

Climate Change (ECC1)

Where do we stand? Attacq recognises climate change as a significant issue facing the world and South Africa specifically; an issue that has real and material operational and risk implications for Attacq as a business. (ECC2)

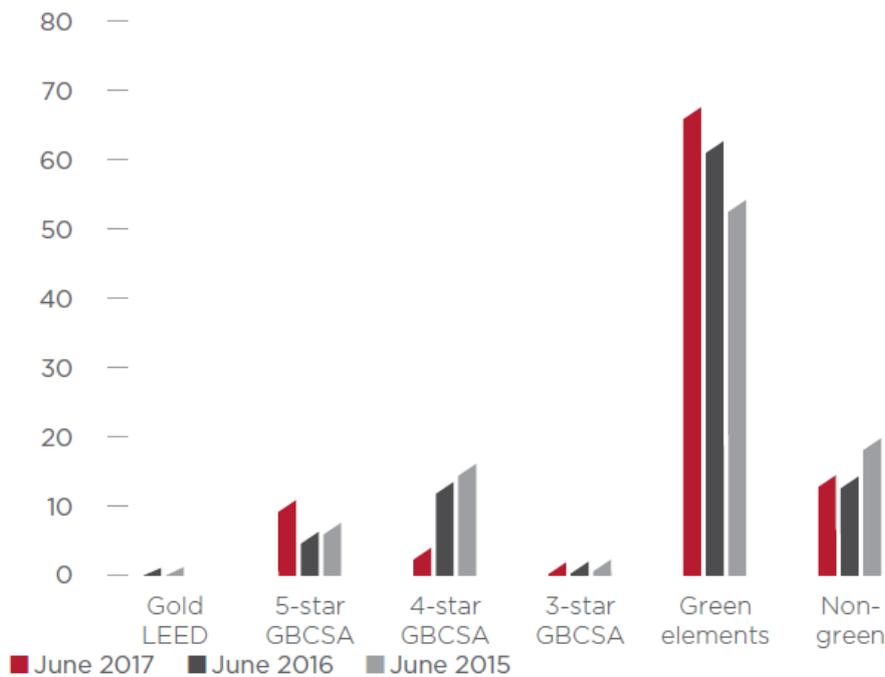
In response to the risk posed by climate change Attacq is committed to reducing its contribution to climate change while preparing for the effect of climate change in its portfolio.

A lighter environmental footprint

Attacq works with its peers to mitigate climate change and is an active member of the Green Building Council of South Africa (GBCSA) participating in the process of developing new GBCSA tools on an ongoing basis. Attacq is also part of the South African Property Owners Association (SAPOA) and an active member of its Sustainability Committee. (ECC3)

In pursuing green building best practice, we considered various building rating systems. The green building rating system creates a benchmark for buildings around the world to measure against the norm and understand a building's relative impact. The system is also useful in guiding the design and construction teams. After careful assessment, Attacq decided to make use of two green building rating systems (the Green Building Council of South Africa's Green Star ratings and the international Leadership in Energy & Environmental Design (“LEED”) system), depending on our tenant requirements. In this way, we are able to make our buildings as competitive as possible. We also aim to continue to introduce green elements.

Green ratings (by design) based on PGLA (%)



(% of portfolio by GLA: Gold LEED 1.1%, 5 Star Green GBCSA 10.9%, 4 Star 4.0%, 3 Star 1.9% - June 2017)

In our existing portfolio we measure and monitor the following key drivers of our environmental footprint in order to manage and reduce our impact on climate change:

Green House Gas (GHG) emissions:

In the 2017 financial year the carbon footprint boundary for Attacq was changed to an equity share approach from the operational control approach of previous years. This was done to more accurately reflect our carbon footprint after changes in ownership in many of our properties. This resulted in a lower scope 2 effective carbon footprint. We are comfortable with the moderate 4.8% overall increase. Additional factors that contributed to the increase are:

- an increase in electricity consumption as our portfolio grew and the Mall of Africa had a full year's operation; and
- a more strenuous approach which saw us include electricity transmission and distribution losses in our Scope 3 (ECC 14)

Source		Financial Year		
		2017	2016	2015
Scope 1	Fugitive Emissions (Kyoto) Refrigerants	466,44	1 936,77	826,76
	Generators (Stationary Fuels)	71,44	66,54	144,41
	Fleet (Mobile Fuels)	1,17	1,09	1,65
Scope 2	Electricity	156 862,71	161 611,81	144 773,33
Total Scope 1 & 2		157 401,77	163 616,21	145 746,15
Scope 3	Losses from T&D	14 737,25		-
	Water supply + treatment	740,23	632,34	608,52
	Waste	3 899,86	3 373,81	3 146,50
	Employee commute	231,42	179,76	137,15
	Flights	67,57	84,23	70,67
	Generators	-		
	Electricity	-		
Total Scope 3		19 676,33	4 270,14	3 962,84
Total Tonnes CO2e		177 078	168 907¹	153 283¹
Including Non-Kyoto Gasses Co2e (tonnes)				
Year on year Increase		4,8%	10,2%	

The intensity of operational GHG emissions has seen an overall drop year on year but at an asset class and individual asset level exceptions are being identified and managed. (ECC12)

GHG Intensity

Group Level

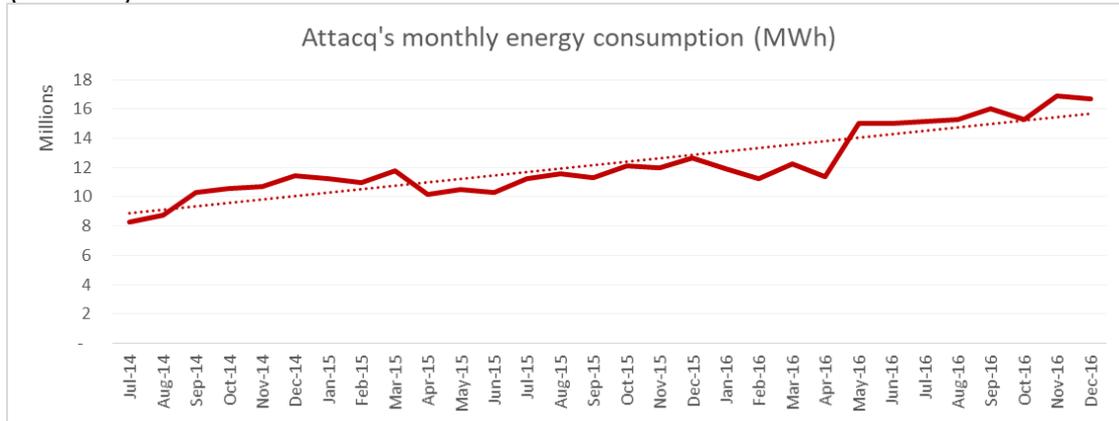
Intensity: Scope 1 & 2	2015	2016	2017
Tonnes CO2e / m2	0,271	0,266	0,223

Asset Level

Per Asset Class	Tonnes CO2e/m2/Year		
	2015	2016	2017
Retail	0,366	0,373	0.408
Office & Mixed Use	0,238	0,221	0.178
Industrial	0,063	0,081	0.068
Hotel	0,116	0,139	0.156

Energy consumption:

The main driver of Green House Gas emissions in the Attacq portfolio is purchased electricity consumption representing over 85% of the company's carbon footprint (ECC15).



The Attacq portfolio's total electricity consumption for the 2017 calendar year was 189 531 418 kWh¹ and total water consumption was 834 082 kl¹

To reduce our electricity consumption and our environmental impact we have taken a policy decision to pursue sensible energy projects that make economic and environmental sense to the Company and its tenants.

Attacq's focus on developing energy efficient buildings has resulted in 66% of the office buildings in the Attacq portfolio performing better than South Africa's SANS 204 benchmark for energy consumption per m² of GLA per annum.

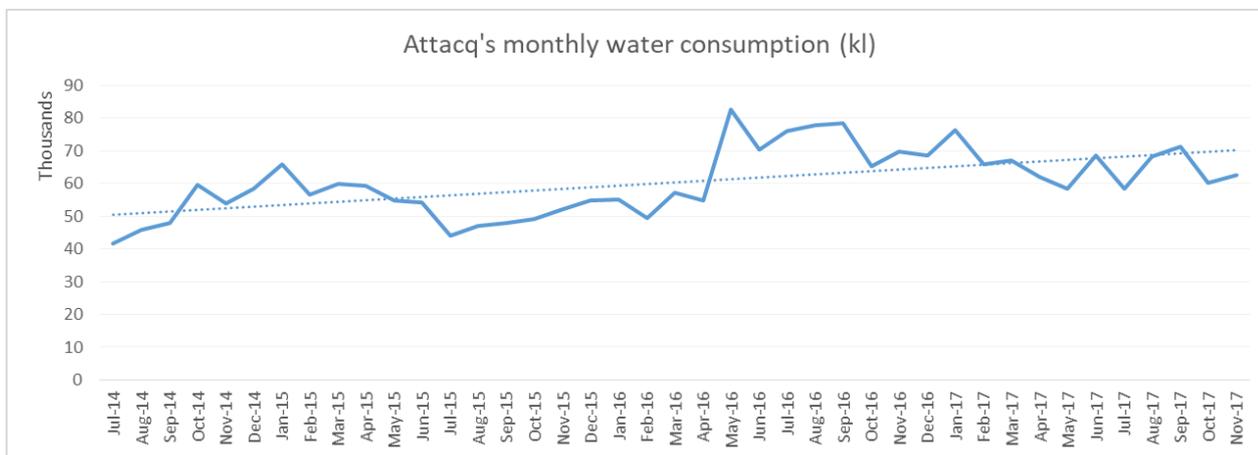
The scale of our portfolio and the size of some of our properties is creating the opportunity for renewable energy projects in Attacq; most notably Photovoltaic (PV) systems. Attacq Energy was created as a wholly-owned subsidiary of Attacq with a dedicated focus to develop, own and manage renewable energy solutions across our portfolio. Attacq Energy's pipeline of renewable and energy efficiency projects will increase as long as economically sensible opportunities exist. The goal is to bring 7.455 MWp of photovoltaic systems on line in next (2017/2018) financial year and to reduce the purchased electricity consumption of Attacq by more than 5%. (ECC36)

Water – a strategic resource to be managed, saved and protected

In a changing climate water is recognised as strategically important for Attacq and critical for the continued operation of our properties. As a result, water consumption is being measured, monitored and managed with increasing intensity within the Attacq portfolio to ensure water consumption grows slower than our portfolio. The goal is to

¹ This figure had been assured by PwC. The assurance report is available on request.

increase water management and efficiency in our portfolio to improve the resilience of our properties.



(Annual total consumptions: 2015: 646 MI 2016: 800 MI 2017: 783 MI¹ ESC 32
¹Dec 2017 figures provisional)

Attacq's electricity and water consumption is independently measured and verified by Remote Metering Solutions, an independent third party utility management company. The total consumption figure is assured by PWC.

Attacq's Carbon Footprint and Green House Gas (GHG) emissions assessments are likewise based on a model developed by a reputable independent company (PWC). The carbon emissions were measured in accordance with the GHG Protocol (WRI & WBCSD, 2004). All emission factors used were from DEFRA (2016) unless stated otherwise and global warming potentials were in accordance with the IPCC 2nd Assessment Report (1995) and the 2014 Guidelines to DEFRA's GHG Conversion Factors, which are based on IPCC AR2 for Kyoto listed gases and on IPCC AR4 for non-Kyoto gases.
(ECC41, ECC42)