LIBERTY
In it with you

Context and our approach.

Conserving **natural resources** for future generations.

In 2022, global energy shortages characterised the environmental landscape. South Africa continues to experience challenges to the grid, with loadshedding at its most intensive in 2022. Additionally, climate change amplifies water insecurity in our water-scarce country.

Liberty is committed to minimising our environmental footprint by understanding and managing our direct and indirect environmental impacts. We aim to be a catalyst for change by continuing to find innovative ways to save resources and reduce our environmental footprint.

Our **property portfolio** has the most significant environmental impact, which we mitigate by efficiently and effectively monitoring and managing electricity supply, water usage and waste generation and analysing local and global trends.

We regularly conduct awareness campaigns for our employees and tenants to positively influence their behaviour, and we will launch a consumer plan in 2023 to educate and inform patrons about sustainability issues. This assists us in further reducing our consumption of scarce resources. We also periodically assess the environmental impact of our supply chains. In 2022, we incorporated sustainability ratings into our procurement process, thus continuously enhancing our SEE strategy.

We implement initiatives to reduce our impact and manage our resources, and continue to invest in rainwater harvesting, solar power for our buildings, and composters to manage and recycle waste.

We align with UN SDGs 12 and 13 (responsible consumption and production, and climate change). Our net-zero water, carbon and waste framework supports our SEE value drivers while driving our contributions to SDG 6 (clean water and sanitation) and SDG 7 (affordable and clean energy). We also align with SDG 17 (partnerships for the goals) through our tenant and customer interactions.

Our environmental impact goes beyond reporting compliance. We actively implement initiatives that provide environmental benefits:

Future-Flex workspace initiative

In addition to aligning with employee expectations and our strategy, the radical redesign of Liberty's Braamfontein headquarters enables us to positively impact the world environmentally.

Creating green spaces with Indwe Park

As part of Liberty's campus ecosystem, we created an urban park in Braamfontein to bring nature to the inner city and our surrounding communities.

Liberty's Two Degrees (L2D) real estate investment trust (REIT)

L2D manages a significant portion of our property portfolio and has committed to net zero and managing natural resources efficiently through various initiatives.

Climate change response

Our climate change response aligns with the recommendations set out in the TCFD guidelines. This includes our approach, principles, strategy and governance.

Context and our approach. (continued)

Performance snapshot

Environmental progress

Greywater system
(filtered to flush toilets)

Solar energy projects
(to improve our renewable energy mix)

Achieved a
6-Star Green Star rating
for Sandton City

Recycling projects to reduce waste to landfill
(unlocking the value in waste)

L2D achieved a
6-Star Green Star interiors rating
for their office space at Nelson Mandela Square

Harmful plastics
reduction and awareness campaign

* RTS *Refer to our climate report for our progress on TCFD requirements and our climate action CDP score*

Net zero

Our net-zero framework details how we intend to use water and energy in the most resource-efficient, cost effective and environmentally responsible way, including solid waste and materials. We aim to meet local and global best practice, while aligning our net-zero targets with the Green Building Council of South Africa's (GBCSA) Net Zero Certification scheme, which is part of the World Green Building Council's global project, Advancing Net Zero.

	L2D net-zero commitments	Target date	Aligned to SDG
1	Achieve net-zero waste to landfill	2023	12 Responsible consumption and production
2	Achieve net-zero water by reducing potable water use	2025	6 Clean water and sanitation; 12 Responsible consumption and production
3	Achieve net-zero carbon through energy management	2030	7 Affordable and clean energy; 13 Climate action

Measurement and tracking

Consistently monitoring and accurately measuring resource usage are key to our success. We extensively track our carbon footprint, including waste management, business travel, electricity, refrigerants and diesel usage for our generators. Our **eco-analytics** dashboard is an online platform that monitors and analyses our **monthly water, electricity and carbon footprint**. The dashboard enables us to track our progress and ensure our tenants are aware of their usage, partnering with them to take appropriate action if necessary.

Context and our approach. (continued)

Environmental stewardship

Our extensive resource management programme **guides our approach** to renewable energy and water and waste efficiency.

We ensure transparency by disclosing our climate impacts in accordance with TCFD guidelines.

RTS *For more information, refer to our climate report.*

Water conservation and saving

We operate in a water-scarce country. To reach net zero, we must minimise our consumption of potable (municipality supplied) water. We implemented various initiatives focused on improving efficiencies across Liberty, including using potable water for handwashing and showering, and greywater for cooling towers, irrigation, toilets and urinals.

Continuous improvement

Project	Our progress
Our **rainwater harvesting** projects have proven successful and we continue to expand them to offset water consumption for our buildings.	• As part of the Liberty Centre building revamp in Braamfontein, we increased water conservation through rainwater harvesting and greywater collection • We completed a rainwater harvesting feasibility study at Botshabelo Mall, Eastgate Shopping Centre and Sandton City Precinct • Service provider appointments commenced in April 2022 • System designs are in progress • A significant intervention to address water consumption at Liberty malls will focus on upgrading the water-cooled HVAC systems to air-cooled.
We report our malls' annual water use intensity (kL/sqm	• 0,65

Responsible waste management

We aim to achieve net-zero waste for all our properties during 2023, and L2D is in the process of registering its properties for GBCSA certification. External consultants have been appointed and we expect to make progress towards this in 2023. We continue to explore ways to reduce our waste through onsite waste composting and plastic-free initiatives for harmful plastics. Our waste is disposed of or recycled effectively by responsible and reputable contractors. We also run initiatives to frequently educate employees and encourage responsible behaviour.

Continuous improvement

Project	Our progress
Waste composting	• In 2022, approximately 3 807 tonnes of waste were diverted to recycling facilities with a 50% recycling rate – based on our total waste weight (tonnes)

In 2022, the GBCSA partnered with L2D on a single-use plastics study. The study aimed to understand the extent of single-use plastics offered at point of sale to retail clients and how to eliminate this behaviour. L2D also wanted to understand the barriers and challenges faced by tenants and what alternatives were available.

L2D and Liberty have run a campaign for the last three years working towards eliminating single-use plastics for our retail and office environments to create meaningful behaviour change. However, a significant finding from the study **Supporting the circular economy: Investigation into the extent of single-use plastics in six retail malls across South Africa**, showed that the alternatives available when replacing single-use plastics might have a greater negative environmental impact, and that **reuse** is the single biggest contributing factor to reducing a plastic bag's environmental impact.

Ultimately, our goal is to reduce harmful plastics and direct and support retailers and consumers in shifting to more sustainable choices at point of sale. Based on this finding, we revised our strategy from reducing single-use plastics to removing harmful plastics.

We amended our policy to define the **use** and **scope** of certain plastic products, and L2D adopted a **retail shopper carrier bags and environmentally harmful products policy** in September 2022. The policy's purpose is to establish clarity and define scope relating to the use of certain plastics and plastic products within the retail environment.

Context and our approach. (continued)

Our **reverse vending machines (RVMs)** at Sandton City and Eastgate Shopping Centre remain successful and continue to educate and reward patrons for recycling. Rewards include vouchers that can be spent at the shopping centre when they deposit their recyclable packaging waste.

Since their introduction in 2019, the four RVMs have collected a total of 733 000 units of recyclables weighing 10,5 tonnes – equivalent to reducing 37 tCO_2e emissions

Sandton City

Two RVMS:

- Level 4 and 7 parking, and food court

Recycled in 2022

372 880 units weighing **24 390** kg:

- Glass: 17 000 kg
- PET: 4 000 kg
- Aluminium: 2 000 kg

65% of the 52 896 recycling transactions represent people between the age of 21 to 40
73% are male

Eastgate Shopping Centre

Two RVMS:

- Lower level and upper level

Recycled in 2022

94 261 units weighing **6 466** kg:

- Glass: 4 400 kg
- PET: 146 kg
- Aluminium: 375 kg

54.9% of the 476 recycling transactions represent people between the age of 21 to 40
70.71% are female

Energy efficiency

We have implemented several projects to ensure energy efficiency at our offices and retail buildings, including expanding our **solar PV** projects and our Future Flex Workspace initiative – an innovative programme designed to accommodate our hybrid way of working and evolution of work.

Continuous improvement

Project	Our progress
Ongoing activities towards implementing additional renewable energy projects are underway.	• In 2019, we installed solar PV panels at our Liberty Life Centre, providing approximately 7% of the building's electricity consumption and saving R2,4 million in 2022 • Solar PV panels in our Liberty Centre parkade are generating 60% of the building's electricity consumption, saving R550 000 in 2022 • Project feasibility studies are currently in progress for Botshabelo Mall, Sandton City and Midlands Mall • Promenade Mall's renewable energy project installation was commissioned in June 2022 and is ongoing • The Eastgate, Promenade and Midlands solar PVs generated 598 MWh of renewable energy, enough energy to offset approximately 2% of the total portfolio electricity consumption
Our **Future Flex Workspace** initiative overhauled our Braamfontein head offices to create an environment that facilitates our **evolution of work strategy**, optimises space and reduces our environmental impact, while allowing for collaboration and culture integration.	The refurbishment was completed in six months and included the following: • HVAC rezoning and optimisation • Installation of LED lights and motion sensors • Use of energy-efficient devices and appliances
Energy use intensity (EUI) measures the energy efficiency of buildings. L2D reports building EUI in kWh/sqm per year.	• On average, EUI year to date decreased by approximately 16% • L2D is on target to achieve net-zero energy by 2030

Context and our approach. (continued)

Building efficiency

Liberty Group Real Estate Services (GRES) ensures the sustainability of Liberty-operated buildings, including energy performance. Liberty complies with all regulations, and in 2022, we assessed the energy performance of our three Braamfontein campus buildings (2 Jan Smuts Ave, Libridge and Liberty Life Centre), receiving SANS 1544:2014 energy performance certificates. These certificates indicate the energy used to operate the building and is based on its square meterage and occupancy.

Building	Performance	Rating
The Flame Station, 2 Jan Smuts Ave	22 kWh/(m².annum)	**A***: The most efficient rating on a scale of A to G.
Libridge, Braamfontein	174 kWh/(m².annum)	**C**
Liberty Centre, Braamfontein	315 kWh/(m².annum)	**F:** The energy certificate was issued before our refurbishment, where significant energy interventions were implemented. Our performance has improved substantially as a result. Read about our Future Flex Workspace project. We are also working on an energy management plan to cater for our data centre's intensive requirements, which are compounded by loadshedding.

** We used less energy due to the 2 Jan Smuts Ave building being substantially vacant over the period.*

HVAC systems optimise the amount of energy required to cool buildings.

We completely rezoned the HVAC systems at our Liberty Life Centre building, reducing its electricity consumption by 24% compared to 2021.

- In 2021, we completed energy modelling assessments to identify opportunities to improve energy efficiency at Eastgate, Sandton City, Promenade and Midlands Mall
- We commenced procurement processes and installations in 2022/2023 for Sandton, Eastgate, Promenade and Midlands
- The project is estimated to be completed in 2026

We created our **Future Flex Workspace** initiative from a vision for a modern and connected building suited to a hybrid working model that creates a seamless working experience, is technologically aspirational and optimises space. We believe we have achieved this with our new offices.

At the forefront of the modern working model, our hybrid offices ensure that our people have the best of both worlds – a comfortable, flexible workspace, green spaces to refresh and nourish minds, and great spaces to collaborate with colleagues. Additionally, the building will positively impact the world by significantly reducing our environmental impact through its HVAC optimisation and energy-efficient lighting and appliances.

We have already seen the results of our transformation:

A **44%** decrease in electricity consumption against our 2019 baseline

The impact of the building includes reduced pressure on Eskom and Rand Water, and a reduced footprint:

Our HVAC system is equivalent to powering **4 400** South African homes for one year, planting **7 300** trees and creating water supply for **43** individuals per year

Our office areas save enough electricity to power **1 400** South African homes for one year, plant **2 400** trees and supply water for **14** individuals per year

Liberty's South African carbon footprint

Our environmental impacts are disclosed in accordance with TCFD guidelines, ensuring transparency while we detail our progress and benchmark ourselves against our peers.

Green buildings and green spaces.

Green spaces are crucial for people to **connect with nature** and their communities

Green Star certification

L2D manages a significant portion of our property portfolio, which must maintain natural resources as efficiently as possible. An essential part of achieving this is obtaining Green Star certification, an internationally recognised and trusted mark of quality for the design, construction and operation of buildings, including the interior and precincts.

A significant milestone was the achievement of Green Star certification for all L2D-managed retail buildings in 2021. L2D is aiming for recertification in 2024 as this is required every three years.

Liberty's Green Star rated buildings

6 Star	• Sandton City Precinct
5 Star	• Eastgate Shopping Centre • Midlands Mall • Nelson Mandela Square • Promenade Mall
4 Star	• Botshabelo Mall

Green spaces

Liberty's Indwe Park

In Xhosa, "indwe" refers to our beautiful national bird, the blue crane. Indwe Park, a new four-hectare urban park directly opposite Wits University and Liberty's Braamfontein offices, celebrates the area and promotes holistic wellbeing. The park is a fitting tribute to South Africa's natural beauty, heritage, people and biodiversity. Our goal is to bring nature and wellness together.

Why are urban parks important in cities?

Urban parks are important for combating pollution, supporting biodiversity in urban areas, regulating temperature and humidity, and reducing wind and noise pollution. Preserving biodiversity allows cities to create safe and healthy recreational spaces, which is also benefits mental wellbeing.

What are ecosystem services?

Ecosystem services are the benefits humans receive from healthy ecosystems, for example, pollination, flood prevention, recreation and cultural benefits. Indwe Park comprises indigenous medicinal plants and trees that attract various animals, including birds and insects, which are important for ecosystem services. We hope to encourage government, businesses and communities to create more green spaces.

Green buildings and green spaces. (continued)

L2D: good and safe spaces

L2D supports the property sector's influential role in meeting sustainability goals and has embedded these principles in the company's strategy. L2D's purpose is to continue to create spaces to benefit generations.

L2D's strategic building blocks

Good spaces: accelerating our positive impact on the natural environment

Smart spaces: integrating technology in innovative design thinking

Interactive spaces: providing an interchange of ideas and experiences within malls

Safe spaces: ensuring the highest standard of safety and security for shoppers

Through our assets, we are responsible for the safety and security of the many people that use our shopping centres. One of our most recent **safe spaces** strategic initiatives aims to advocate for better care for people suffering from mental health challenges.

In partnership with the Panda proactive mental health care app, we aim to create awareness of this mental health resource and empower our community to be proactive with their mental health journey. We piloted an awareness campaign at Sandton City and continue to engage with Panda to further support awareness at additional Liberty-owned centres, including Nelson Mandela Square, Eastgate Shopping Centre, Liberty Midlands Mall and Liberty Promenade.

How does it work?

Visitors can access QR codes on digital screens at the centre or through the public address. Visitors are directed to an app that provides anonymous 30-minute sessions with a mental health professional. They can also engage in audio-led peer discussions with others facing similar challenges or join expert-led group discussions on mental health-related topics.

L2D supports the Wilds Foundation

The Wilds Nature Reserve is a 16-hectare inner city park and nature reserve in the suburb of Houghton, Johannesburg. In 2022, L2D donated **R100 000** towards the environmental preservation of the East Wilds area of the reserve, a 20-acre section of indigenous flora on north-facing hills.

Friends of the Wilds employed a small team of workers to be onsite for six months. Their efforts resulted in great success, including:

- A dramatic reversal in the rate of weed infestation
- Increased diversity of plant species
- Conversion of several acres of lawn to wild grass
- Planting approximately 600 indigenous bulbs, 500 cuttings and the propagation and seeding of thousands of new plants

These activities have helped ensure that residents from the nearby inner city (Yeoville, Berea and Hillbrow) and northern suburbs can continue to enjoy the beautiful green space for walks, picnics, birding and more.

Climate-related financial disclosures.

In line with our commitment to consistent and transparent reporting, we present our 2022 climate-related financial disclosures for an enhanced stakeholder understanding of our progress regarding climate-related factors.

We compiled this climate report in accordance with TCFD recommendations. The TCFD helps identify information that investors, lenders and insurance underwriters need to accurately and appropriately assess and price climate-related risks and opportunities. Our disclosures are also relevant to our wider stakeholder groups in their understanding of what climate change means around the world, in South Africa and in society, and to explore our collective role in reducing our respective impacts.

These disclosures strengthen investment, credit and insurance underwriting decisions and are structured around four core elements:

** Diagram adapted from the TCFD recommendations*

As a responsible and forward-thinking business, Liberty is an official TCFD supporter and has adopted the TCFD recommendations to ensure that we are part of building a resilient economy while reducing our climate impact. Ultimately, this will enable us to contribute to a better world for future generations.

Overview

Our operating context

The 2022 global energy crisis is exacerbating Africa's pre-existing energy deficit, and the country's decades-long energy challenge continues to escalate in South Africa. Given this context, renewable energy projects that can contribute to the energy mix are more important than ever.

In the longer-term transition to a low-carbon economy that relies less on fossil fuel, Liberty recognises the complex and ongoing nature of the process, and we track our progress accordingly. Our extensive resource management programme (in conjunction with L2D) includes various renewable energy, energy efficiency, water efficiency and waste reduction projects, which contribute to the effective management of Liberty's climate impact.

Our commitments to reducing our negative climate impact include:

- Aligning with SDG 12 (responsible consumption and production) and SDG 13 (climate action)
- Implementing, monitoring and reporting on our resource management programmes
- Supporting green buildings
- Upholding the principles of responsible investment
- Creating awareness of environmental factors for our stakeholders
- Training and upskilling employees directly involved in our initiatives, and ultimately all employees

Our progress against the TCFD recommendations

As an environmentally responsible corporate citizen, we invest in programmes that minimise our environmental and climate impacts, while benefitting communities.

We have made meaningful progress over the past five years in upskilling our board members and employees on climate-related factors in line with best practice. We also conduct annual carbon footprint assessments, which we publicly disclose.

Climate-related financial disclosures. (continued)

Five-year progress: a snapshot

2018

Developing our SEE strategy

Recognising the impact of climate-related risks and opportunities on business strategy and financial planning, we developed our SEE strategy, which is integrated into the group's business strategy and considers climate change as a critical factor.

2019

Establishing a net-zero framework, targets and policies

In identifying climate-related risks and opportunities in the medium to long term:

- L2D established a net-zero framework and committed to net-zero environmental targets
- L2D approved a series of policies to enhance its green building performance
- STANLIB developed ESG guiding principles and a related coal investment statement

2020

Risk assessment, governance and finalising our group sustainability policy

- We conducted a climate change risk assessment and, as part of this process, analysed our climate-related top and emerging risks in detail
- We formed the **TCFD working group** to identify climate-related risks and opportunities, encourage a just transition to a low-carbon economy and manage our exposure to climate-intensive investment portfolios
- STANLIB established an **ESG forum** chaired by the deputy head of investments
- We finalised our **group sustainability policy**, which governs our sustainability activities and responsible investing criteria

2021

Ongoing risk management and achievements

- We conducted a follow-up risk assessment to further define and enhance the climate-related risks and opportunities
- We finalised our net-zero framework and launched the Liberty Structured Global Performer ESG V1 portfolio for policyholders to invest in
- We achieved a **B score in the CDP carbon footprint assessment** for our efforts in managing and reducing our climate impact
- L2D successfully achieved **Green Star certification** for all retail buildings

Our disclosures on sustainability matters are guided by a range of standards, including:

TCFD recommendations (official TCFD supporter)	King IV Report on Corporate Governance for South Africa, 2016 (King IV™)
UN SDGs	UN Global Compact
UN PRI	CRISA 2

2022

Performance and outlook

- We continue to focus on reducing our climate impact, and since our merger with Standard Bank Group, we form part of their CDP (global disclosures) submission
- L2D intends to reach net-zero carbon by 2030, which is 20 years earlier than South Africa's commitment as a country
- We optimised our **sustainability framework** to increase productivity, boost innovation, reduce cost and mitigate risk
- The SEE working group, set to commence in 2023, was formed to improve efficiencies. We combined the ESG and TCFD working groups to better utilise member capacity, consolidate activities to reduce duplication and ensure that activities are housed in the correct business area. The **SEE working group** is empowered with focus groups that address specific ESG and climate-related factors, including:
  - Advocacy and regulation | ESG and climate risk | Responsible investing | SEE strategy and metrics | Social impact

Our disclosures in line with the TCFD recommendations.

Governance

How Liberty governs climate-related risks and opportunities.

The role of our board and management

Board oversight

The Liberty board is responsible for the effective governance of risk management and clearly defines risk management roles and responsibilities for the chief executive, who is supported by the executive committee (exco) and various subcommittees and key functions.

The board delegates independent oversight of risk and capital management to the group risk committee (GRC). The SET board committee manages Liberty's approach to climate change, sustainability and good corporate citizenship.

The board delegates responsibilities to management using the three lines of defence governance model:

First line of defence	Operating management who act with risk in mind
Second line of defence	Risk and compliance professionals who oversee all risk types and provide input from the corporate centre
Third line of defence	Independent assurance on adequacy and effectiveness of Liberty's enterprise risk management (ERM) framework

Management's role in assessing and managing climate-related risks and opportunities

Exco	Group exco	
Management committee	The group control and risk oversight committee (GCROC), along with its subcommittees	People, social, ethics and transformation (PSET) committee
Functions	Risk management and other control functions	Sustainability function: • TCFD working group incorporated into the new SEE working group

Meet quarterly   Meet monthly

The GRC (a board committee) reviews risk and capital philosophy, strategy, policies and processes recommended by the GCROC (a management committee). It also provides oversight on behalf of the board, which is responsible for implementing Liberty's risk management system and all risk policies. The GCROC, along with its subcommittees, maintains capital and risk policies, methodologies, procedures and plans to ensure our risk management system's effectiveness.

The **SET committee** (a board committee) oversees Liberty's progress on transformation, social and economic development, client fairness, ethical conduct, responsible corporate citizenship, sustainability, the impact of brand and marketing, and stakeholder management.

The **sustainability function** reports sustainability matters to the group's PSET committee. Additionally, the **TCFD working group**, which identifies climate-related risks and opportunities, has been incorporated into a specific ESG and climate-related focus group within the newly formed SEE working group.

Our **SEE working group** consolidates and coordinates climate and ESG activities across the group to ensure the effective integration of ESG and climate factors into business processes and encourage collective action. The SEE working group includes five dynamic **focus groups** that can be activated as necessary. Each focus group team leader reports into the larger SEE working group, which in turn reports key matters to the GCROC and PSET for tabling and approval at GRC and SET, where appropriate.

Our disclosures in line with the TCFD recommendations. (continued)

SEE working group focus groups: planned areas of future focus

Focus group	Planned areas of future focus
ESG and climate risk	• Determining our climate pathways • Setting key ESG and climate metrics • Maintaining our ESG and climate risk register • Providing input on climate stress testing scenario analyses, if necessary
Responsible investing	• Implementing the responsible investment policy • Ensuring due diligence in investment screening • Maintaining the sustainability balanced scorecard rating system
SEE strategy and metrics	• Assessing ESG and climate impact on our business operating model • Developing and tracking SEE impact metrics • Conducting materiality and stakeholder assessments
Social impact	• Focusing on transformation, diversity and inclusion • Impact investing for societal impact • Preferential procurement • Gender pay gap
Advocacy and regulation	• Building relationships with key stakeholders • Monitoring changes to current, new or emerging regulations • Determining the group stance on key ESG factors • Identifying key advocacy projects and possible collaborations

Exco	Group exco
Management committee	GRES exco
Functions	GRES risk and sustainability functions

Meet quarterly

The GRES risk and sustainability functions are responsible for monitoring and reporting on climate-related risks and opportunities related to Liberty's buildings, which are incorporated into our SEE strategy. The GRES team reports to the GRES exco, a subcommittee of the group exco. The GRES exco then reports to the group exco.

Exco	L2D exco
Management committee	L2D good spaces committee
Functions	L2D functions

Meet quarterly

L2D is listed on the JSE as a REIT. Liberty has a 61.1% share and is co-owner of the property portfolio managed by JHI Retail. L2D's good spaces strategic building block reduces the impact of its operations on the environment and pursues opportunities relating to meeting its net-zero aspirations, renewable energy, waste management, and energy and water usage optimisation.

The L2D social, ethics and environmental committee oversees L2D's activities relating to sustainability, the environment and climate change, and reports to the L2D board. Amelia Beattie, L2D's chief executive, is a member of Liberty's SET committee.

Our disclosures in line with the TCFD recommendations. (continued)

STANLIB – Liberty's wholly-owned asset manager

STANLIB is a signatory to the UN PRI and endorses CRISA 2. As such, it has integrated ESG into its investment processes.

Exco	STANLIB CEO
Management committee	ESG forum
Functions	Investment teams/ committees

Meet quarterly

STANLIB's ESG forum monitors and reviews ESG investment processes and outcomes and provides guidance on ESG-related matters. The forum is appointed by and accountable to STANLIB's CEO. The investment teams within STANLIB discuss ESG-related matters in detail as part of their responsibilities and investment considerations.

STANLIB developed ESG policy principles and a coal-based power statement to provide direction on investment decisions. It applies ESG-related criteria to its investment processes, assisting the ESG forum in executing its mandate.

Strategy

The actual and potential material impacts of climate-related risks and opportunities on Liberty's businesses, strategy and financial planning.

The impact of climate-related risks and opportunities on strategy and financial planning

Time frames relating to climate-related risks

Liberty classifies its climate-related risks in the short, medium and long term

- Top risks are material risks expected to materialise within a relatively short time frame
- Emerging risks are trends that could significantly impact the organisation in the medium to long term (>three years)

It is unlikely that any direct, physical climate-related risks will have a material impact on our business in the short term. However, responding to climate-related risks remains a priority for the group, and we will reassess the short-term material impacts in 2023 with the integration of Standard Insurance Limited.

Liberty's ethos of doing the right business the right way carries through into our environmental stewardship. As a responsible corporate citizen committed to building a just future for all, we carefully consider our response to climate change and the just transition to a low-carbon economy by ensuring environmentally responsible business practices, products and services.

We focus on initiatives that minimise our environmental and climate impact. We also drive several initiatives as part of our efforts to steward natural resources responsibly, including:

- Actively managing our carbon footprint and implementing a decarbonisation strategy (net-zero water, carbon and waste) for all our properties
- Developing and implementing policies that set ESG principles and standards (including climate change), such as our group sustainability policy
- Driving an extensive resource management programme to ensure the group's impact on climate change is effectively managed

We launched the Liberty Structured Global Performer ESG V1 portfolio in 2021, which tracks the MSCI Global Diversified ESG 100 Decrement 5% Index. ESG principles provide improved risk management, making these funds a worthy investment.

Responsible investment in renewable solutions

South Africa's ongoing energy crisis means that renewable energy solutions are always explored, with investment in solar energy presenting a viable option. However, energy demand typically peaks at sunset when the sun's energy is fading. Concentrated solar power offers an excellent solution because it harnesses the sun's energy to generate steam, which drives generator turbines and creates thermal energy that can be stored and released when needed.

STANLIB has invested in such a project, namely the Kathu Solar Park in the Northern Cape, which uses concentrated solar power and gathers heat using parabolic mirrors. The heat is transferred to a molten salt reservoir, which operates like a battery – releasing heat to generate power for up to 4,5 hours after sunset. At optimal performance, the project can supply power to nearly 180 000 homes in South Africa.

In addition, the Kathu project is expected to save an estimated six million tonnes of CO_2 emissions over 20 years. It stimulates the local economy through various ventures, such as local supplier sourcing and establishing a community trust to share the project's revenues with the community.

To date, STANLIB has invested R350 million in the Kathu initiative.

Our disclosures in line with the TCFD recommendations. (continued)

Climate-related risks and opportunities in the medium to long term

The **2022 World Economic Forum's Global Risks Report**[8] highlights that the climate crisis remains humanity's most significant long-term threat. Respondents to the 2022 World Economic Forum Global Risks Perception Survey ranked "climate action failure" as the highest risk with the most severe potential impact over the next decade. The second most serious short-term risk is extreme weather due to climate change, with biodiversity loss being the third.

Failure to act on the climate crisis could potentially reduce global gross domestic product by one-sixth. Awareness of the need to implement a fair and just transition to a low-carbon economy is important to ensure that employees and organisations currently invested in a high-carbon economy are not left behind.

Through a steady increase in climate activism, consumers are pressuring global leaders, businesses and institutions to be transparent in their actions to mitigate the risks posed by climate change and reduce their own climate impact. Liberty is committed to playing our part in combatting climate change through responsible investment, our procurement policies and supply chain, our extensive sustainability initiatives and transparent reporting.

Physical risks

First-order risks arising from **weather-related events** that may occur over the short, medium and long term. Organisations may experience:

- **Chronic**, gradual impacts, such as those due to shifting temperature patterns
- **Acute**, abrupt or disruptive impacts due to extreme weather events, such as floods, droughts or sudden regulatory actions

Transition risks

Financial risks arising from the **movement to a lower carbon economy**, including:

- The repricing of carbon-intensive assets
- Costs related to technological and market changes
- Costs related to regulatory compliance and potential legal actions

In 2022, our annual review of top and emerging risks continued to highlight climate-related risks. As this emerging risk was flagged a top priority in 2021, our risk team dissected the different risk types and determined how and when they would materialise. We continue to monitor and enhance our understanding of the threats and opportunities posed by climate-related risks through our ESG and climate risk focus group and integrate insights into decision-making processes.

Due to the speed at which acute physical climate change risks (such as fires and floods) are expected to materialise, combined with the mitigating actions available to Liberty (such as the repricing of products), these risks have been assessed as low, with a short-term impact. Chronic physical risks include drought and a change in weather patterns – taking place over a longer time period – and have been assessed as low risk, with a long-term impact.

Transition risks pose the risk of occurring within a much shorter time frame as global sentiment aligns with the need to take action and financial markets accelerate the anticipated impact on market prices. Within the transition risks, the market and credit risks associated with the investment of our assets are considered to be the most material.

The TCFD recommendations also refer to liability risks, which could arise when parties suffering loss or damage from climate change seek to claim from insurance firms. As a result of our integration with Standard Bank Group, in 2023, liability risks will focus on a short-term insurance perspective.

[8] *https://unfccc.int/news/climate-tops-2022-wef-global-risks-report?gclid=EAIaIQobChMI1orfq-vI_AIVzcLtCh0sqwIdEAAYAyAAEgIhgvD_BwE*

Our disclosures in line with the TCFD recommendations. (continued)

Climate change risk assessment

We conducted a detailed climate change risk assessment that included an analysis of climate-related risks, opportunities and mitigations according to the categories proposed by the TCFD:

		Transition risks	Potential impacts
Financial impacts arising from the movement to a lower carbon economy	Policy and legal	Mandates on and regulations of existing products and services, such as increased carbon/environmental taxes Enhanced emission reporting obligations, such as green building requirements for cities and energy performance certificates, and reporting obligations imposed by regulators or stakeholders Increased stakeholder activism as people demand more environmentally friendly business practices, products and services	• Increased taxes and operating costs • Higher compliance-related costs • Increased fines and judgements • A change in or reduced demand for insurance products in the transition towards a low-carbon economy • Uninsurable risks due to the impact of climate change
	Technology	Existing products and services substituted with lower emission options (e.g. green technology), with potential high costs to transition to these lower emission technologies Unsuccessful investments in new technologies through possible investment in inferior or swiftly outdated technologies	• More expensive and less reliable technologies (e.g. solar photovoltaic (PV) vs diesel generators) • Inherent trade-offs (e.g. technology uses more energy in an increasingly digitalised world (cloud computing)) • Accelerated depreciation may result in stranded assets • Repricing assets • Substantial capital investment in technology research and development
	Market	Rapid transition to a low-carbon economy and foregoing a just transition will impact the labour market Reduced competitiveness in international markets, seeing as South Africa and Africa have an energy deficit and rely on fossil fuels Limited investment choices and uncertainty in market signals Shift in consumer preferences and purchasing behaviour	• Increased risk of stranded assets • Lack of just transition may cause social unrest and increase inequality • Inability to transition may lead to unemployment • Reduced value of current investments • Loss of market share
	Reputation	Stakeholder activism as clients demand climate-conscious investments and insurance products, while employees may align more closely with "climate responsible" companies Not meeting committed targets and being at risk of greenwashing Competing industry expectations and playing catch up, while concentrating on constantly adjusting standards Responsible marketing to ensure reliable and correct communications to manage the risk of greenwashing	• Loss of business if not aligned to stakeholder perceptions • Not adjusting our investment portfolios in a timely manner • Losing credibility with stakeholders • Increases in cost of compliance/best practice • Negative brand exposure due to misinterpreted marketing

Our disclosures in line with the TCFD recommendations. (continued)

	Physical risks - acute	Potential impacts
Increased severity of extreme weather events or natural disasters	Increased severity and frequency of weather events and natural disasters, causing damage to property and infrastructure, thus impacting our assets Changing and unpredictable weather patterns resulting in reduced agricultural yield and increased costs to improve resilience to extreme weather events	• Property damage to Liberty's infrastructure and employees' properties, impacting productivity • Increased water scarcity • Increased absenteeism and reduced employee productivity or engagement • Property assets may struggle to respond to extreme weather events, such as droughts, floods, wildfires or soil erosion • Unexpected loss of life • Competition for reduced resources • Supply chain interruptions • Write-offs and early retirement of existing assets • Threats to food security and agricultural development
Long-term shifts in precipitation and temperature, and increased variability in weather patterns	Increased water scarcity in southern Africa through changes in precipitation and weather impacts, which will have knock-on effects Rising mean temperatures are a particular problem for Africa, which is expected to warm at almost double the global average rate, resulting in prolonged heatwaves causing droughts, fires, etc.	• Increased and prolonged droughts • Increased operational costs to procure potable water • Increased capital costs (e.g. damage to facilities) • Lands unable to sustain livelihoods • Increased mortality due to extreme temperatures and higher air pollution • Climate-related migration/environmental refugees

Our disclosures in line with the TCFD recommendations. (continued)

		Financial sector-specific risks	Potential impacts
Financial sector-specific risks	Insurance	Higher insurance premiums due to increased risk and unpredictability, with a knock-on effect of increased pricing and insurance availability	• Impact on general claims due to severe weather events • Increase in insurance premiums • Inability to cover risks as these may be too unpredictable • Increased spread of diseases and pandemics • Increased life insurance claims and a reduced average life span
		Reduced health and wellness as vector-borne diseases increase	
	Credit	Rapid transition to a low-carbon economy could cause negative valuations/adjustments to carbon-intensive assets	• Increased risk of stranded assets • Increased import/export duties • Downgrading of South Africa – less desirable to investors
		Doing business with state-owned enterprises that do not transition swiftly	
	Liquidity	Reduced market liquidity for carbon-intensive assets due to transition, resulting in increased liquidity risks	• Market volatility and significant increase in claims • Stream of inflows less than outflows
		Increased claims related to climate impacts	
	Conduct	Insufficient action towards climate-related factors could be viewed as poor business conduct	• Reputational damage • Clients uncomfortable with how we invest their money may withdraw their investments, and new investments may be difficult to attract
	Investment	Significant reallocation of capital as industries with a high environmental impact are under increased pressure to transition to low-carbon industries	• Increased legislation and taxes in businesses we invest in • Considering a just transition while reallocating capital quickly

Our disclosures in line with the TCFD recommendations. (continued)

Through our analysis of climate-related risks, opportunities and mitigations, we identified the following opportunities, ranging from existing activities to white space opportunities:

Type	Climate-related opportunities	Potential impacts
Resource efficiency	Improve business resilience by generating our own energy, conserving and efficiently using water, and responsibly managing waste. As a green building differentiator, our buildings would be healthier for occupants and more efficient regarding energy, water use and responsible waste disposal. Reduced employee commuting due to transition to a hybrid working approach.	• Higher capital outlay costs but decreased operational costs • Reduced landfill costs • Reduced employee absenteeism and improved productivity due to a better work-life balance through hybrid working • Environmentally friendly approach to work • Improved retention rates and lower vacancy rates
Energy source	Investment in renewable energy and energy efficiencies, such as solar PV, wind and hydro, together with energy efficiency and battery back-up technologies, will assist with business continuity. A shift in our energy investment focus will allow us to consider decentralised energy generation and microgrids.	• Increased capital expenditure but lower operational costs • Solar PV can be funded at rates less than cost of debt • Potential to sell energy back to grid – grid stabilisation and provide rebates • Potentially invest in microgrids in remote locations
Products and services	Participation in the green economy will allow us to increase Liberty's positioning as an environmentally responsible corporate citizen, and our retail shopping centres as safe recreational spaces providing environmental education and awareness.	• Gain stakeholder confidence • Climate-resilient capital invested in assets that are made to withstand disturbances related to climate change • Redirect investments to carbon positive companies focused on contributing towards a just transition • Modernise retail to introduce recreational elements other than shopping • Use influence to educate clients and tenants about sustainability and create behaviour change
	Providing preventative climate-related products will equip an underserved market to meet client needs and contribute to an improved future. Mitigation efforts will result in fewer claims and cheaper insurance premiums.	• Explore micro products to protect low-income populations • Explore providing credit to new renewable energy suppliers
	Investing in creating new ways of farming while buffering climate impacts through biodiversity and biomimicry in the built environment will ensure resilience.	• Improved farming techniques and quality of life • Bringing nature into urban areas • Reduced operational costs • Improved indoor air quality, and stormwater retention and management
	Reallocate investment capital to participate in the green economy.	• Monitor trends and growth industries for investment opportunities • Green bonds and equity funds generate financing for renewable energy, water efficiency/ management, grid reliability and drip irrigation, among others

Our disclosures in line with the TCFD recommendations. (continued)

Type	Climate-related opportunities	Potential impacts
Markets	Generate measurable social and environmental impact through impact investing and become early adopters of low-carbon investment portfolios.	• Launch impact investment funds (such as the Khanyisa Impact Investment Fund) to leverage new investment opportunities • Innovate ways to take products to market, providing access to broader markets • Become market leaders in the commercial property space with bold net-zero target setting and achievement, increasing attractiveness for investors
	Leverage investment in new technologies to improve the world for future generations.	• Improved business continuity • Reduced operating costs • Pioneer pricing for emerging technologies, for example, through green leasing that transfers savings to tenants
Resilience	Build resilience in the built environment, supply chains and climate requirements in products and services.	• Increase affordable and resilient living spaces • Stable supply chains, shared savings and improved investor confidence • Reduced emissions • Impact investing increases resilience within portfolios over the long term

Resilience of Liberty's strategy under different climate-related scenarios

Liberty will continue to analyse the necessity of developing and conducting climate change scenarios and stress testing to assess its expected impact on the business.

Our disclosures in line with the TCFD recommendations. (continued)

Risk management

How Liberty identifies, assesses and manages climate-related risks.

Identifying and assessing risks is integral to Liberty's overall risk management approach.

Board-approved risk management framework

Our risk management framework defines our approach to understanding, managing and reporting our risks. Material or emerging risks, including climate change, are identified and assessed as part of the ERM process.

Risk management (top-down and bottom-up)

We consider bottom-up and top-down approaches to risk management, providing a wider lens to identify top and emerging risks.*

Top and emerging risks are reviewed annually by the GRC and include all strategic and other risks faced across the business. This process ensures that Liberty's management is proactive rather than reactive, creating a culture of converting threats into opportunities over the long term.

Including climate change as part of our emerging risks allows our board and management teams to focus on mitigating potential climate-related impacts. Additionally, business units drive a bottom-up risk identification approach across the business, providing management with a clear and prioritised list of risks to ensure the business's sustainability.

Risk and control self-assessments (RCSA) process

At a function level, the RCSA process is a management tool to assess and identify relevant risks and to mitigate these risks accordingly. The information is shared with the relevant committee.

* *Emerging risks are trends or conditions with a high degree of uncertainty that could significantly impact our financial strength, competitive position or reputation in the long term. The timing and severity of these risks are uncertain, but also present opportunities to the business. Once we identify an emerging risk, management investigates the risks and associated opportunities, which are then integrated into the decision-making process.*

Our disclosures in line with the TCFD recommendations. (continued)

How Liberty manages climate-related risks

Operational and strategic processes

There are multiple channels through which climate-related risks and opportunities are identified and communicated to executive management to ensure responsible and ethical management of sustainability and climate-related matters.

We established our TCFD working group in 2020 to strategically identify climate-related risks and opportunities, manage exposure to carbon-intensive investment portfolios and encourage a just transition to a low-carbon economy. In 2022, we established the SEE working group, incorporating specific focus groups to ensure agility and integration into Liberty's operating model.

The GRES department implements infrastructure-related sustainability projects relating to green buildings, energy, water, waste and safety. Risks and opportunities are assessed by the group sustainability team in collaboration with group risk and GRES's sustainability department, which are then incorporated into the group's SEE strategy.

L2D identifies real estate portfolio risks, which are scored in terms of probability and impact on financial standing, health and safety, or time delays. The L2D good spaces committee meets quarterly and is accountable to the L2D social, ethics and environmental committee.

STANLIB's ESG forum monitors and reviews the ESG risk process and research philosophies of STANLIB's investment teams, providing thought leadership and reviewing industry trends to guide on ESG matters. The ESG forum meets quarterly and is accountable to STANLIB's CEO.

Active management is a guiding principle in STANLIB's consideration of ESG factors during its investment processes. Each investment team within STANLIB adopts its own detailed methodology consistent with its investment philosophy in the process of integrating ESG factors into investment decisions. In this way, they can effectively identify ESG risks and opportunities.

The respective teams focus on areas that depend on the nature of the asset class and investment, including, but not limited to:

Environmental	Social	Governance
• Resource usage • Carbon emissions • Pollution • Impact on biodiversity	• Fair labour practices • Impact on communities • Health and safety • Just transition to a low-carbon economy	• Board composition and independence • Strategy • Transparency • Financial policies and remuneration • Compliance and regulations

Our disclosures in line with the TCFD recommendations. (continued)

Policies related to sustainability

Group sustainability policy

Liberty's group sustainability policy describes our commitment to managing our climate impact. We clearly identify, measure, manage, report and monitor sustainability risks and opportunities across the Liberty group.

We ensure that we apply principles of good corporate governance and international best practice, and that we comply with all relevant legislation. Our policy statements reflect our values towards ESG principles:

Policy statement 1	Embed ESG thinking in decision-making as a responsible corporate citizen
Policy statement 2	Responsible investing
Policy statement 3	Enhance stakeholder relationships
Policy statement 4	Responsible resource use and environmental protection
Policy statement 5	Commitment to best practice building standards

Policy statement 2: Responsible investing

Liberty's greatest environmental impact is where we choose to invest. As custodians of our clients' wealth and savings, we have a responsibility to deliver long-term returns by protecting and growing their capital. Integrating ESG factors into our investment process reduces risk and provides sustainable returns.

Policy statement 4: Responsible resource use and environmental protection

Our business's sustainability depends on responsibly using shared natural resources and protecting the environment. Liberty is committed to responsibly managing the environment we impact, and we support the Paris Agreement, an international treaty on climate change. In this regard, we will:

- Comply with all relevant environmental legislation and standards
- **Measure and report our environmental performance** through carbon, energy, water and waste monitoring programmes, and set absolute environmental targets against set baselines
- **Assess and manage** Liberty's impact, risks and opportunities related to climate change
- **Publicly disclose** our environmental impact annually in relevant reports
- **Invest** in energy efficiency, renewable energy and water-saving technologies
- **Redirect waste from landfil**l to reduce our environmental impact
- **Promote awareness and a sense of responsibility among employees** through environmental campaigns, internal communication, training and consultation on environmental matters

Our disclosures in line with the TCFD recommendations. (continued)

L2D's decarbonisation (net-zero) plan

Our efficient resource management plan in conjunction with L2D is part of our journey to manage our energy, water and waste effectively. We constantly search for innovative solutions to help us reach our goals. L2D, which manages a significant portion of Liberty's property portfolio, established a sustainability subcommittee to develop a sustainability strategy with supporting roadmaps. L2D is committed to achieving net-zero waste certification by the end of 2023, net-zero water by 2025 and scopes 1 and 2 net-zero energy by 2030.

The purpose of L2D's net-zero carbon, water and waste plan is to utilise energy and water in the most efficient, cost-effective and environmentally responsible manner. Part of this is to manage solid waste and materials to protect the environment and public health, conserve natural resources, and unlock value by finding the best methods to divert waste from landfill. By implementing this plan, we aim to decrease our operational impact on climate change.

L2D's policies on water efficiency, waste management and procurement

L2D is committed to protecting the environment by creating and implementing policies that govern how it manages natural resources, including a procurement policy that supports L2D's commitments to fostering a sustainable environment.

L2D aims to achieve water efficiency through water reuse and recycling; compliance with metrics to measure consumption and reduction; and water metering and continuous water performance assessment of each L2D property. Its water policy includes L2D's goals to reach net-zero water. External disclosure of its performance is reported annually.

Solid waste management policies are essential to protect the environment and public health while conserving natural resources and reducing waste going to landfill. L2D's solid waste management policy mandates how the organisation will collect, store and handle waste; details its waste minimisation and reduction plan through the facilitation of waste stream audits; and describes net-zero goals for waste.

L2D's procurement policy ensures that due diligence is undertaken on its suppliers to confirm they meet L2D's minimum sustainability requirements. The focus is on procuring responsible goods and services contributing to a sustainable environment. By implementing sustainable procurement practices, resources will be used more efficiently and will simultaneously address climate change while creating healthier and more productive environments for people and communities.

L2D established targets for the procurement of sustainable goods and services, which are monitored and assessed annually. The objective is to reduce harmful effects on the environment through the production, transportation, use and disposal of products, materials and services.

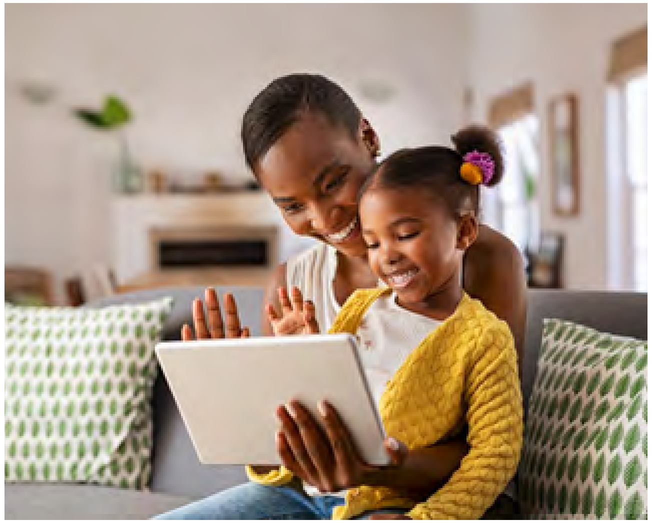
STANLIB's policy on investing in coal-based power

STANLIB developed a policy to govern its approach to investing in coal-based power. Coal produces approximately 41% of total energy globally and is considered one of the greatest risks to environmental sustainability. South Africa is one of the world's largest coal users and exporters and, as a signatory to the Conference of Parties 21 in 2016, is committed to accelerating actions and investments towards a low-carbon future.

Against this backdrop, STANLIB's policy on investing in coal-based power will not allow funding for the development of new coal power plants that do not meet the protocols of the Organisation for Economic Co-operation and Development, with some exceptions (specific cases with prior approval from the ESG committee). This allows for the potential financing of:

- Coal power plants in International Development Association-rated countries
- Coal power projects that meet supercritical* and above-technical specifications
- Companies deriving a portion of their revenue through coal production or coal-based power. In this instance, our policy on active engagement with company management is favoured to drive optimal outcomes aligned to reduce carbon dioxide emissions, while considering the development priorities of South Africa to alleviate poverty and address inequality.

* *A supercritical coal plant (as opposed to a traditional coal plant) will decrease waste heat produced by 25% and cut pollution and carbon dioxide by roughly the same amount according to the World Coal Association.*



Our disclosures in line with the TCFD recommendations. (continued)

How Liberty's processes for identifying, assessing and managing climate-related risks are integrated into overall risk management

Our risk management framework is supported by policies, processes and activities relating to risk management and reporting. The policies of particular relevance to ESG-related factors and climate change include those mentioned on this page.

The group identifies, assesses and prioritises risks to its strategy and execution. This more clearly identifies risks that arise from external forces, such as extreme weather events or supply chain interruptions due to climate change, and those risks related to the execution of existing strategies. Common risks across all the different risk types are those related to people and resource prioritisation.

Through the GRC, the board monitors and ensures emerging risks are mitigated through the group strategy and risk management practices. L2D identifies real estate portfolio risks and skilled personnel score identified risks in terms of probability and impact on financial standing, health and safety, or time delays.

L2D and GRES manage the growing scope of Liberty's sustainability initiatives at an asset level, thereby minimising the risk profiles of our properties in terms of climate change and societal shifts. Physical risks are assessed and managed as part of our operational risk management process. During the identification phase, we actively determine opportunities to increase our investments in renewable energy for our buildings and as part of the divestment of carbon-intensive energy generation in our investment portfolios.

STANLIB integrates ESG factors into its investment process by carefully considering ESG-related matters. This ensures that the risks associated with investment opportunities are thoroughly screened and understood. Each investment team adopts a detailed methodology for integrating ESG into its processes, actively identifying ESG risks and opportunities on a case-by-case basis while making investment decisions.

Qualitative and quantitative assessments are conducted, with focus areas determined by the nature of the asset class and investment. ESG ratings derived from these tools and methodologies are unique to each team, supplemented by ESG research, and serve as a basis for stakeholder engagement. Negative screening is also adopted as part of an investment team's research to exclude companies dealing in illegal activities and practices.

Considering ESG factors has been an important component of STANLIB's investment philosophy since 2012. Each team takes accountability for implementing its processes, which are regularly reviewed by the ESG committee to ensure that they reflect leading industry practices..

Our disclosures in line with the TCFD recommendations. (continued)

Metrics and targets

The metrics we use to assess and manage relevant climate-related risks and opportunities (where material).

Climate-related targets

Each year, as we progress with our sustainability efforts, we set measurable and attainable targets against a 2019 baseline. Below, we present the targets we met in 2021 and 2022, highlight our goals for 2023, and state what we intend to achieve in the short to long term.

2020	2021	2022	2023	2025	2030
• With L2D, Liberty achieves Green Star certification for all its retail buildings, with Sandton City achieving the highest possible rating of six stars • Liberty establishes a TCFD working group • STANLIB establishes its ESG forum	• L2D achieves waste diversion rates of 76% at a portfolio level • Liberty finalises its net-zero framework	• Liberty: Defines short (top risk), medium and long-term (emerging risks) time frames • Liberty: Improves data collection system and methodology • Liberty: Establishes SEE working group • L2D: Achieves net-zero waste readiness	• L2D: Achieve net-zero waste certification	• L2D: Achieve net-zero water	• L2D: Achieve scopes 1 and 2 net-zero energy

Our disclosures in line with the TCFD recommendations. (continued)

Water

Liberty's water consumption

Kilolitres (kL)	2022	2021	2020
Water consumption at owned and occupied properties[1]	**407 095**	326 994	254 079
Tenants' water consumption in shopping centres and offices[2]	**417 118**	300 365	397 349
Leased branches[3]	**104 795**	22 354	22 804
Total water consumption	**929 008**	649 713	674 232

1 *Offices: 171 Katherine Street, Liberty Centre Braamfontein, Liberty Parkade, Libridge, 2 Jan Smuts Ave, STANLIB Melrose Arch (Jan to Aug), Liberty Centre Century City (Jan to Jul), Liberty Centre Umhlanga Ridge, Eastgate Office Tower, Atrium on 5th, Sandton Office Tower, Nelson Mandela Square Offices. Malls: Botshabelo Mall, Eastgate Shopping Centre, Liberty Midlands Mall, Liberty Midlands Mall Lifestyle Centre, Promenade Mall, Nelson Mandela Square Retail, Sandton City Retail.*

2 *Offices: 171 Katherine Street, Libridge, Liberty Centre Century City, Liberty Centre Umhlanga Ridge, Eastgate Office Tower, Nelson Mandela Square Offices, Liberty Two Degrees in STANLIB Melrose Arch, Sandton Office Tower, Atrium on 5th. Malls: Botshabelo Mall, Eastgate Shopping Centre, Liberty Midlands Mall, Liberty Midlands Mall Lifestyle Centre, Promenade Mall, Nelson Mandela Square Retail, Sandton City Retail.*

3 *We extended our efforts to improve water management across our property portfolio to the collection of water consumption data at our branches. Our data is currently limited, and our 2022 data is based on 35 of our 61 leased branches.*

Energy consumption and efficiency

Electricity imported from the grid

Megawatt hours (MWh)	2022	2021	2020
Liberty's electricity consumption in owned and occupied properties[1]	**59 087**	62 067	52 973
Liberty's electricity consumption in leased properties[2]	**6 301**	6 896	3 890
Tenants' electricity consumption in shopping centres[3]	**92 088**	86 498	90 920
Tenants' electricity consumption in offices[4]	**9 885**	6 875	11 784
Total	**167 361**	162 336	159 567

Renewable energy generated with solar PV

Megawatt hours (MWh)	2022	2021	2020
Liberty's electricity consumption in owned and occupied properties[1]	**753**	2 222	1 597
Tenants' electricity consumption in shopping centres[3]	**3 309**	878	0
Total	**4 062**	3 100	1 597

Electricity generated from diesel generators

Megawatt hours (MWh)	2022	2021	2020
Liberty's electricity consumption in owned and occupied properties[1]	**21 385**	9 049	5 045
Liberty's electricity consumption in leased properties[2]	**20**	0	0
Total	**21 405**	9 049	5 045

Liberty's total electricity consumption

Megawatt hours (MWh)	2022	2021	2020
Liberty's electricity consumption in owned and occupied properties[1]	**81 226**	73 337	59 522
Liberty's electricity consumption in leased properties[2]	**6 321**	6 896	3 890
Tenants' electricity consumption in shopping centres[3]	**95 396**	87 377	90 920
Tenants' electricity consumption in offices[4]	**9 885**	6 875	11 784
Total	**192 827**	174 485	166 118

1 *Offices: 171 Katherine Street, Liberty Centre Braamfontein, Liberty Parkade, Libridge, 2 Jan Smuts Ave, Liberty Centre Century City (Jan to Jul), Liberty Centre Umhlanga Ridge, Eastgate Office Tower, STANLIB Melrose Arch (Jan to Aug), Atrium on 5th, Sandton Office Tower, Nelson Mandela Square Offices. Malls: Botshabelo Mall, Eastgate Shopping Centre, Liberty Midlands Mall, Liberty Midlands Mall Lifestyle Centre, Promenade Mall, Nelson Mandela Square Retail, Sandton City Retail. From 2019, Liberty's numbers include common area consumption that was previously included under tenant's consumption.*

2 *We currently report electricity consumption for 56 of our 61 leased buildings. We do not have access to electricity consumption information at the other buildings, but we are working on this.*

3 *Botshabelo Mall, Eastgate Shopping Centre, Liberty Midlands Mall, Liberty Midlands Mall Lifestyle Centre, Promenade Mall, Nelson Mandela Square Retail, Sandton City Retail.*

4 *171 Katherine Street, Libridge, Liberty Centre Century City, Liberty Centre Umhlanga Ridge, Eastgate Office Tower, Nelson Mandela Square Offices, Liberty Two Degrees in STANLIB Melrose Arch, Sandton Office Tower, Atrium on 5th.*

Our disclosures in line with the TCFD recommendations. (continued)

Waste

Total waste – weight

Tonnes (t)[1]	2022	2021	2020
Waste to landfill	**1 505**	2 366	2 809
Total recycled waste	**3 807**	3 672	2 468
Composted waste	**2 293**	755	170
Recycling rate by weight[2]	**49.8%**	43,4%	38,1%
Glass	**559**	286	198
Metal	**71**	32	23
Paper	**2 293**	1 772	1 414
Plastic	**590**	330	196
Tetrapak/mixed/other	**13**	88	
Organic waste (diverted/ disposal)	**265**	72	

1 *Offices: 171 Katherine Street, Liberty Centre Braamfontein, Liberty Parkade, Libridge, 2 Jan Smuts Ave, STANLIB Melrose Arch (Jan to Aug), Liberty Centre Century City (Jan to Jul), Liberty Centre Umhlanga Ridge, Eastgate Office Tower, Atrium on 5th, Sandton Office Tower, Nelson Mandela Square Offices. Malls: Botshabelo Mall, Eastgate Shopping Centre, Liberty Midlands Mall, Liberty Midlands Mall Lifestyle Centre, Promenade Mall, Nelson Mandela Square Retail, Sandton City Retail.*

2 *restatement: We have made efforts to better classify the waste data into the various waste emissions categories.*

Liberty's direct carbon emissions footprint

Liberty's South African carbon footprint

tCO2e[1]	2022	2021	2020	2019
Scope 1 direct tCO_2e	**L 6 726**	3 170	2 542	3 684
Stationary fuel used in equipment owned or controlled (e.g. generators)	**4 961**	1 503	719	627
Fugitive emissions from air-conditioning and refrigeration gas refills[2]	**862**	861	1 267	1 492
Mobile combustion from vehicle fleet consumption	**903**	806	556	1 565
Onsite renewable energy generation[3]	**–**	–	–	–
Scope 2 indirect tCO_2e[4]	**L 71 388**	73 101	58 000	56 568
Purchased electricity in Liberty owned and occupied buildings	**64 042**	65 791	54 032	52 969
Purchased electricity in leased and occupied buildings	**7 346**	7 310	3 968	3 599
Scope 3 indirect tCO_2e, including tenants' electricity	**L 117 891**	111 694	115 653	167 297
Scope 3 indirect tCO_2e, excluding tenants' electricity	**11 820**	12 719	10 893	16 145
Business travel in commercial airlines	**1 696**	331	735	2 968
Business travel in rental cars and transfers	**25**	8	13	59
Hotel accommodation	**286**	153	197	390
Employee travel claims and allowances	**588**	466	477	1 079
Paper consumption	**47**	46	65	192
Waste to landfill	**923**	3 067	3 629	5 916
Recycled waste	**95**	37	41	54
Losses from transmission and distribution of purchased electricity for Liberty-occupied buildings	**8 160**	8 611	5 736	5 487
Electricity consumed by tenants	**106 071**	98 975	104 760	151 152
Total combined Liberty scopes 1 and 2 emissions	**L 78 114**	76 271	60 542	60 252
Total combined Liberty scopes 1, 2 and 3 emissions (Kyoto Protocol), including tenants' electricity emissions	**L 196 005**	187 965	176 195	227 549
Total combined Liberty scopes 1, 2 and 3 emissions (Kyoto Protocol), excluding tenants' electricity emissions	**89 934**	88 990	71 435	76 397
Non-Kyoto Protocol fugitive GHG emissions (R22)[2]	**1 335**	1 006	261	653

Scopes 1 and 2: *Liberty's internal efforts to reach net zero* **Scope 3: Liberty's value chain to reach net zero*** ** We are analysing the data to better understand the status.*

1 *The Department for Environment, Food and Rural Affairs in the United Kingdom has published guidelines for GHG conversion factors to help businesses convert existing data sources into tCO_2e emissions. These conversion factors have been used as a basis to calculate Liberty's carbon emissions. The Eskom conversion factor of 1,04 tCO_2e per MWh was used for electricity in South Africa during 2022.*

2 *For 2022 data, Liberty adopted the refrigerant leakage rate methodology to improve accuracy.*

3 *4 274 MWh of renewable energy was generated across our portfolio (2021: 3 100 MWh; 2020: 1 597 MWh; 2019: 846 MWh).*

4 *Liberty reallocated emissions from common areas within its buildings to Liberty's scope 2 emissions (previously allocated under scope 3 electricity consumed by tenants).*

L *Limited assurance expressed over selected KPIs by PwC.*

Our disclosures in line with the TCFD recommendations. (continued)

L4 Carbon footprint

Over the past two years, we have optimised our head offices for energy and hybrid working. We rezoned our HVAC systems at Liberty Centre and have already seen a reduction in the building's electricity consumption by 24% compared to 2019.

Liberty's emissions (% of tCO_2e by scope)

	2022		2021		2020	
Scope 1	L **6 726**	**3,4**	3 170	1,7%	2 542	1,5%
Scope 2	L **71 388**	**36,4**	73 101	38,9%	58 000	32,9%
Scope 3	L **117 891**	**60,1**	111 694	59,4%	115 653	65,6%

Liberty and STANLIB investments

The table highlights Liberty and STANLIB's investment in climate risk-related entities as estimated percentages of the group's total assets under management as at 31 December 2022 and 31 December 2021. STANLIB has integrated ESG factors into its investment processes, ensuring they are a key consideration. Through its investment holding, we encourage entities to reduce their carbon emissions and mitigate their environmental impact.

LHL's largest climate risk-related investments

As at 31 December	% of Liberty Holdings Limited assets under management	
	2022	2021
Real estate[1]	**4,69**	5,00
Renewable energy[2]	**1,45**	1,46
Coal[3]	**1,70**	1,94
Oil and gas[4]	**0,99**	1,04
Agriculture[5]	**0,57**	0,51
Short-term insurance	**0,17**	0,09

Real estate and short-term sectors were added to align with Standard Bank's TCFD report and the new sectors they introduced. Sectors are not matched 100% due to the differences in Liberty's source system and the nature of our data.

December 2021 was rebased to align with current reporting requirements for consistency, and to allow for improvements in data from other Liberty subsidiaries.

The reported numbers account for directly-held exposures and look-through data on LGL's balance sheet.

Movements from 2021 to 2022:

1. *Real estate: fully allocated to commercial as there are no residential entities in our data. This is the largest of the reported sectors, with a large proportion being Liberty Property Portfolio and office buildings. It also contains the undivided share of properties owned by L2D. A slight decrease in exposure in L2D assets contributed to the percentage decrease between the two periods.*
2. *Renewable energy: remained relatively flat between the two periods, with the majority of renewable energy exposures held by credit alternative portfolio and STANLIB Infrastructure Fund.*
3. *Coal: decreased in exposure held by STANLIB Single Manager; contributing counterparties Anglo American PLC and BHP Billiton resulted in a % decrease in the sector exposure.*
4. *Oil and gas: a reduction in exposure for Sasol despite an increase in share price; as a result, there was a decrease in % exposure for the sector.*
5. *Agriculture and short-term insurance: different asset managers had offsetting movements with a net impact being an increase in % change between the two periods. More counterparties for these sectors were allocated and have also contributed to the increase in exposure.*

Through our infrastructure franchise we invest in many renewable power producers, comprising 1,45% (2021: 1,46%) of LHL assets under management as at 31 December 2022.

This year's report focused on disclosing our investments, both directly held and via third-party asset managers, in climate risk-related sectors such as coal, oil and gas, agriculture, short term insurance, real estate and renewable energy. In the future, we aim to enhance this disclosure to include other carbon-intensive industry investments, along with targets, as data availability and accuracy improve.

Assurance

Our board and group audit and actuarial committee are responsible for internal controls within the group. We apply a combined assurance approach, integrating assurance services with functions to create an effective control environment that supports the integrity of information for internal decision-making and external reports.

The limited assurance received on reported information has been indicated throughout this report as follows:

L *Limited assurance expressed over selected KPIs by PwC*

Looking forward

The global climate crisis needs urgent intervention. Liberty is committed to managing our climate impact and working towards a just transition to a low-carbon economy.

We will actively work to support an economy that does not damage the environment and will do so by continuing to build on our SEE, ESG and climate work. We also intend to enhance the disclosure of our financial exposure metrics to industries associated with climate change.