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Climate risk governance

As climate change continues to evolve, Emira's operating costs are impacted by new and emerging risks. The Fund mitigates these risks by investing in projects that deliver more efficient and renewable energy to the portfolio. The Fund is aligned to global low-carbon scenarios and sets ambitious science-based targets with the aim of reducing the Company's carbon impacts and the associated costs.

Governance Function	Integrates climate risk into Emira's ERM system	Oversees risk identification, categorisation, scoring, control, and registry inclusion	Oversees decarbonisation strategy and science-based targets	Climate risks are tabled at Risk and Board meetings
Governance Responsibilities	CEO: Accountable for climate target performance; involved in decarbonisation planning; reports progress to Board	CFO: Participates in capital planning; reviews risk controls	COO: Leads sustainability policy and climate risk management at the asset level; allocates capital; manages public communications; ensures execution of science-based targets.	ESG Committee: Chaired by a climate-literate non-executive director; oversees strategy, targets, progress, and implementation. Senior asset Managers: Identify site-level risks for review and escalation
Risk management Risk identification	Multi-level process: - Bottom-up (operational/service provider inputs) - Top-down (executive/board/expert review)	Tabled at: - Monthly management meetings - Bi-monthly project and Sustainability meetings - Quarterly Risk Committee meetings	Risks escalated to ESG Committee as needed	
Risk management Risk assessment	5x5 risk rating matrix (likelihood x impact).	Inherent and residual risks scored post-control implementation	Categories: - Income statement risk - Balance sheet risk - Reputational Risk - Other risk (e.g., IT, HR)	Risks affecting distributable income prioritised
Risk management Control measures	Range from low to high cost.	Types include: - Risk avoidance - Risk reduction - Risk transfer	Residual risks calculated post-control	
Strategy implementation	Asset managers identify climate hotspots (e.g., water stress)	Investment prioritised accordingly (e.g., water-saving tech during Day Zero event) COO ensures alignment of site issues with strategy	Science-Based Targets: Previous target: 13% absolute reduction in Scope 1 and 2 GHGs by 2022 (vs 2015 baseline) aligned to a 2°C pathway	Current target — 46% reduction in Scope 1 and 2 emissions by 2030 (against a 2019 baseline), aligned to a 1.5°C pathway
Reporting frequency	Monthly: Management Committee	Bi-monthly: Sustainability/ Project meetings	Quarterly: Risk Committee	Annually: ESG Committee and Board reviews of strategy, progress and KPIs

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Emira has identified the following material climate-related risks, encompassing both physical and transition risks, which may have a significant impact on our business operations and asset portfolio.

Physical risks:

Acute and chronic. Acute risks occur because of changes in hazardous events like cyclones, hurricanes, or floods becoming more severe. On the other hand, chronic risks relate to gradual changes in climate patterns over the long term, such as alterations in annual average rainfall or temperature.

Risk	Possible effect if risk materialises	Risk response/controls (steps taken to mitigate risk)
Acute physical – Increasing occurrence and severity of extreme weather events such as floods	Unexpected climate related events (floods, hail storms, tornadoes) pose a significant risk to our properties. Increased insurance costs Potential asset stranding	There is uncertainty in the science of the exact spatial locations where extreme weather events will occur. Emira has buildings in various regions in South Africa. At this stage we cannot accurately identify buildings which are likely to be most affected. It is therefore difficult to plan mitigation strategies for such risks and is largely reactionary currently. Properties are insured Geographically diversified portfolio and investments
Chronic physical – This refers to the longer-terms shifts in climate patterns, such as a shift in precipitation	Water shortages and droughts Inability to deliver water to properties	Installation of rainwater/groundwater harvesting and purification systems (alternative water sources) at selected properties Installation of water efficient faucets and closets at selected properties to lower water usage Back-up water provision at selected properties Water awareness training for ground staff Geographically diversified portfolio investments
Chronic physical – heat stress	Affects direct operations through increased utility costs for HVAC Increased wear and tear of equipment due to increased usage	Installation of more energy efficient HVAC systems Building management system ("BMS") provides automated control of energy efficiency on selected properties
Chronic physical – Sea level rise and coastal flooding	Rising sea levels and more frequent coastal flooding will lead to greater property damage, resulting in higher repair and maintenance costs	Geographically diversified portfolio and investments Low exposure to coastal properties in the South African direct portfolio Properties are insured

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Transitional risks:

Transitioning towards a more sustainable economy might involve significant alterations in policies, laws, technologies, and markets to effectively tackle the demands of mitigating and adapting to climate change. The extent and pace of these changes will determine the diverse levels of financial and reputational risks that organisations may face during the transition process.

Risk	Possible effect if risk materialises	Risk response/controls (steps taken to mitigate risk)
Policy risk – Carbon pricing mechanisms	Increased electricity costs due to additional taxes imposed on Eskom which will be passed on to consumers Increased cost of occupancy	Installation of photovoltaic (PV/Solar) farms on selected properties, targets linked to an annual KPI Energy efficiency through the installation of energy efficient LED and HVAC system on selected properties Virtual Wheeling being investigated
Legal risk – Increased climate-related legislation and regulations	Additional legislative measuring and reporting requirements may increase costs, and failure to comply with legislative reporting could result in financial fines Compulsory display of EPC Certificates Uncertainty over international climate change policies (EU, US)	Annual submission of third party verified data to the DFFE on diesel consumed at each property (NGER/SAGER submission) Display of Energy Performance Certificates ("EPC") for the entire office portfolio and other applicable properties to inform tenants on base energy usage
Market – Shifting market preferences	With growing awareness of climate change, tenants and prospective buyers increasingly expect the real estate sector to take greater action on emissions reduction. As preferences shift toward high-efficiency buildings powered by renewable energy, the industry faces emerging risks Decreased revenue due to reduced demand for products and services – a shift toward a greater interest in green products	Engagement through integrated reporting on the company environmental initiatives Display of Energy Performance Certificates ("EPC") for the entire office portfolio and other applicable properties to inform tenants on base energy usage Greenstar certifications on selected commercial properties Edge certifications on selected residential properties Communication and education with service providers and tenants
Market – Reputational Risk	The ability to influence our investments on emissions reductions. This could potentially have an impact on Emira achieving emissions reductions targets Uncertainty over international climate change policies (EU, US)	Emissions from investments are tracked in the Fund's scope 3 emissions and apportioned according to Emira's equity stake. Information is disclosed annually in the integrated report

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Decarbonisation Plan and Science-Based Targets

The built environment sector has an important role in the global transition to a low-carbon economy and accounts for approximately 40% of global greenhouse gas ("GHG") emissions. Emira aligns with the Paris Agreement's ambition to limit global temperature rise to 1.5°C above pre-industrial levels, and recognises the urgent need for science-based decarbonisation across its direct (SA portfolio) operations and value chain.

Emira is a leader in sustainable real estate and has committed to net-zero emissions by 2050, supported by short-term science-based targets ("SBTs") that are validated by the Science Based Targets initiative ("SBTi"). These targets include a 46% reduction in Scope 1 and 2 emissions by 2030 (against a 2019 baseline), which are consistent with a 1.5°C pathway. Emira's commitment is reinforced by its participation in CDP reporting, which began in 2011 when the Fund became the first African company to receive SBTi approval. For the period ending March 2025, the Fund has already achieved a 24.9% emission reduction against the 46% Scope 1 and 2 emissions reduction 2030 target.

March 2025 emissions: Detailed breakdown

Scopes	Emissions category	Mar 2025 (tCO ₂ e)	Mar 2024 (tCO ₂ e)	Variance: Mar 2025 vs Mar 2024 (tCO ₂ e)
Scope 1	Product use: Refrigerant gases (Kyoto Protocol)	1 591	1 638	(47)
	Stationary combustion	367	3 420	(3 053)
Scope 1 Total		1 958	5 058	(3 100)
Scope 2	Purchased electricity	86 783	102 129	(15 346)
Scope 2 Total		86 783	102 129	(15 346)
Scope 1 and 2 Total		88 741	107 187	(18 446)
Scope 3	Purchased goods and services	786	897	(111)
	Fuel and energy related activities	24 590	28 155	(3 565)
	Waste generated in operations	5 146	5 835	(689)
	Business travel	45	36	9
	Employee commuting	32	44	(12)
	Investments	3 318	23 351	(20 033)
Scope 3 Total		33 918	58 319	(24 401)
Out of scopes	Product use: Refrigerant gases (non-Kyoto Protocol)	141	508	(367)
Total emissions		122 800	166 013	(43 214)

* Independent auditing — In terms of reporting time frames, the Fund provides confirmation of its audited carbon footprint one year in arrears. Figures under FY2024 are the adjusted audited figures for the year.

Emira's decarbonisation roadmap follows a structured approach:

- Governance and risk management:** Embedding climate considerations into strategic decision-making and portfolio resilience assessments.
- Short-term targets:** Achieving verified emission reductions by 2030 through energy efficiency, renewable energy adoption, and sustainable building practices.
- Long-term ambition:** Establishing medium- and long-term SBTs to achieve net-zero emissions by 2050, supported by scenario analysis and stakeholder transparency.

By aligning with TCFD reporting standards and adopting SBTi climate targets, Emira is committed to responsible, science-backed environmental action. This strategy places an emphasis on protecting scarce natural resources while ensuring long-term value creation for stakeholders.

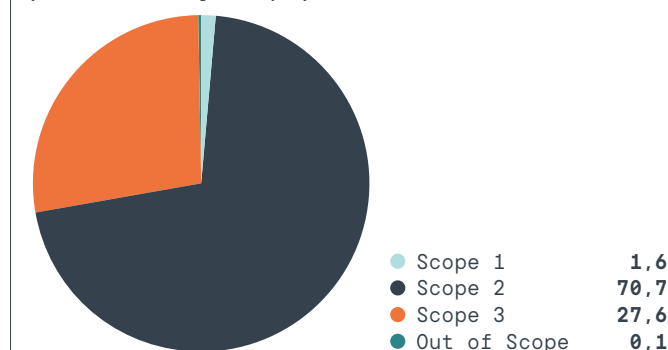
Greenhouse gas emissions reporting

Emira reports its greenhouse gas ("GHG") emissions using the financial control approach, accounting for emissions from properties under the Fund's operational control. For the March 2025 reporting period, Scope 1 and 2 emissions cover Emira's directly held commercial and residential properties in South Africa. Scope 3 emissions account for those investments Emira does not operationally control or where it holds a minority interest, such as its stakes in the US retail property portfolio, DL Invest and Inani. Emissions from the Polish portfolio were reported separately for March 2025 and will be consolidated from March 2026 onward.

Summary of emissions: March 2025 reporting

Total emissions decreased by 26.0% during the reporting period compared to the previous 12-months ending March. The key contributors to the reduction include the change in the SA national grid emission factor from 0,985kgCO₂e (Mar 2024) to 0,931kgCO₂e (Mar 2025) and the 17.2% reduction in Scope 1 and 2 emissions. Scope 1 emission reduced due to the decreased diesel usage and increased reliability of the SA grid electricity supply. Scope 2 emission were heavily impacted by the disposal of 27 commercial properties and 427 residential units in the portfolio.

Total carbon emissions: March 2025 (% of tCO₂e by Scope)



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March 2025 emissions – Poland

For the March 2025 reporting period, DL invest Group produced a total of 1 354tCO₂e for Scope 1 and 2 combined. These emissions would be reported as Scope 3 emissions in Emira's consolidated position, as they fall under investments where Emira does not have operational control or where it holds a minority interest. These emissions will be consolidated within Emira's reporting from March 2026 onwards.

CDP

CDP is a non-profit organisation that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. Founded in 2000, CDP has become the largest global platform for environmental reporting transparency, working with over 18 700 companies with USD681 trillion in assets and over 1 100 cities, states, and regions globally.

CDP's core mission is to make environmental reporting and risk management a business norm, driving disclosure, insight, and action toward a sustainable economy. The organisation focuses on three key environmental areas:

- Climate change
- Water security
- Forests and deforestation

CDP uses annual questionnaires to create a standardised framework for organisations to measure, manage, and communicate their environmental impact, performance, and governance. This data is made available to investors, purchasers, and policymakers, and is used to inform strategy and decision making.

Emira's CDP score and significance

Emira completed its 14th consecutive submission to the CDP Climate Change questionnaire in September 2024. The Fund is focused on implementing initiatives that reduce Scope 1 and 2 emissions across its directly held local portfolio. Where possible, the strategy is to reduce Emira's Scope 3 emissions in conjunction with its joint venture partners. While the 2024 reporting period included the US and Inani, the Fund's investment in DL Invest in Poland will form part of the next submission.

Emira's voluntary CDP disclosure demonstrates the following:

- **Transparency to stakeholders** by providing clear, standardised information about management's approach to climate impacts on the Fund.
- **Risk management** is enhanced by identifying and addressing climate-related risks ahead of regulatory requirements.
- **Competitive positioning** to benchmark Emira's performance against its peers and highlight the Fund's environmental commitments.
- **Investor relations** are boosted to meet the growing demand from capital markets for robust climate-related disclosures.
- **Continuous improvement** via the rigorous CDP questionnaire helps to address shortfalls and drive improvements in data accuracy, target-setting, and governance.

Emira achieved a B score, placing it within the Management category.

The score indicates that the Fund has achieved the following:

- Implemented coordinated action on climate issues
- Established comprehensive climate policies and strategies
- Made measurable progress by reducing emissions
- Assessed climate risks and opportunities
- Developed structured governance practices on climate issues

Emira's score positions it above the global and industry average, reflecting an above-average performance in climate stewardship.

Response Year	Response type	Status	Score
2024	Public – Climate change	Scored	B
2023	Public – Climate change	Scored	B
2022	Public – Climate change	Scored	B
2021	Public – Climate change	Scored	B
2010	Public – Climate change	Scored	A-

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Partnerships to increase impact

As part of its commitment to creating long-term environmental and social value, Emira has established strategic partnerships with leading non-governmental organisations, including the World Wide Fund for Nature ("WWF") and Food & Trees for Africa. The Fund collaborates with external experts to maximise the positive impact of initiatives, and contribute to nature-positive outcomes that extend beyond the property sector.

Food & Trees for Africa

In March 2025, Emira made a meaningful donation to support a tree-planting initiative in the Eastern Cape. This contribution enabled the planting of 253 indigenous trees at the Stutterheim Reforestation site, a project initiated in 2019 to restore ecologically sensitive areas that had become overrun by invasive plant species.

The reforestation effort is part of the broader Afforestation/Reforestation Programme led by Food & Trees for Africa ("FTFA"). The aim of the programme is to rejuvenate the Afromontane forests in the Amatole and coastal Transkei regions, which are areas known for their rich biodiversity and critically endangered species. The approximate carbon impact of the donation is 146,24 tonnes of CO₂e offset over a 40-year growth period.

The project addresses multiple environmental challenges, including the degradation of land caused by invasive species, poor soil conditions, and the loss of natural habitats. To overcome these issues, FTFA conducted a thorough site assessment, implemented invasive species management through repeated clearing, and applied soil restoration techniques.

Native tree species such as *Buddleja salviifolia*, *Celtis africana*, and *Combretum erythrophyllum* were chosen for their compatibility with the local ecosystem, resistance to pests, and their ability to thrive under specific environmental conditions.

The trees were planted in two phases and carefully spaced to allow healthy growth and reduce competition from invasive plants. Workers mulched, watered, and weeded regularly to ensure the trees' survival. Partnering with local communities,

FTFA also created a long-term care plan that includes fire prevention, habitat restoration, and ongoing invasive species control.

Beyond capturing carbon, the project is already boosting local ecosystems. The replanted area has formed a natural wetland, attracting more wildlife and enriching biodiversity. Since the project began, over 8 000 trees have taken root, forming a dense canopy that helps protect against further deforestation.

Emira's involvement highlights its dedication to sustainability and South Africa's environmental health for the future. This initiative proves how partnerships can revive ecosystems and protect biodiversity for generations to come.

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Global environmental challenges

- 1

Political and economic uncertainty affecting investment decisions and market confidence
- 2

Shifting tariff policies that could restrain commercial real estate performance
- 3

Infrastructure deterioration and operational costs — loadshedding, water supply issues, and declining public services (especially in SA)
- 4

Climate resilience and ESG compliance — Increasing pressure for sustainable properties and bridging gaps between local legislation and global climate frameworks

Global environmental outlook 2025

Key focus areas: 2025	Progress update	Key focus areas: 2026
Focus on reducing scope 1 and 2 emissions as Emira approaches the 2030 deadline	Continued emissions reductions through various initiatives. Primary contributor to emissions reductions are the on-site solar PV installations	Restating SBTi targets post portfolio changes. Update of decarbonisation strategy
Ongoing investment in clean energy and alternative water sources with an emphasis on achieving waste reduction targets	Various projects implemented during the year – 1,5MW PV installed, 40KL water harvesting installed, various waste initiatives in place	Ongoing investment in clean energy and alternative water sources with an emphasis on achieving waste reduction targets
Introduction of scenario modelling	Climate risk integrated into the Funds risk register. Scenario modelling investigated and will be implemented if required.	Continued alignment to relevant reporting frameworks