



COMPOSITION AND ATTENDANCE OF MEETINGS

The composition of the committee and attendance of meetings are set out on pages 27 to 28.

KEY ROLE, FUNCTIONS AND RESPONSIBILITIES

The role, functions and responsibilities of the committee are prescribed by the Companies Act as detailed in the committee's terms of reference, which is reviewed by the board annually.

In executing its duties, the committee is responsible for monitoring and overseeing:

- Ethics
- Social and economic development
- Good corporate citizenship
- Customer relations
- Environment, health and public safety
- Broad-based black economic empowerment
- Labour and employee engagement
- Compliance with applicable laws and regulations.

HIGHLIGHTS AND ACTIVITIES OF THE 2021 FINANCIAL YEAR

INTRODUCTION

The Spear group has consistently sought to align its business with the principles and recommended practices of the King IV™. The group remains guided by the JSE's Socially Responsible Investment Index criteria as well as other applicable laws and regulations.

ORGANISATIONAL-WIDE ETHICS

During the year under review, Spear remained committed to embedding organisational-wide ethics in accordance with Spear's board charter, Employee Hand Guide and Code of Business Ethics and Conduct as well as ethics-related policies to foster a good ethical culture in the group. In this regard, Spear continues to monitor its anonymous tip-off line to identify and address areas of concern and implement ethics-awareness campaigns.

Furthermore, Spear continued to address conflicts of interests throughout the group, which included the monitoring of gifts received and/or entertainment exchanged to ensure responsible and ethical business practices throughout the group.

CORPORATE CITIZENSHIP

During the year under review and in accordance with Spear's compliance monitoring framework policy, key emphasis was placed on Spear's corporate compliance programme to monitor Spear's activities whilst having regard to relevant legislation and prevailing codes of best practice. Spear ensured that relevant policies and processes to combat bribery and corruption were implemented and monitored.

BURSARY PROGRAMME

In 2021, Spear continued its Bursary Programme with the sponsoring of two historically disadvantaged individuals' tertiary education. One beneficiary is currently an employee of the group and the other completed her studies at the Cape Peninsula University of Technology in December 2020. Both of their studies were in curriculums that will largely benefit the group going forward.

Furthermore, Spear donated funds to the Women's Property Network Educational Trust to assist individuals with their studies in the property sector. These funds were generated via the Donate Your Roof renewable energy initiative. Details on this initiative is outlined in the sustainability report on page 33.

CSI PROGRAMME

During the year, Spear donated funds to various non-profit organisations such as Atlantic Hope, SALT, Hope Empowerment NPO and Little Optimist as well as a physical literacy programme hosted by The Kids Gym. All of the abovementioned organisations are doing incredible work in their respective communities and it is management's intention to build a closer relationship with them through our CSI programme. Spear also contributed towards the Solidarity Fund in aid of the coronavirus relief efforts.

To alleviate the socioeconomic challenges experienced by Spear's communities because of the Covid-19 pandemic, Spear reactivated its kitchen at the DoubleTree by Hilton Hotel to feed the most in need. The hotel kitchen produced up to 1000 meals per day and provided 50 000 meals in total.

Furthermore, Spear purchased 27 000 cookies in support of Mandela Day in respectful commemoration of the 27 years spent incarcerated. The cookies were procured from Khayelitsha Cookies, a Cape Town-based company which creates jobs and empowers previously unemployed women from informal settlements in Cape Town. These cookies were distributed to various NPOs and schools in disadvantaged areas.

ENVIRONMENT, HEALTH AND PUBLIC SAFETY

The committee continued to monitor environmental, health and safety aspects in accordance with the short-, medium- and long-term strategy of the group. Our environmental strategy remains focused on facilitating the reduction of our environmental footprint whilst maintaining a positive effect on asset values.

Due to the Covid-19 outbreak resulting in a global pandemic, key emphasis was placed on the implementation of and monitoring of the Covid-19 occupational health and safety regulations to ensure the wellbeing and safety of employees and stakeholders across the portfolio. No major health and safety impacts on communities, employees and/or customers in terms of the group's operations, activities and services were recorded during the year under review.

WATER CONTINUITY

Spear has continued to introduce systems across the portfolio to ensure that water usage in our buildings is limited and not fully reliant on municipal supply for daily use but rather come from alternate sustainable sources.

SOLAR PV

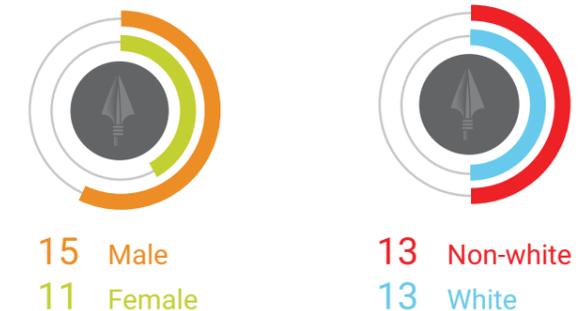
In line with the group's strategic objectives, significant progress was made on the implementation of solar technology and other energy-efficient saving methods to become less reliant on municipal electricity across the portfolio.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

During the year under review, the committee continued to monitor progress made with regards to the group's transformation activities. Spear remained committed to improving its B-BBEE contributor status with key focus on achieving its skills development, employment equity, management control and socioeconomic development targets. In this regard, Spear utilised the services of an independent consultant to develop a B-BBEE strategy for implementation.

In relation to employment equity and skills development, the committee continued to monitor progress against its targets in relation to Spear's employment equity and skills development plan in accordance with the company's short-, medium- and long-term strategy. Due to Covid-19 and the extended lockdown, key emphasis was placed on Spear's workforce profile taking into account staff movements and the barriers identified during the year under review.

The graph below illustrates Spear's current workforce profile:



During the period under review and with the assistance of Spear's training committee, a detailed training plan was adopted in which the group's employees gained access to various training courses and programmes funded by Spear. Spear is committed to ensuring that its employees are empowered through education and skills development via the implementation of its training plan.

LABOUR AND EMPLOYEE ENGAGEMENT

During 2021, the committee reviewed the outcomes of the plans implemented to ensure compliance with labour legislation in furtherance of Spear's objectives of promoting equality, preventing discrimination and creating decent employment.

CONCLUSION

During the period under review, the committee has discharged its responsibilities appropriately. Management has confirmed that there has been no material non-compliance with legislation or regulations that are within the remit of the committee's mandate. In addition, there were no infringements of the relevant governance codes that were reported, which included Spear's laws of establishment and memorandum of incorporation. Therefore the committee has fulfilled its mandate as prescribed by the Companies Act Regulations and there were no instances of material non-compliance to disclose.

The committee recognises that as the group grows its asset base and employee component, the monitoring of compliance with the relevant social, ethical and legal requirements and best practice codes will play an ever-greater part in its long-term sustainability and setting its ethical culture.

Niclas Kjellström-Matseke

Chair: Social and ethics committee

17 June 2021