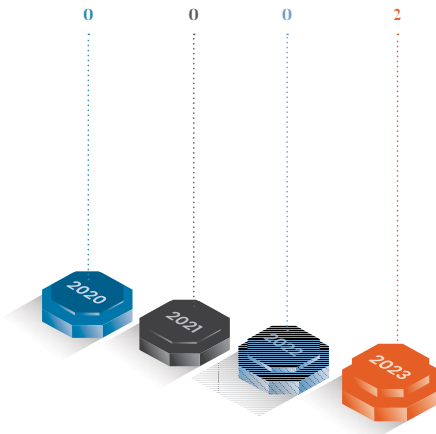
NATURAL CAPITAL

(CONTINUED)

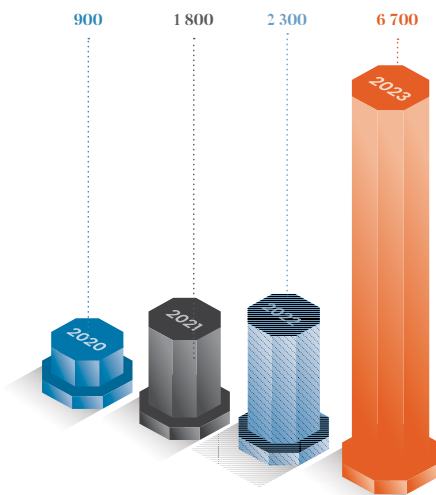
Energy status of our asset base



Grid electricity %kw



Renewable electricity Kwm²



Diesel R'000

COMMENTS

Putprop is currently largely dependant on the Eskom grid at present, with backup facilities being limited mainly to generator power. With the high cost of diesel and the longer more frequent high stages of load shedding, we have consciously moved to a solar energy strategy for our future implementation at select assets



NATURAL CAPITAL

(CONTINUED)

WATER CONSERVATION AND MANAGEMENT PROGRAM

Efficiency focus of water usage across our property portfolio

Introduction of a formal monthly program that monitors consumption of water across our asset base to highlight variations in consumption, enabling early detection of water wastage and system defects;

All new refurbishing use low flushing mechanisms in toilet facilities;

Investigation into waterless systems for men’s urinal facilities;

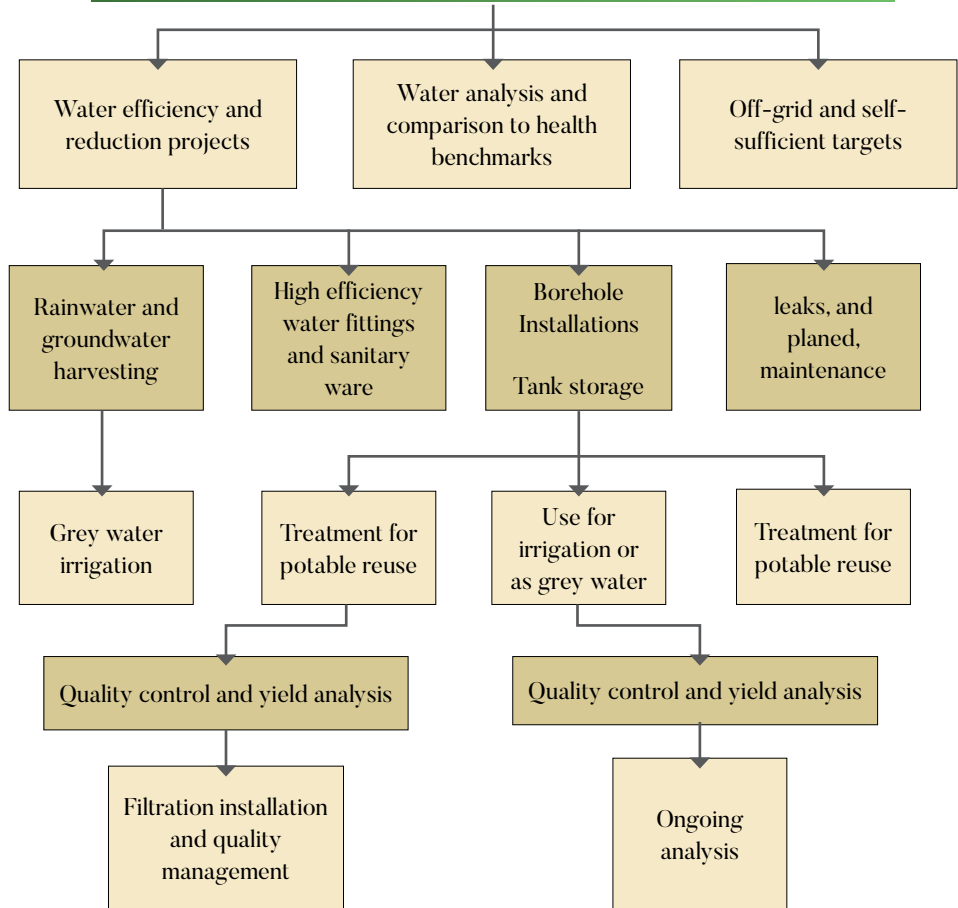
Changeroom shower systems program introduced to fit with water reducing mechanisms;

Integrated water and wastewater management;

Boreholes installed at selected high usage tenant locations. Water used for high volume activities such as fleet washing. We have added water purification mechanisms to make water safe for human consumption;

Installation of JoJo tanks for grey water usage initiated and will roll out across suitable properties in 2024/2025 - Putcoton initiated in current year;

BASELINE CONSUMPTION AND RISK ANALYSIS



South Africa is a water deficient country with water supply concerns increasingly frequent in recent years witnessing the critical water supplies in the Western and Eastern Cape. These trends are largely due to the following:

—

The country's water supplies have been impacted by climate change, with infrequent rainfalls that do not replenish water consumed.

—

With increasing urbanisation stemming from the country’s rural areas, cities are struggling to meet the demand for water.

—

According to the Water Research Commission, approximately 40% of total municipal water supplied in South Africa is lost before it reaches customers, due to an ageing infrastructure.

—

The deterioration of existing dam structures continues unabated, which is exacerbated by delays in the construction of new dams in key areas.

Year-on-year total on grid water consumption comparison

Year	Usage (KL)
FY2022	2.1
FY2023	2.3
Variance	9.5%

Overall, the Group's total water usage increased by 9.5% during the year under review.

NATURAL CAPITAL

(CONTINUED)

WASTE MANAGEMENT PROGRAM

Our policy is to separate waste and recycle items, where feasible at source

Our tenant base is encouraged to participate in this initiative and support is provided in certain instances

Large recycling bins installed at certain retail centres

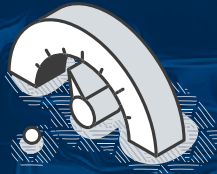
The introduction of organic/composting waste recycling will be investigated in 2024 at a test property to determine the feasibility and environmental savings.



CLIMATE CHANGE

- In pursuing our financial activities and objectives, we believe we have a responsibility to make a contribution to reducing our carbon footprint and thus slow down climate change.





WATER CONSUMPTION:

We consumed
2.3 kℓ per m²
 in FY2023
 (2022: 2.1 kℓ per m²)



TOTAL VOLUME OF WASTE SENT FOR RECYCLING:



We recycled
49 tons in FY2023
 (2022: 42 tons)



DETERMINING OUR CARBON FOOTPRINT

We will take advice on our carbon emissions at certain of our properties, identified as possible high emission units. A carbon emission audit will commence in the 2024 period, with the view of informing the Board of a suitable strategy.

SUSTAINABLE CONSUMPTION

- A utility audit in respect of water and energy consumption is essential. This necessitates, by implication, that this is an ongoing process. As a result, we intend to audit all our properties in the course of the next 12 - 24 months with a view to determine which properties, if any, are in need of remedial action and then to determine the appropriate response.
- Waste is defined as plastics, metals and oil consumables from selected properties.

EMPOWERING OUR PEOPLE

Putprop House

FIRST FLOOR

PUTPROP

EXECUTRAIN

GALAXY
PROPERTY GROUP



OUR PEOPLE

CULTURE

Our employees are key to our success. We believe that long-term success is directly linked to the quality of our people, our ability to retain exceptional people, our working environment, and our culture. We strive to build an environment which encourages a high performance culture where the values of employee and company are in sync.

ETHICS

Putprop is committed to creating a workplace culture that promotes fair and ethical standards. Guidelines on expected employee behaviour are communicated through our Code of Conduct, employee communication plan and meetings. We have a Fraud Prevention Policy that allows employees and stakeholders to report irregularities to an independent party for appropriate investigation anonymously. The Group also implemented a whistle-blowing electronic platform (read more on page 112). During the year, a new Disciplinary Code was launched and communicated throughout the Group to ensure all employees are aligned with Putprop's expectations and standards regarding the workplace.

EMPLOYEE DIVERSITY

Putprop's team comprises 8 full time employees with diverse and complementary skills. We believe that value creation and a diverse workforce go hand in hand. Together, our leadership and Board-approved diversity policy aims to broader diversity, including gender, race, culture, age, field of knowledge, skills and experience.

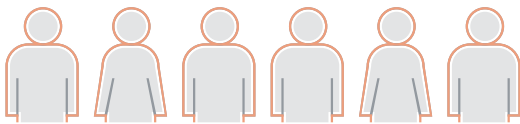
TOTAL WORKFORCE



2023 **8**



2022 **7**



2021 **6**

PERMANENT EMPLOYEES (%)



2023 **100%**



2022 **100%**



2021 **100%**

EMPLOYEE AVERAGE AGE (YEARS)



2023 **54**



2022 **54**



2021 **61**

EMPLOYEES WHO ARE DEEMED HISTORICALLY DISADVANTAGED (%)



2023 **28.6**



2022 **14.2**



2021 **14.2**

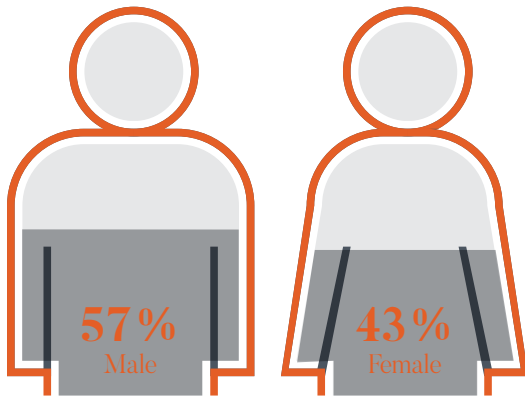
OUR PEOPLE

(continued)

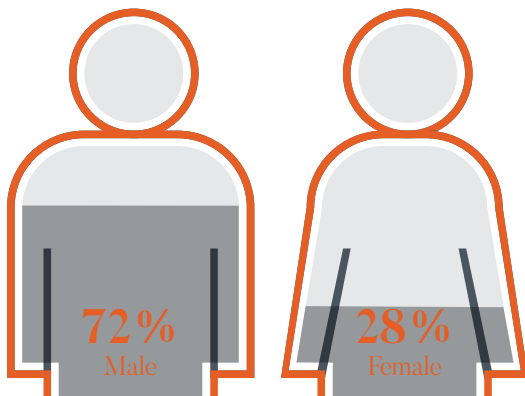
RACIAL DIVERSITY



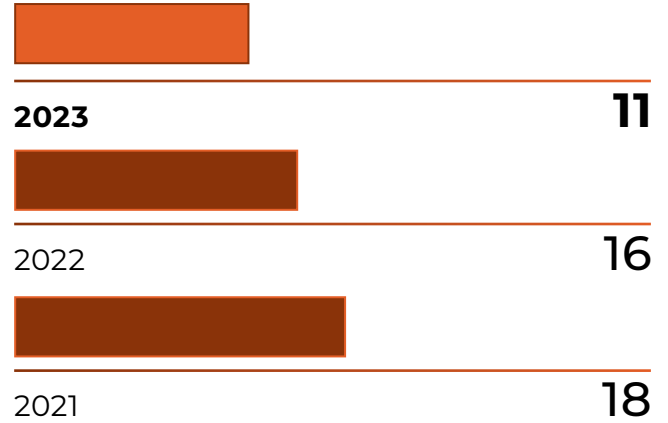
GENDER DIVERSITY OF GROUP



GENDER DIVERSITY OF BOARD



AVERAGE TENURE (YEARS)

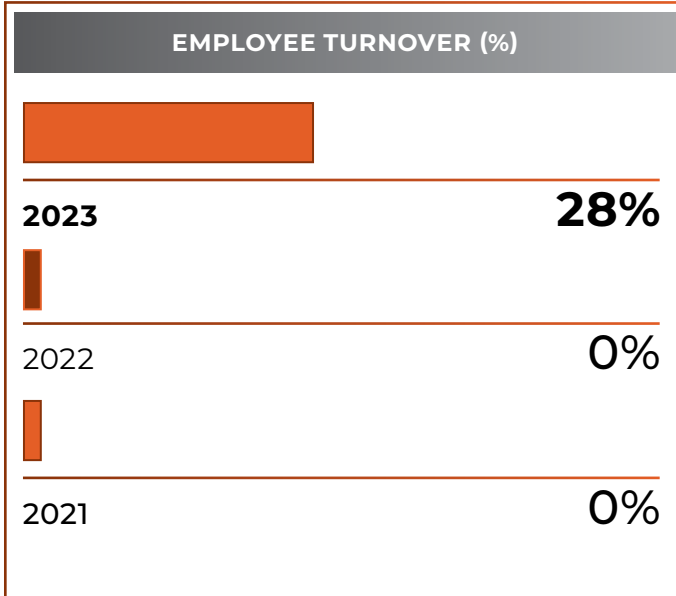


RETENTION RATE %



OUR PEOPLE

(continued)



OUR COMMITMENT TO B-BBEE

At present, the Group does not comply with B-BBEE legislative requirements.

Strategic objectives will include the development of a new Employment Equity Plan and a B-BBEE strategy where progress will be tracked and reported to the Board on a regular basis. The Group has set targets and is busy charting a plan to achieve a basic compliance within a reasonable period.

To this end a formal B-BBEE consultant has been appointed.

ATTRACTION AND RETENTION OF TALENT

We aim to attract and retain talent through market-related remuneration and career development opportunities. We conduct regular one-on-one discussions with all employees, and develop succession planning for key roles. These succession plans are evaluated yearly by the Remuneration Committee and comments and strategies sent for Board comment and approval.

TRAINING AND DEVELOPMENT

We engage with employees to understand their strengths, weaknesses, and career objectives. We support on-the-job training to guide employees without property experience and send employees on specialised property courses. Training and development requirements are identified in formal performance management sessions.

As people development is considered essential to Putprop, we have committed to a formal training budget and have made training a specific focus area for the 2024 financial year. Training will include topics related to the property industry, business skills and soft skills development.

HEALTH AND SAFETY

We prioritise employee well-being by creating a healthy, fair, safe, and engaging work environment for our workforce. This is an important strategic objective for us.

No injuries or medical treatment cases were reported during the financial year.

SUCCESSION PLANNING

The Putprop Board has developed in 2023 a formal succession plan for key roles in the executive to address the risk of skills loss. The approach included:

- Identification of an applicable succession methodology and guidance on how to manage the process;
- Identification of critical roles and unpacking the competency requirements of each key role;
- Identification of key employees in these roles; and
- Determining internal successors if any, along with a current skill analysis where gaps are identified.

Where knowledge or skill gaps limit succession, a plan is put in place and reviewed quarterly to assist the potential successor in closing these gaps. Succession planning and key man dependency risk are considered a material matter.

SOCIAL INITIATIVES



COMMUNITY AND SOCIAL INITIATIVES

CORPORATE SOCIAL INVESTMENT

After the successful completion of our past projects, the Board again gave approval for a budget of R400 000 for the current year.

Various projects were examined by the Social and Ethics Committee, with an emphasis again on projects involving children and education as well as supporting communities in the areas we operate in.

During the year, the Social and Ethics Committee (SE) met on two occasions.

Approval was given for the following funding:



Mandeville Disability Swimming

Mandeville Disability Swimming is home to the largest and strongest squad of disability swimmers in South Africa headed up by Paralympian, Tadhg Slattery. Tadhg competed as part of the South African Paralympic swimming team at six Paralympic games. His first games in 1992 gave him his first Paralympic gold medal in the 100m breaststroke in a world record time.

The school offers courses and instruction from Learn to Swim to Elite Swimming. These options are tailored specifically to previously disadvantaged learners from schools for the physically disabled. Putprop contributed funds to provide tracksuits for current participants.

<https://www.facebook.com/mandevilledisabilityswimmers/>

Contribution:

R21 000.00



COMMUNITY AND SOCIAL INITIATIVES

(continued)



Give Love and Serve Care Centre

This organization is dedicated to feed and clothe abandoned children primarily but serves and feeds all those people overlooked by society.

It operates mainly in the East Rand in areas such as Benoni and Kempton Park.

We donated funds towards their feeding scheme for babies which was utilised for food and other baby products as well as other clients of the centre. This benefitted 67 participants.

<https://www.facebook.com/p/Give-Love-and-Serve-Care-Centre-100080177294232/>



Contribution:

R50 000.00

COMMUNITY AND SOCIAL INITIATIVES

(continued)



**United Cerebral Palsy
Association of South Africa**

United Cerebral Palsy Association of South Africa (UCPA)

The primary goals of UCPA is to provide their clients with quality nursing care and stimulation in the form of creative occupational therapy, Aqua Hydro Therapy, Speech Therapy, Physio Therapy and visits to events and places of interest. Each day is based on planned activities and events, based on “themes”.

Current strategies are those of self feeding, floor play and stimulation of fine and gross motor skills. We assisted in the purchase of a new washing machine and tumble dryer.

<https://ucpa.za.org/>

Contribution:

R54 000.00



COMMUNITY AND SOCIAL INITIATIVES

(continued)

Thokani Teslie

We sponsored a young boy, the son of one of our staff members, who needed a life enhancing operation in a rural area of Zimbabwe. Transport to and from the hospital, as well as the services of a medical specialist in a private facility were covered.



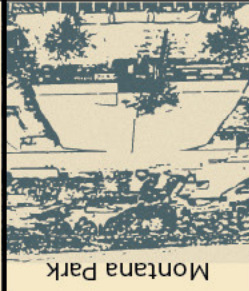
Contribution:
R16 000.00

PUTPROP HOUSE

22 Impala Road,
Chislehurst,
Sandton,
Johannesburg,
2196

BOARD MEETING: 07 SEPTEMBER 2023

FINAL DIVIDEND PAID 2022: 31 OCTOBER 2022



Montana Park



Menlyn Villas



BOARD MEETING: 10 AUGUST 2023
AUDIT AND RISK MEETING: 23 AUGUST 2023

Lea Glen 1

Putcoton

AUDIT AND RISK MEETING: 5 JULY 2023

Dobsonville

Corridor Hill

BOARD MEETING: 8 JUNE 2023



RETAIL



COMMERCIAL



INDUSTRIAL



RESIDENTIAL

Eagle Canyon



WWW.PUTPROP.CO.ZA