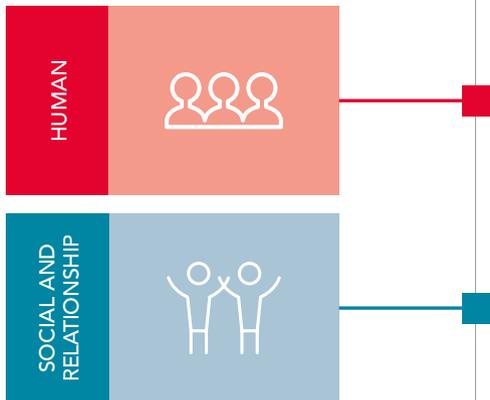


Social, ethics and
transformation report
**FOR THE NINE MONTHS ENDED
31 MARCH 2021**

Social, ethics and transformation committee

This committee is the guardian of the following forms of capital:



The social, ethics and transformation committee has pleasure in providing feedback to RMH stakeholders.

The feedback is prepared in accordance with the Companies Act, 71 of 2008, with specific reference to Regulation 43 of the Companies Regulations, 2011.

Social, ethics and transformation committee membership and meetings

The committee comprises three suitably skilled and experienced members appointed by the board and consists only of independent, non-executive directors. The chairman is an independent, non-executive director.

The committee meets at least twice a year or at the request of the chairman, any member of the committee or the board.

 The membership and attendance appears on page 43 of the integrated report.

Comprehensive minutes of meetings are kept.

The chairman of the committee is customarily available to report to shareholders at the annual general meeting on matters within its mandate. Any specific question to the committee may be sent to the company secretary prior to the annual general meeting.

Roles and responsibilities

The committee's objectives are to assist the board in monitoring RMH's performance as a good and responsible citizen, which includes the following:

- Social and economic development, including the ten principles as set out in the United Nations Global Compact principles, the 17 Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015, the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act, 55 of 1998, and the Broad-Based Black Economic Empowerment Act, 53 of 2003;
- Good corporate citizenship, including promotion of equality, prevention of unfair discrimination and corruption, contribution to the development of communities and record of sponsorship, donations and charitable giving; and
- Environment, health and public safety, including the impact of the company's activities; consumer relationships, including the company's public relations and compliance with consumer protection laws.

King IV

King IV recommends that the social and ethics committee uphold, monitor and report on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder-inclusivity beyond mere compliance and towards actual value creation.

The committee assessed its composition to ensure it had the requisite skills and experience to fulfil the requirement of the oversight of ethics management.

Reporting framework

RMH

Below is a summary of the framework specific to RMH:

Description in terms of Regulation 43	Highlights	Feedback
1. Corporate social responsibility		
1.1. Corporate social investment	<p>RMH does not have a formal corporate social investment programme. However, during the prior year, it established a COVID-19 fund in conjunction with Rand Merchant Investment Holdings Limited (RMI) with contributions from the board and senior management of both RMH Property and RMI. Both RMH Property and RMI then made matching contributions to those of the board and management. The core principle of the fund's approach is 'Food First.' The fund distributed 1 955 food vouchers to the value of R2.3 million. It also supported 27 community organisations with donations amounting to R1.6 million and contributed grant funding to the value of R6.3 million to 13 AlphaCode start-up businesses.</p>	
1.2. Employee educational development	<p>As RMH has limited full-time employees, a decision was made to sponsor a workplace readiness programme, the Realise Programme run by Transcend Corporate Advisors Proprietary Limited. It is a three-month programme that assists participants with life skills, business etiquette, business skills and computer literacy, thereby preparing the participants for when they apply for jobs.</p>	<p>"I am working on increasing my self-awareness, confidence in myself and control so far. It has boosted my confidence and the way I apply my mind. I now have an understanding of values and ethics."</p> <p>"Realise has increased my confidence as a good communicator. I now know how to work as a team member because I have self-confidence to express myself, and can trust myself and always try to think positively in everything I do."</p> <p>"My confidence has increased because now I have more faith in myself. I am working on my self-esteem and trying to have a positive outlook on my life."</p>
2. Broad-based black economic empowerment	<p>A copy of the B-BBEE 1 report submitted on 30 June 2021 is available on the RMH website, https://rmh.co.za/downloads/2020/RMH-BBEE-1-Compliance-Report-2021.pdf. As an investment holding company with limited activities beyond its investment activities, a meaningful contribution is made through RMH's position as influential shareholder. RMH is reclassified as a qualifying small financial enterprise and has improved its score from Level 6 to a Level 5 of compliance.</p>	<p>As part of the compliance process, RMH sponsored a programme presented by Worth Financial Services. The course's aim is to empower individuals to better manage their finances.</p> <p>Some feedback from a participant:</p> <p>"The fact that this course is available in the market, but is not taught at high school level is a shame."</p>

Description in terms of Regulation 43	Highlights	Feedback
<p>3. Employment equity transformation</p>	<p>RMH is committed to gender and race diversification. RMH uses its position as an influential shareholder to drive transformation at investee companies.</p>	<p>The board's female representation is 29% and its race diversification 43%.</p>
<p>4. Environmental and social risk governance</p> <p>(incorporates global compact principles on human rights, labour practices and the natural environment – green buildings; energy, waste and water management)</p>	<p>As an investment holding company, environmental and social risks are mainly driven by RMH's investee companies. RMH's role is more of an overseer than a participant.</p> <p>Readers are referred to RMH's sustainability framework and The Task Force on Climate-Related Financial</p> <p>Disclosures (TCFD) statement included in the integrated report on the RMH website.</p>	
<p>5. Governance reporting</p>	<p>The committee provided feedback to the RMH board after each meeting. RMH has a whistle-blowing hotline where stakeholders can anonymously report any matters of concern relating to RMH or its investee companies. The number is 010 211 4910.</p>	

RMH Property

Subsequent to the RMH Unbundling, the most significant asset remaining in RMH is RMH Property. RMH Property's most significant asset, in turn, is Atterbury Europe, a company incorporated in the Netherlands and not subject to Regulation 43 of the Companies Act. The only investee company of RMH Property that has an established Social and Ethics committee is Atterbury Holdings Proprietary Limited (Atterbury).

Below is a summary of the activities of Atterbury in terms of Regulation 43:

Description in terms of Regulation 43	Highlights
1. Corporate social responsibility	<p>The Atterbury Trust was launched in 1998 with a focus on educational support for financially disadvantaged communities, advance art, and culture as well as investment into projects with the purpose of bettering the lives of communities. Since providing its first series of bursaries in 1999, it has assisted more than 700 students in obtaining tertiary qualifications. Furthermore, the Atterbury Trust supports schools and a number of non-profit community organisations and provides free medical services to disadvantaged communities through the Triomf Clinic in Pretoria West.</p> <p>The Atterbury Foundation, founded in 2018, is a non-profit company which focuses on providing funding for previously disadvantaged scholars and students who can otherwise not afford to study further. Currently the Atterbury Foundation assists 45 such students in obtaining tertiary qualifications, including providing mentoring support.</p> <p>Atterbury Trust was fortunate to collaborate with We^Can and combined resources in an effort to provide for those in need of support. We^Can enables and empowers individuals with the financial means to purchase food for various local organisations through its online platform, thereby ensuring that those organisations are able to help people in need during these trying times.</p> <p>The Terugploeg initiative was launched in November 2020 in collaboration with a group of businessmen and farmers. The main purpose of this initiative is facilitating skills development and the distribution and processing of donated fresh foods. A facility is being constructed and the planned occupation date is December 2021.</p> <p>Highlights in the past year:</p> <ul style="list-style-type: none"> • Bursaries granted in the 2021 academic year by Atterbury Trust and Atterbury Property Foundation for the 132 students that are currently enrolled at tertiary institutions amounts to R5.2 million; • 15 New students were awarded bursaries in the 2021 academic year; • The We^Can initiative successfully completed 49 projects from March 2020 to September 2020, distributing 77 400 kilograms of food to 33 organisations with a retail value of R1.7 million, thereby providing more than 430 000 meals to people in need; • To date, the Terugploeg initiative has distributed 107 tons of fresh food that was donated by farmers and businessmen. More than 50 organisations in and around Pretoria benefited from these donations, providing approximately 413 000 meals; • Triomf clinic has provided basic medical care to 4 083 patients since July 2015; • Atterbury Trust supported more than 50 organisations and schools through the various initiatives mentioned; and • Atterbury Theatre, despite recent challenges, launched the highly popular 'E-Konsert' model during the national lockdown. To date, more than 23 000 tickets have been sold, enabling people to enjoy the work of South African artists in the comfort of their own homes. This benefited the artists themselves as they received a share of the revenue from the tickets sold. More than R1 million has been paid out to South African Artists in these trying times. <p>Atterbury Theatre was also able to reopen on certain levels of lockdown with limited capacity from September 2020. More than 13 000 tickets were sold during this period, enabling the theatre to pay South African artists a profit share of R1.5 million.</p>
1.2. Employee educational development	<p>Atterbury Management Company employs 39 people and Atterbury Management Services employs 84 people. Atterbury Management Company spent R 908 667 on the development of its employees in the previous skills year.</p>

Description in terms of Regulation 43	Highlights
<p>2. Broad-based black economic empowerment</p>	<p>As part of a corporate restructure, Atterbury's empowerment partner (Talis Investment Partners (Pty) Ltd – a 100%-black-owned and black-managed consortium) exchanged its 30% shareholding in the South African Atterbury portfolio for an approximate 10% shareholding in the broader Atterbury group (which includes other SADC-located assets as well as the asset, property and development management businesses).</p> <p>Supplier development initiative: Atterbury has made use of the services of Attbuild (Pty) Ltd, (Attbuild) and provided grant contributions to it. Attbuild is a supplier of convenient and price-competitive build ware solutions. Attbuild is a Level 2 B-BBEE contributor and is 51% black woman owned.</p> <p>Atterbury is a partner in the Richmond Park development, a mixed-use commercial precinct measuring approximately 300 000m². Richmond Park tells a story of land restitution and the restoration of hope and dignity. The land was transferred in 2014 after a successful land claim to the Richmond Park Communal Property Association.</p> <p>Skills development programmes aimed at empowering Richmond Park community members with skills in the building industry as well as providing students from the Richmond Park community with tertiary bursaries are administered through the Richmond Park Treasury Trust. As of the end of 2020, the Richmond Park Treasury Trust has provided interest-free loans to 60 students from the Richmond Park Community. A concerted effort is made to employ members of the Richmond Park community on building projects. The security contract for the Richmond Park development was awarded to a small family business from the community. Opportunities like these will empower the community of Richmond and speak to the empowerment strategy of the Atterbury Group.</p>
<p>3. Employment equity transformation</p>	<p>Approximately 33% (2020: 21%) of Atterbury's South African workforce consists of ACI employees, while 59% (2020: 60.4%) of the South African workforce is female.</p>
<p>4. Environmental and social risk governance (incorporates global compact principles on human rights, labour practices and the natural environment – green buildings; energy, waste and water management)</p>	<p>Atterbury investigates and invests in green technologies and initiatives on all new developments in an effort to ensure portfolio sustainability and to reduce building operational and tenant occupation costs. As a minimum, all new buildings include energy-efficient heating, ventilation and air conditioning (HVAC), lighting and water systems linked to modern building management systems. Water harvesting systems and boreholes are deployed where possible to reduce the municipal water demand. Solar electric plants are coupled with energy-efficient LED lights and occupancy detection systems to ensure minimum consumption.</p> <p>The existing portfolio were also investigated for green initiatives and sites where solar electric plants were feasible, was approved and installed. Tenants are trained to be more energy-efficient and are also motivated to replace traditional bulbs with energy-efficient LED lights. Building lights are equipped with motion sensors to ensure lights are only switched on when needed.</p> <p>The company has to date installed 16 solar plants on completed assets which is a total size of 13110,23 kWp and has to date generated 46 129 526.81 kWh.</p> <p>Waste management and sorting were implemented on all sites where possible. Water management systems such as rainwater harvesting, grey water systems and boreholes are in the process of being investigated and installed where possible.</p> <p>Atterbury's total waste contribution for the 2021 financial year was 2 110.67 tons of which 694.68 tons were recycled and 1 415.99 tons were disposed to landfill sites</p> <p>This resulted in a saving of:</p> <ul style="list-style-type: none"> • 1 182 822m³ of carbon dioxide; • 14 472 686 litres of water; • 9 414 trees; and • 5 382 082 kWh of electricity. <p>Atterbury has installed seven water purification plants to date with two currently being built and one being investigated.</p> <p>Total savings of water since completion is 154 109.7KL of water, which resulted in a saving of R8.3 million.</p> <p>Atterbury will also install water loggers on their main incoming lines to proactively do water monitoring to reduce water losses from buildings.</p>

Description in terms of Regulation 43	Highlights
<p>5. Business conduct-standard for employees</p> <p>(incorporates global compact and oecd principles on anti-bribery and corruption, whistle-blowing, gift declarations, personal account trading rules and conflict of interest management)</p>	<p>Atterbury values the principles of operating with integrity and adopted a zero-tolerance policy towards bribery and corruption. It actively maintains a gift register and whistle-blowing weblink and includes anti-bribery and anti-corruption commitments in all agreements with third parties. A wider application approach is undertaken to anti-bribery and anti-corruption policies as actions of the company's service providers are also monitored.</p> <p>Legal compliance: The monitoring of changes to legislation is done by way of a sub-committee consisting of representatives from all departments. This sub-committee has allocated all relevant statutes to the relevant individuals who work with them most often and that person is required to then report into the sub-committee by way of updating the register. Any material risks arising are discussed and, if required, escalated to the relevant department head and discussed with the legal department. Members of this sub-committee undertake to stay current with regard to applicable legislation.</p>
<p>6. Market conduct – standards for the market</p> <p>(incorporates consumer protection – treating clients fairly and anti-trust measures)</p>	<p>Atterbury adheres to the principles of making a difference in the wider society through their involvement with the Atterbury Trust together with Atterbury Foundation NPC and Richmond Park Treasury Trust, stakeholder empowerment through partner funding and development, motivation of their staff to own responsibility and to be accountable and through active engagement with their employees.</p>
<p>7. Governance reporting</p>	<p>The Atterbury board, as custodian of corporate governance, recognises that good governance is more than legislative compliance and implementing best practice principles. It appreciates that effective governance is a vital part of the company's sustained performance and is committed to ensuring that sound governance principles are integrated into all aspects of the organisation.</p> <p>The board of Atterbury Property Holdings consists of seven members who have an average of twenty years' experience in the property industry, including non-executive and independent directors.</p> <p>The board exercises leadership by delegation of certain functions to its committees, namely the investment committee, remuneration committee, risk review committee, finance review committee, employment equity committee and social and ethics committee. All committees act as committees for the wider Atterbury Property Group and operate with the appropriately delegated authority.</p> <p>The board has delegated management accountability to CEO Armond Boshoff who is assisted by an executive team representing each sphere of the company's business.</p>

Activities during the past year

During the period under review, the committee has discharged all its responsibilities as contained in its charter and described in this report.

Focus during the coming year

The committee's focus in the coming year will be:

- Roll-out of RMH's sustainability framework to investee companies;
- Progressing the TCFD statement; and
- Maintaining RMH's status as a responsible corporate citizen, with a specific focus to maintaining its B-BBEE score.



Murphy Morobe
Chairperson

28 July 2021



www.rmh.co.za