23 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GROWTHPOINT PROPERTIES

Contents

Growthpoint at a glance 1

Overview
Our approach to reporting 2
Our approach to materiality 6
Value-added statement 8
ESG strategy 9
Growthpoint's ESG snapshot 10
Growthpoint's commitment to the United Nations SDGs 12

Thriving business
How we govern ESG 18
SET Committee Chairman's review 20
CEO: SA overview 23
2023 Transformation progress 27
Responsible business 30
Protecting our people 36

Thriving people and communities
Our people 40
Corporate Social Responsibility 46

Thriving environment
Environmental performance 58
TCFD checklist 72

Stakeholder engagement 76

Growthpoint's Investment Partners (GIP)
Growthpoint Student Accommodation Holdings (GSAH) 84
Growthpoint Healthcare Property Holdings Limited (GHPH) 87

Supplementary information
Assurance statements 92
Performance data 100
Policies and governance documents 124
Abbreviations 134
Contact details IBC

Follow us

https://www.linkedin.com/company/growthpoint-properties-ltd

@growthpoint

The following icons are used throughout our integrated annual report (IAR) to show connectivity between sections:

Strategy

- Optimising the SA portfolio
- Growing income from GIP
- International expansion

Property sectors

- Retail
- Office
- Industrial
- Healthcare
- Student Accommodation

Menu | Previous | Next | Page reference | Website reference

Send us your feedback

To ensure that we report on issues that matter to our stakeholders, please provide any feedback and questions to: info@growthpoint.co.za

Scan the QR code to gain quick access to our website.

www.growthpoint.co.za

This report is part of a suite of reports issued for the 2023 financial year end and should be read in conjunction with the Group and company annual financial statements (AFS), annual general meeting (AGM) and the integrated annual report (IAR).

Growthpoint at a glance

Growthpoint Properties, the largest South African primary REIT listed on the JSE, is an international property company with assets in South Africa, Eastern Europe, Australia and the United Kingdom. Committed to creating space to thrive, we own and manage a diversified portfolio of 535 property assets, locally and internationally.

The Group's combined property assets are valued at R179.8bn of which 45.8% are located offshore.

Diversified

Sectors

Retail, office, industrial, healthcare, student accommodation, trading and development

Geographies

South Africa, the rest of Africa, Australia, Poland, Romania and the United Kingdom

Income streams

Property income, funds management fees, distributions from investments, trading profits and third-party development fees

Largest primary listed **REIT on the JSE**

R40.0bn market capitalisation

R2.8bn average monthly value traded

R17.9bn high-quality assets under management

A FTSE/ JSE Top 40 company

8.0mil+ sqm of space

388 high-quality physical property assets (RSA excluding V&A)

4 943 926 square metres of space (RSA excluding V&A)

Investment proposition

Earnings underpinned by **high-quality, physical property assets**

Sustainable quality of earnings that can be predicted **with a high level of accuracy**

Fast-growing funds management business

Experienced **in-house development capability**

Uninterrupted **track record of paying dividends**

Best practice corporate governance

Transparent reporting

Constituent of the **FTSE EPRA/NAREIT** Emerging Index

Recipient of multiple **sustainability, governance** and **reporting awards**

Moody's global scale rating at Ba2, and national scale rating at Aa1.za, with a stable outlook

Fitch global scale rating at **BB+ and national scale rating at AAA (zaf)** with a stable outlook

Level 1 B-BBEE Contributor

Dynamic and **proven management track record**

R1.6bn of stable hard currency dividend income

Attractive dividend yield

OUR APPROACH TO REPORTING

This report covers the period from 1 July 2022 to 30 June 2023 (FY23) for the financial reporting entity Growthpoint Properties Limited. This includes significant subsequent events* up to the report's approval date of 26 September 2023.

Report scope and boundary

The report provides an overview of the operations and performance of Growthpoint's South African operations only, excluding the V&A Waterfront (V&A), which is independently managed.

In preparing this report, we have identified and prioritised issues that may have a potential impact on our operating environment relating to performance and long-term sustainability of our company.

About these reports

In preparing these reports, we have endeavoured to present a holistic and integrated representation of the Group's performance in terms of both its profitability and its long-term sustainability.

Integrated annual report (IAR)

Group annual financial statements (AFS)

Environmental, social and governance (ESG) report

Annual general meeting (AGM) notice

Target audience and reporting frameworks

This report aims to inform our stakeholders about the objectives and strategies of the South African business operations, as well as its performance regarding financial, social, environmental and governance matters that could have a material impact on the long-term success and sustainability of the business, which are considered important by key stakeholders.

In this report and other ESG-related disclosures, we take guidance from various reporting regulations, standards, and frameworks to report on our material ESG impacts in a broadly accepted manner:

- South African Companies Act No 71 of 2008, as amended (Companies Act) (specifically the Social and Ethics Committee obligations)
- Reference to the JSE Sustainability Disclosure Guidance and the JSE Climate Disclosure Guidance

We provide information in terms of the following in the reporting suite:

- The King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)
- The Task Force on Climate-related Financial Disclosures
- Broad-based black economic empowerment (B-BBEE) and the Amended Property Sector Code
- United Nations Global Compact (UNGC)
- UN Sustainable Development Goals (SDGs)

The nature of ESG matters, frameworks and reporting obligations continue to evolve, and we will continue to refine our reporting approach.

Growthpoint has undertaken a moderate independent assurance engagement in respect of selected environmental, social and governance information represented in this report for FY23. This engagement was conducted by a multi-disciplinary team including social, environmental assurance specialists with relevant experience in sustainability and reporting. As part of the assurance engagement, the assurers determined whether Growthpoint adheres, in all material respects, to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact. The review of the annual carbon footprint was externally verified by a third party, under the international standard ISO 14064-3 (2006) specification with guidance for validation and verification of greenhouse gas assertions.

* *B-BBEE deal (refer to page 22 and page 26).*

* *Wheeling Initiative (refer to page 64).*

The following lines of assurance have been identified:

First line of assurance
- Line functions that own and manage risk and opportunity

Second line of assurance
- Specialist functions that facilitate and oversee risk and opportunity

Third line of assurance
- Internal assurance providers that provide objective assurance

Fourth line of assurance
- External assurance providers

Fifth line of assurance
- Board sub-committees and Board

For the information that has not been assured externally, the Social, Ethics and Transformation (SET) Committee has obtained assurance with regard thereto by reviewing information from first-line providers of assurance that has been checked by second and third-line assurance providers, and by interacting with persons acting in an *ex officio* capacity who attended the special SET meeting convened to discuss the ESG report.

This report was approved by the Social, Ethics and Transformation (SET) Committee on 26 September 2023 and signed by:

A Sangqu
Chairman: SET Committee

EK de Klerk
CEO: SA

Forward-looking statements

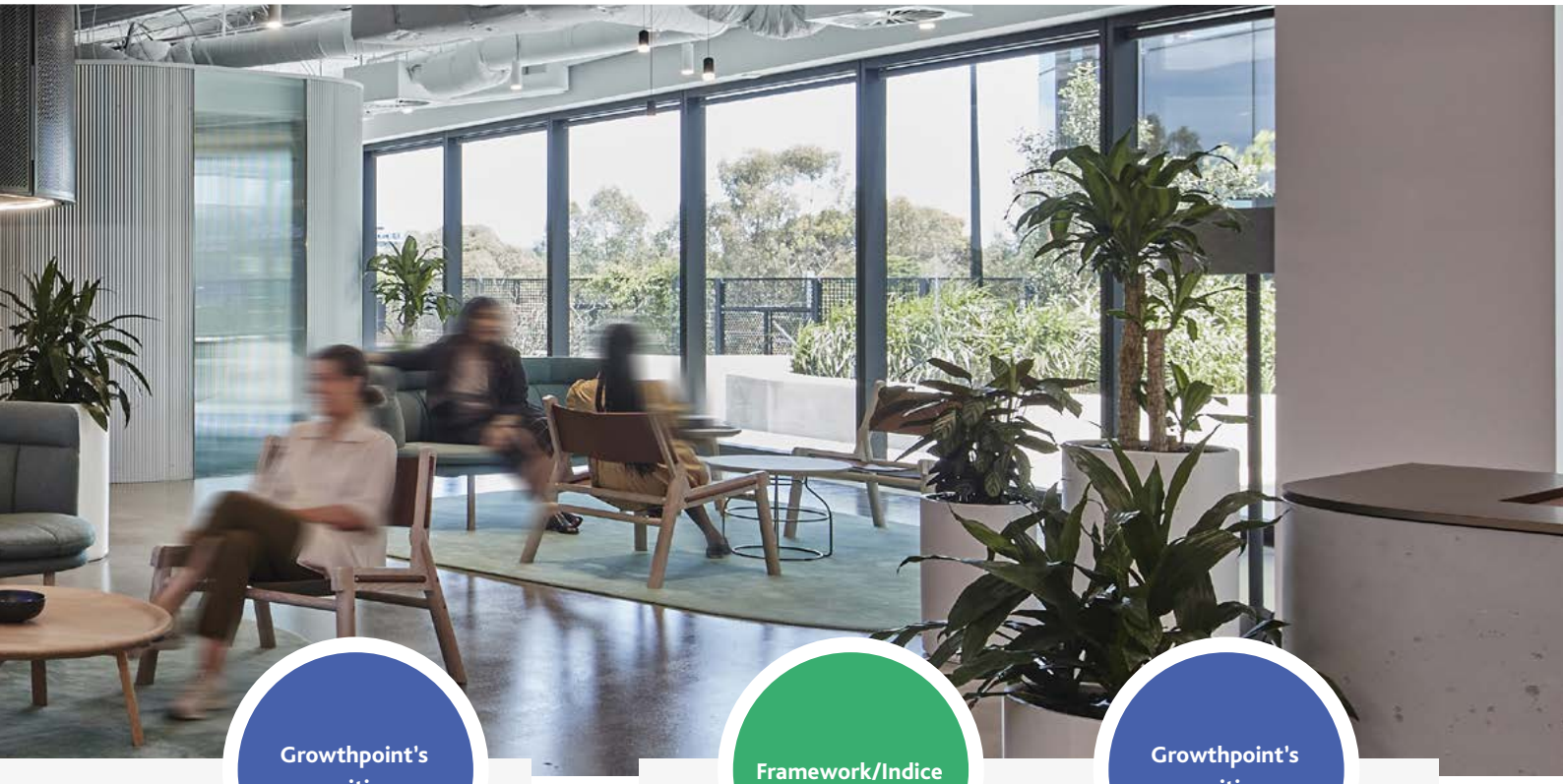
The ESG report contains certain statements that are forward looking. By their very nature, such statements cannot be considered guarantees of future outcomes as they are dependent on events and circumstances, the predictability of which is uncertain and not necessarily within the organisation's control.

OUR APPROACH TO REPORTING (CONTINUED)

Growthpoint has adopted various sustainability frameworks and participated in indices as set out below:

Framework/Indice	Growthpoint's position
INTEGRATED REPORTING <IR>	Primary reporting guideline for our IAR
KING IV™	Report in line with the King IV principles
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	We apply the TCFD recommendations. Refer to the checklist in the ESG report
UN GLOBAL COMPACT	We are a participant of the UNGC
Global Reporting Initiative™	ESG KPI definitions aligned to GRI
SUSTAINABLE DEVELOPMENT GOALS	Growthpoint has prioritised nine UN SDGs with relevant underlying targets that present the most material opportunities for Growthpoint. Please refer to a detailed summary on page 12

Framework/Indice
IFC International Finance Corporation WORLD BANK GROUP
THE ETHICS INSTITUTE
JSE Sustainability and Climate Disclosure Guidelines
the dti Department: Trade and Industry REPUBLIC OF SOUTH AFRICA
SUSTAINALYTICS



Growthpoint's position	Framework/Indice	Growthpoint's position
Alignment with International Finance Corporation (IFC) Performance Standards	FTSE4Good	Annual assessment Score: **3.5** (FY22: 2.9)
Worked together to develop Growthpoint's ethics framework	ISS CORPORATE SOLUTIONS	Monthly assessment
Take guidance from the JSE guidelines	GRESB	Annual participation Score: **62** (FY22: 69)
We are a **level 1** B-BBEE contributor (FY22: Level 1)	CDP DRIVING SUSTAINABLE ECONOMIES	Annual participation Score: **B** (FY22: B)
Review of public information Score: **11.1** (low risk) (FY22: 12.9 low risk)	Dow Jones Sustainability Indexes	Annual participation Score: **50** (FY22: 54)
	MSCI	ESG annual participation Score: **AA** (FY22: AA)

OUR APPROACH TO MATERIALITY

In line with recent developments in global disclosure standards, we have adopted "double materiality" across our suite of annual reports:

- **Financial materiality:**
  Our IAR provides information on those matters that are likely to influence report users' assessment of Growthpoint's cash flows over the short term (less than 12 months), medium term (one to three years) and long term (beyond three years). Our separate AFS reflect the effects on company value and cash flow that have already taken place by financial year end, or that are included in future cash flow projections.
- **Impact materiality:**
  Our separate ESG report provides disclosure on the most significant impacts of our activities on the economy, society and the environment over the short, medium or long term. These include impacts directly caused by our operations, as well as some impacts linked to our upstream and downstream value chain. We have also included provision in the ESG report for financially-material ESG risks and opportunities impacting the business (double materiality).

OUR MATERIALITY DETERMINATION PROCESS

The content of our IAR and ESG report was informed by an independently facilitated materiality workshop in which management representatives from across the company reviewed the following:

Our business model – comprising Growthpoint's revenue and cost streams, areas for competitive differentiation, and our most important resources and relationships across our value chain.

Our dependencies and impacts on the capitals – reviewing where we have the most significant dependencies and impacts (positive and negative, direct and indirect) on each of the capital stocks.

Our operating environment – identifying the most important trends in our operating environment (including relevant sustainability-related risks and opportunities) that we anticipate will impact our performance over time, and reflecting on the outcomes of our latest internal risk assessment process.

Our stakeholders' interests – reviewing the areas of greatest concern to our stakeholders and assessing recent developments in global disclosure standards (including IFRS S1 and S2, SASB Real Estate Sustainability Accounting Standard, GRI Sustainability Reporting Standards, the JSE Sustainability and Climate Disclosure Guidance), as well as the outcome of recent assessments of relevant ESG rating agencies and internal discussions of the Board and its sub-committees.

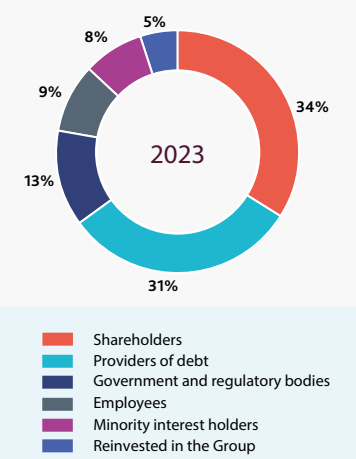
Our strategy – assessing the implications of strategy and ESG strategy, informed by the above analysis.

Our aim is that all the information in the ESG report should be reasonably capable of influencing the decision of any user of our report who wishes to make an informed decision on Growthpoint's contribution to sustainable development, as well as on the extent to which sustainability-related risks and opportunities impact value. Our ESG report is structured in a manner to enable such an assessment, by providing information on our business, our ESG strategy and governance, and our performance in managing sustainability-related impacts, risks and opportunities.

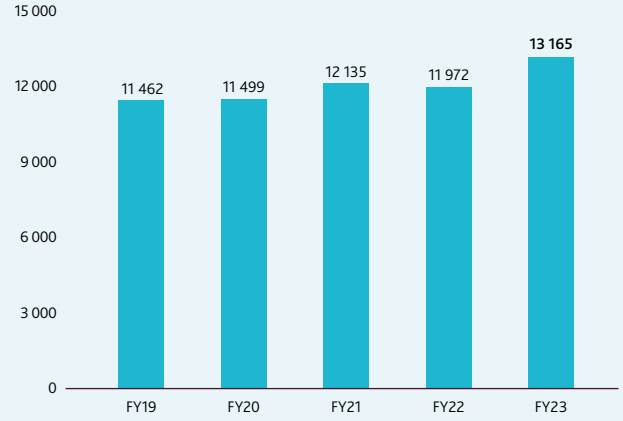
VALUE-ADDED STATEMENT

	FY23 Rm	FY22 Rm	FY21 Rm	FY20 Rm	FY19 Rm
Turnover	16 324	14 963	14 707	12 935	12 313
Property and other operating expenses	(3 561)	(3 043)	(2 245)	(2 124)	(1 554)
Value added	12 763	11 920	12 462	10 811	10 759
Finance, investment income and other adjustments	402	52	(327)	688	703
Wealth created	13 165	11 972	12 135	11 499	11 462
Attributed to:					
Shareholders	4 463	4 404	4 068	4 495	6 430
Providers of debt	4 091	3 479	3 640	3 138	2 627
Government and regulatory bodies	1 719	1 485	1 810	1 447	1 042
Employees	1 129	1 030	852	707	643
Minority interest holders	1 052	810	748	729	720
Reinvested in the Group	711	764	1 017	983	–
Wealth allocation	13 165	11 972	12 135	11 499	11 462

Wealth allocation (%)



Wealth created and allocated (Rm)



ESG STRATEGY

During the reporting period, Growthpoint embarked on a process to refine and optimise its environmental, social and governance (ESG) strategy to make a meaningful impact and create shared value for all our stakeholders.

The process and outcomes of the revised ESG strategy took place during an externally facilitated ESG Materiality Workshop held on Friday, 11 August 2023. The workshop was attended by key Growthpoint personnel across the business. The revised ESG strategy has been approved by the Executive Committee, ESG Council and the SET Committee.

We acknowledge that socio-economic value is created, preserved, and eroded throughout the business.

Growthpoint has set out a purpose-led ESG strategy with seven focus areas under our three pillars – **Thriving Business**, **Thriving People and Communities** and **Thriving Environment** – that seek to enable the long-term success of the organisation, our country and its people.

Our three pillars are aligned with our business purpose: to create value for all stakeholders by providing space to thrive in sustainable buildings while improving the social and material wellbeing of individuals and communities.

We have further aligned our ESG strategy and objectives to the United Nations SDGs. See our commitment to SDGs on page 12 of this report.

Our ESG vision is to create sustainable economic, environmental, and social value for all. The SET Committee approved the revised ESG strategy on 26 September 2023.

OUR ESG STRATEGIC FRAMEWORK

ESG position statement

With integrity, ethics and our values guiding our governance, we aim to provide space to thrive in environmentally sustainable buildings, while improving the social and material well being of individuals and communities.

ESG pillar	Thriving Business	Thriving People and Communities	Thriving Environment
Our commitment	To give stakeholders confidence that Growthpoint is a well-governed and well-conducted business. We endeavour to create a positive work experience for each of our employees, while protecting the long-term interests of the organisation.	Driving sustainable impact for our host communities. Our core focus areas have been supporting education initiatives, entrepreneurship development and staff engagement.	All buildings within direct control of the organisation to operate at net zero carbon by 2030 and all buildings by 2050.
Linked SDG	10 Reduced inequalities	4 Quality education 5 Gender equality 8 Decent work and economic growth 9 Industry, innovation and infrastructure 11 Sustainable cities and communities	6 Clean water and sanitation 7 Affordable and clean energy 12 Responsible consumption and production
Focus areas	• Appropriate **skills, experience** and diversity on the Board • **Succession plan** in line with updated structure • **Gender** diversification	• Meeting **B-BBEE** requirements • **Quality education** • **Property Point** enterprise and supplier development programmes • **Early childhood development** • Training early childhood caregivers and practitioners • Employee **training and development** • Employee **health and safety**	• **Energy** and **water efficiency** • **Climate change** • **Green building certification** • **Biodiversity** • **Circular economy**

GROWTHPOINT ESG SNAPSHOT

Thriving business

Governance structures

1. Policies promoting ethical conduct
2. Compliance framework
3. Internal audit
4. Executive management committees
5. Board committees

ESG governance structure

BOARD

SET Committee
- Environmental overview including climate change
- Employee and CSR
- ESG governance and relevant policy overview

Risk Management Committee
- Considers enterprise-wide risks, emerging risks and events, including ESG risks
- Assesses operating environment risks and opportunities
- Compliance with laws and regulations

Human Resources and Remuneration Committee
- Remuneration report approval
- Remuneration policy oversight and implementation
- Assesses executive performance against ESG metrics
- Fair pay and living wage

Governance and Nomination
- The composition of the Board and Board Committee
- Board key performance indicators
- Executive directors succession planning
- Advise directors on any important governance matters

SA CEO

- Corporate Social Responsibility (CSR)
- Human Resource (HR)
- Chief Operating Officer
  - Environmental Sustainability
- Investor Relations
  - ESG Division
  - ESG Impact Council

Group FD

- Enterprise Risk Management
- Company Secretarial

Board composition and diversity

Tenure of directors		Gender	
9 + years	1 – 4 years	Women	Men
4	8	3	9

Demographics			
African, Coloured and Indian (ACI) women	White women	ACI men	White men
2	1	3	6

Age		
≥ 60 years	50 – 59 years	30 – 49 years
5	6	1

Independence	
Executive Directors	Independent Non-executive Directors
4	8

New ESG-related committees

Established our Ethics Committee, please refer to page 30

Established our ESG Impact Council, please refer to page 19

2023 governance focus

- Completed the Board rejuvenation in relation to Non-executive Directors
- Board-level gender diversification with internal target of 30% female representation including black women
- All Non-executive Directors are independent
- Ongoing succession planning
- Continue to improve on our internal policies and procedures
- Enhance Board skills more specifically on ESG-related skills

Thriving people and communities

637
permanent employees
(FY22: 606)

54% 46%

With
32
temporary employees
(FY22: 34)

Average tenure
of employees
8.5 years

Average age
of employees
44

R11.9m
(FY22: R8.4m)
invested in employee training

441 attendees
(FY22: 458 attendees) **with**
30 average hours per employee
(FY22: 9.8 average hours per employee)

Employee race profile (%)

African	38.5
Coloured	19.5
Indian	8.5
White	32.3
Foreign nationals	1.3

R50.3m
(FY22: R54.0m)
invested in
CSR initiatives with
6 255
(FY22: 6 566)
direct beneficiaries

G² is a programme that increases our staff awareness in community development with each staff member allocated eight hours a year to volunteer. Our volunteer hours in FY23 were **578** *(FY22: 364)*

23 *(FY22: 20)*
industrial relations cases

LEVEL 1 B-BBEE

11.10%
(FY22: 8.3%)
attrition rate
for permanent employees

Growthpoint is not a unionised environment and does not restrict employees' freedom of association.

Property Point

Key performance indicator	FY23	FY22	Annual growth
SMMEs supported	43	38	13%
SMMEs linked to market	13	12	8%
Full-time jobs created	32	31	3%
Jobs sustained	300	201	49%
Total revenue generated (Rm)	R94.55	R92.60	2%
Women-owned SMMEs (%)	75%	71%	6%
Youth-owned SMMEs (%)	21%	18%	17%
Growthpoint procurement spend (Rm)	R131	R107.6	22%

Thriving environment

Carbon neutral by 2050

Greenhouse gas emissions (tCO_2e)

Scope 1: 18 488
(FY22: 4 296)
Scope 2: 42 801
(FY22: 48 182)
Scope 3: 536 682
(FY22: 605 811)

** Full GHG emissions on page 62.*

Energy intensity factor

130.21kwh/m²/pa
(FY22: 125.9 kWh/m²/pa)

Solar produced

14 588MWh
(FY22: 12 837MWh)

Water usage and intensity

Total consumption of
3 055 023kl
(FY22: 2 923 977kl)
with an intensity of
0.65kl/m²
(FY22: 0.61kl/m²)
from **344 buildings** of **388**
(FY22: 342 buildings of 408).

Waste

11 213.35 tonnes
(FY22: 11 497 tonnes) from
114 buildings of 388
(FY22: 148 of 408 buildings).

63 Green Building Certifications from 51 buildings. This accounts for **19.4%** of our total GLA (excluding V&A).

GROWTHPOINT'S COMMITMENT TO THE UNITED NATIONS SDGs

In an externally facilitated senior management workshop held in August 2023, Growthpoint formalised and articulated its commitment to the SDGs.

Following a considered review of each of the 17 goals, 169 targets and 247 indicators, we have prioritised nine SDGs (with relevant underlying targets and indicators) that present the most material opportunities for Growthpoint to enhance its positive impact and decrease its negative impact in support of the SDGs.

This table provides an overview of Growthpoint's contribution to the SDGs, with further details provided elsewhere in the report.

4 Quality education

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
4.3 – By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	We can materially impact this target through the Growthpoint GEMS programme. There are dedicated programmes in place that focus on the development of young learners. We are using these existing platforms to increase our positive impact.	(Refer to page 44, 50, 51, 52) • Number of learners impacted • Number of teachers impacted • Number of enterprise supplier development (ESD) practitioners impacted • Investment in education	**Thriving People and Communities**
4.4 – By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	We have various internships, learnerships and other programmes to develop critical skills.	(Refer to page 44, 50, 51, 52) • Number of learnerships and internships • Investment in training and development • Number of graduates • Number of learners	**Thriving People and Communities**
4.7 – By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	We can materially impact this target through the Growthpoint Growsmart and GEMS programmes. There are dedicated programmes in place that focus on the development of young learners. We are using these existing platforms to increase our positive impact. We encourage positive male behaviour for young men through our Build our Boys programme that encourages leadership development through interaction with positive male mentors.	(Refer to page 44, 50, 51, 52) • Number of learners impacted • Number of teachers impacted • Number of ESD practitioners impacted • Investment in education	**Thriving People and Communities**

5 Gender equality

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
5.2 – By 2030 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	We can materially impact this target through our Build our Boys programme and Genesis SafePlace that officers' immediate places of safety for vulnerable people, including victims of abuse, gender-based violence, rape and sexual assault.	(Refer to page 40, 41, 49) • Financial contribution towards gender based violence (GBV) support initiatives • Provinces supported and communities supported	**Thriving People and Communities**
5.5 – By 2030 ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life Indicator.	Growthpoint continues to monitor the gender pay gap. Growthpoint continues to participate in an external gender pay-gap study to identify any potential gaps.	(Refer to page 40) • An increase in women representation at Executive Committee and Senior management levels	**Thriving People and Communities**

Clean water and sanitation

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
6.4 – By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	We are prioritising the conservation of water by evaluating and realising opportunities for supply management and water harvesting.	(Refer to page 67) • Total water supply • Water intensity	Thriving Environment

Affordable clean energy

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix.	Investment in solar and utility management, supporting innovation and identifying opportunities for green financing.	(Refer to page 60, 65, 66, 67) • Solar investment • Solar generation capacity	Thriving Environment
7.3 – By 2030, double the global rate of improvement in energy efficiency.	Investment in energy efficiency initiatives to mitigate the impacts of loadshedding and reduce our carbon emissions keeping us on track with our carbon neutral strategy.	(Refer to page 60, 65, 66, 67) • Total purchased electricity (MWh) Greenhouse gas emissions (GHG) emissions from energy • Energy intensity	Thriving Environment

Decent work and economic growth

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
8.5 – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	Growthpoint's positive impact regarding quality education (refer to SDG 4), skills development programmes, our remuneration policies, workforce breakdown and investment into ESD are material. Support of Property Point, local economic development policy implementation.	(Refer to page 53, 54, 55) • New employee hires (by gender) • Employee voluntary turnover • Employee diversity statistics • Number of differently-abled learners **Corporate Social Responsibility (CSR) section** • Number of small, medium micro enterprises (SMMEs) and local economic development (LED) beneficiaries on enterprise supplier development (ESD) programme • Procurement spend on LED and ESD beneficiaries • Number of full time jobs created • Number of jobs sustained • Total value of contracts accessed through Growthpoint • The median annual revenue growth rate of Property Point SMMEs from baseline • % of females employed from jobs created • Number of female-owned businesses on the programme • Number of entrepreneurs who attended training, networking sessions and workshops	Thriving People and Communities
8.6 – By 2030, substantially reduce the proportion of youth not in employment.	We directly employ people and support a greater number of indirect jobs by providing business to local organisations and through our ESD programmes.	(Refer to page 53, 54, 55) • Number of graduates • SMMEs • Investment in Property Point • LED companies awarded contracts by Growthpoint • Total LED procurement spend	Thriving People and Communities

GROWTHPOINT'S COMMITMENT TO THE UNITED NATIONS SDGs (CONTINUED)

9 Industry innovation and infrastructure

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
9.3 – Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	Innovation through the Greenovate programme, focusing on green financing and green building certifications. Social empowerment and support of Property Point.	(Refer to page 54, 64, 68, 69) • Green building certificates: • Two commercially implemented Greenovate Award innovations	Thriving People and Communities Thriving Environment

10 Reduced inequalities

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
10.1 – By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average.	Our remuneration is fair and competitive. A living wage of R12 500pm is set which is higher than the South African national minimum wage. We continue to monitor and analyse the gender pay gap in line with guidelines from the Department of Labour.	(Refer to the IAR) • Remuneration and benefit disclosure	Thriving Business Thriving People and Communities
10.2 – By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Growthpoint is committed to diversifying its workforce in terms of age, gender and race. Supported by the Diversity and Inclusion forum, Ethics Forum, Exco and SET Committee.	(Refer to page 40, 41, 43) • New employee hires (by gender) • Employee voluntary turnover • Employee diversity statistics • Number of differently-abled employees	Thriving Business Thriving People and Communities
10.3 – Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	Growthpoint is committed to diversifying its workforce in terms of age, gender and race. Supported by the Diversity and Inclusion forum, Ethics Forum, Exco and SET Committee. We fully comply with the Employment Equity Act and other related legislations.	(Refer to page 40, 41, 43) • New employee hires (by gender) • Employee voluntary turnover • Employee diversity statistics • Number of differently-abled learners	Thriving Business Thriving People and Communities

11 Sustainable cities and communities

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
11.3 – By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.	Local economic development policy and local community engagement. Social empowerment, and support of Property Point.	(Refer to page 55) • LED companies awarded contracts by Growthpoint. • Total LED procurement spend.	**Thriving People and Communities**
11.6 – By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	A focus on energy, water and waste management and climate change risk mitigation. Focusing on green financing, green building certifications.	(Refer to page 62, 69) • Green building certificates • GHG Emissions • Waste diverted from landfill	**Thriving Environment**

12 Responsible consumption and production

Sub-targets	Our contribution	Growthpoint KPI	Linked ESG pillar
12.2 – By 2030, achieve the sustainable management and efficient use of natural resources	There are significant opportunities for Growthpoint to decrease its negative impact through, among others the recycling of end-of -life products. Our goal is for all buildings privately contracted waste services in FY22 to achieve zero organic waste to landfill by FY26.	(Refer to page 68) • Waste generated in operations. • Waste diverted from landfill	**Thriving Environment**
12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	There are significant opportunities for Growthpoint to decrease its negative impact through partnering with service providers who are able to help us achieve our goal. Our goal is for all buildings with privately contracted waste services in FY22 to achieve zero organic waste to landfill by FY26.	(Refer to page 68) • Waste generated in operations. • Waste diverted from landfill	**Thriving Environment**

THRIVING BUSINESS

Sound corporate governance is paramount to Growthpoint. We embrace the pillars of **integrity, responsibility, fairness, transparency, honesty and accountability** to all stakeholders. These pillars preserve the company's long-term sustainability to enable us to create and deliver value. The outcomes of good corporate governance ensure an **ethical and cohesive culture, effective control, compliance and accountability**.

CONTENTS

How we govern ESG	18
SET Committee Chairman's review	20
CEO: SA overview	23
2023 Transformation progress	27
Responsible business	30
Protecting our people	36

HOW WE GOVERN ESG

The Board guides the company's strategy and monitors progress against strategic goals and value drivers. This incorporates positive social impact and effective risk management, including ESG risks.

Both the Exco and SET Committee oversee and guide the Board on ESG and sustainability matters, although the highest level of responsibility for ESG-specific matters at Growthpoint rests with the SET Committee as delegated by the Board. The committee monitors organisational ethics, corporate responsibility, sustainability, stakeholder relations and all other matters relating to ESG. It considers all relevant legislation and codes of best practice, including those for safety, health, B-BBEE, diversity and inclusion, governance and ethics, and environmental aspects such as climate change. The committee also addresses stakeholder requests on ESG disclosure.

The Risk Management Committee considers enterprise-wide risks, emerging risks and events, and ESG risks that may have direct or indirect impacts on the business. It oversees adherence to Growthpoint's environmental and social risk management system and policies, as well as assessing risks and opportunities associated with our operating environment.

The Human Resource and Remuneration Committee develops the remuneration philosophy and policy statement that enables stakeholders to assess reward practices. It considers shareholder feedback and recommendations with respect to the remuneration report. In addition, the implementation of Growthpoint's remuneration policy and assessment of executive performance against ESG metrics is a responsibility of this committee.

The Governance and Nomination Committee advises directors on any important governance matters. It oversees the composition of the Board and Board committees and focuses on Board key performance indicators and Executive Directors succession planning.

Our ESG governance structure

We have a robust governance structure overseeing our ESG performance. The infographic on page 19 illustrates the primary workflow and responsibilities of ESG-related matters within the business.

ESG Impact Council

Our internal ESG Impact Council was established in June 2023 with the purpose of ensuring that Growthpoint conducts its business in an environmentally sustainable, ethical, and socially responsible manner, and takes responsibility for the governance of sustainable practices.

The Council meets at least ten (10) times annually, with members being able to request special meetings through the council's Chairman.

GOVERNANCE OF ESG

Board

SET Committee

- Environmental overview including climate change
- Employee and CSR
- ESG governance and relevant policy overview

Risk Management Committee

- Considers enterprise-wide risks, emerging risks and events, including ESG risks
- Assesses operating environment risks
- Compliance with laws and regulations

Human Resources and Remuneration Committee

- Remuneration report approval
- Remuneration policy oversight and implementation
- Assesses executive performance against ESG metrics
- Fair pay and living wage

Governance and Nomination Committee

- The composition of the Board and Board committees
- Board key performance indicators
- Executive Directors succession planning
- Advise directors on any important governance matters

SA CEO

Corporate Social Responsibility (CSR)

Human Resource (HR)

Chief Operating Officer (COO)

Environmental Sustainability

Investor Relations

ESG Division

ESG Impact Council

Group FD

Enterprise Risk Management (ERM)

Company Secretarial (CoSec)

SET COMMITTEE CHAIRMAN'S REVIEW

Environmental stewardship, social responsibility and good governance exemplify Growthpoint's approach to conscientious and responsible corporate citizenship. These elements are a way of life for us and sustaining them is an ongoing journey.

IMPLEMENTING OUR
ESG strategy
INVOLVES A SHIFT IN MINDSET AND BEHAVIOUR.

Our ESG goals encompass the culture we aim for in our business, with our Board setting the appropriate tone and direction for our organisation.

Growthpoint is committed to integrating our ESG strategy within the broader scope of the company's business strategy. We believe it is an essential business value.

We have defined a clear path for transitioning to a low-carbon environment by reaching the net-zero carbon goals approved by the Board. Our labour and community initiatives, coupled with ongoing governance improvement, outline our aspirations in this area.

ESG strategy

This strategy focuses on efficient business operations while integrating global ESG best practices.

Implementing our ESG strategy involves a shift in mindset and behaviour as we transition from traditional methods to new and innovative approaches.

Transformational change is, however, faster and more feasible in a buoyant economic setting. Thus, in the current environment where we are faced with many financial and economic constraints, effecting change at the required scale is a task that requires diligence, great effort, innovation and patience.

Every new endeavour presents both risks and opportunities. Initial attempts may require adjustments, but with commitment, we will achieve our ESG aspirations.

As our knowledge grows and experiences are shared locally and globally, Growthpoint looks forward to bolstering our ESG goals and objectives over the medium to long term.

As the Board, we are dedicated to carrying out our business activities in an ecologically conscious manner and maintaining a sustainable environment where future generations can live, do business and thrive.

Robust oversight measures within our governance structures require that the SET Committee and the Board are regularly updated on our progress towards achieving our ESG goals. Our performance is assessed using various established performance metrics, and areas for improvement are highlighted. Adjustments are made to ensure that our ESG performance aligns with the strategy targets.

ESG is one of the main agenda items at SET Committee meetings.

2023 report

At every Board meeting, I provide an update on ESG strategy implementation progress and company performance against ESG targets. Management is invited to actively engage in ESG discussions. The Board determines the strategic direction for ESG.

FY23 focus areas

- ESG performance measured against targets
- Energy management, considering the energy crisis in the country
- Talent management for employees
- Diversity and inclusion
- Skills development and training
- Labour and employment matters
- Wellness and safety
- Ethics
- B-BBEE performance (transformation and employment equity)
- Procurement and our supply chain
- Corporate social initiatives
- Arising regulatory matters

The SET Committee and the Board adopt a dual approach to environmental sustainability:

(i) We focus on risk mitigation to prevent harm to the environment by reducing our carbon footprint, which can lead to cost reductions.

(ii) We aim to enhance efficiencies through capital commitments, such as investments in renewable energy initiatives. This approach will eventually lower costs, boost efficiencies and strengthen Growthpoint's competitive edge.

We have also increased the weighting of ESG-related incentive targets linked to the key performance indicators for relevant employees, including executives.

Our primary environmental objectives include reducing carbon emissions; energy efficiency; investing in renewable energy sources; minimising waste; conserving water; preserving biodiversity and obtaining green building certifications.

SET COMMITTEE CHAIRMAN'S REVIEW (CONTINUED)

At Growthpoint, we prioritise transformation and empowerment and strive for an inclusive, diverse and gender-balanced culture that celebrates differences. We also prioritise learning and growth by investing in employee training and career development. Our focus on education leads to long-lasting social change.

Our local economic development policy has clear goals for the economic empowerment and inclusion of local businesses. We execute this strategy, aiming to create more opportunities for previously disadvantaged groups. Further information is available in our CSR section on page 46. Our goal is to enable local communities to participate in Growthpoint's supply chain.

B-BBEE remains a crucial focus for our business. We have made significant progress in recent years through an ongoing drive to ensure that our suppliers are properly accredited for B-BBEE. In FY23, 93% of our procurement spending was from companies with a B-BBEE level of 4 or higher. We oppose fronting and terminate contracts with suppliers that are found guilty of it.

Shortly after year end, Growthpoint shareholders approved a R250m B-BBEE ownership plan for a significant empowerment transaction to fund the company's main social investment programmes. Growthpoint will allocate shares to a special-purpose Corporate Social Institute (CSI) Trust, using the dividends for future education, entrepreneurship and enterprise development projects.

The Growthpoint CSI Trust will provide ongoing funding for social impact projects and enhance our B-BBEE credentials by contributing to equity ownership targets according to the Property Sector Charter scorecard, against which Growthpoint is a Level 1 BEE contributor. It aligns with Growthpoint's long-term vision of an empowered South African society benefiting communities, employees and their families. This plan is a milestone in the company's transformation and its ongoing commitment to creating an equitable, diverse and inclusive organisation, industry, society and economy

Our Board-approved ethics strategy was implemented this year. This strategy promotes a strong ethical culture both within the company and in our interactions with stakeholders.

The value-based ethics strategy is supported by various policies and practices and focuses on measurable objectives and ongoing evaluation and improvement.

Human rights are ever-present considerations when engaging with our supply chain. During the year, we explored ways to increase our positive impact on human rights. These include specific ethics and human rights requirements for our suppliers. Our policies condemn child labour and the mistreatment of vulnerable individuals.

Summary

We have set targets and finalised performance indicators to capitalise on ESG opportunities. This is a developing area locally and globally. Stakeholder requirements, including those facing investors and lenders, create a favourable atmosphere for seizing and executing ESG opportunities.

The main obstacle for Growthpoint is the lack of economic growth which makes job creation difficult. Without growth, our investments in education and social transformation face limitations. Establishing a business-friendly environment for shared success and prosperity is an imperative.

At Growthpoint, ESG shapes our company culture. Our Board sets the direction and we work together with management to achieve our vision, allocating resources accordingly. We engage with suppliers, investors, financiers and employees to foster collaboration and identify opportunities for improvement.

The SET Committee and Board are confident about Growthpoint's ESG performance, thanks to management's steadfast commitment and notable progress in this area.

Andile Sangqu
Chairman: Social, Ethics and Transformation Committee

CEO: SA OVERVIEW

Our proposed B-BBEE deal shows Growthpoint's commitment to providing space to thrive, in environmentally sustainable buildings, while improving individuals' and communities' social and material wellbeing.

GROWTHPOINT IS A

B-BBEE Level 1

CONTRIBUTOR.

We own and manage a diversified portfolio of retail, office, industrial, healthcare and purpose-built student accommodation assets. The business focuses on investment, property funds management, asset management, development and property administration services. Our earnings come from property income, funds management fees, distributions from investments, trading profits, and fees for third-party development. In addition, Growthpoint Investment Partners is creating suitable products for impact investors.

It is in our nature to always do the right thing, and take responsibility for the communities where we operate, from making sure that our staff members can access quality education for their children to enabling better education for children across the country. We are committed to promoting a thriving environment. As a leader and innovator, It is crucial for Growthpoint to be mindful of our impact on our surroundings. We're leaders in green practices because we understand that what is good for the planet is good for our people and business. Every building we own is an ecosystem. If the people are thriving, the ecosystem thrives.

Growthpoint recognises the importance of ESG factors in our business. We prioritise these aspects to benefit not only our business but also investors, financiers, local communities, society as a whole, employees and other stakeholders.

Many of these activities are existing and well established and we continue to be critical, more scientific, determined and skilled in these areas.

Our overall ESG strategy continues to drive our business strategy and operations.

Our Board considers ESG risks and our goal is to address ESG-related aspects of our business to mitigate risk and highlight opportunities. We have made good progress in enhancing our processes and systems as we continue to work on reducing ESG-related risks. Our major current and potential challenges include municipal service delivery, energy and water security, climate change, loadshedding, socio-economic aspects, skills shortage and development, tenant retention and employment.

Growthpoint made a significant stride on its ESG journey by launching its ESG Impact Council in June 2023. Comprised of senior members for key functions and ESG champions from each business unit, its goal is to ensure good stewardship and to support the Exco and Board sub-committees, specifically the SET Committee and Human Resource and Remuneration Committee, in overseeing Growthpoint's ESG related matters, environmental sustainability, ethical practices and corporate social responsibility initiatives.

In addition, our ESG and business performance are well aligned, and our executive remuneration requirements now place a greater emphasis on ESG achievements. For our FY23 STI scorecard, the weighting for ESG KPIs was increased from 15% to 18%, and for the LTI scorecard for awards granted in FY23, the weighting was increased from 10% to 15%. This ensures ESG leadership that starts at the top and filters throughout our organisation.

CEO: SA OVERVIEW (CONTINUED)

We established a globally aligned approach to materiality that incorporates both financial and social impact aspects, or double materiality, across our reporting suite.
For our FY23 reports, we reviewed these material matters for Growthpoint's IAR and ESG reports at an independently facilitated workshop with management representatives from across the business. This ensures our reporting is valid and follows the latest developments in global reporting standards.

After reviewing the UN SDGs this year, we realised that our influence was broader than initially appreciated. We affect nine out of 17 goals. This year, we refined this even further, focusing on the sub-targets where we have an impact.

We keep working on further integrating our ESG strategy by establishing procedures that address social and environmental issues. Our focus lies on policy evaluation, improvement and alignment. Stakeholder engagement assessment is an ongoing effort.

Growthpoint's values are essential to our company culture. We emphasise accountability, transparent ethical conduct, sound risk management, effective business control, and robust performance.

Growthpoint allocates financial resources for the implementation of its ESG strategy and thereby demonstrates clearly that it is fully committed to ESG.

In last year's report, I committed to four key tasks in FY23 and am pleased to report that we made good progress in all areas.

1. Continued rollout of our ethics strategy and educating stakeholders on ethics

The Board-approved ethics strategy which aims to achieve the following:

- Creating an ethical culture in the organisation
- Improving performance and increasing the value created
- Ensuring there are adequate and effective controls in place
- Building trust between all stakeholders
- Ensuring the organisation has a good reputation
- Ensuring legitimacy.

We completed Exco ethics training, we introduced a new company value, "Play Fair", which was launched across the entire organisation. An Ethics Committee was established with the appointment of a certified Ethics Officer to further enhance the function.

SDG 9

2. Gender pay gap assessment

Growthpoint performed favourably in a gender pay gap analysis that was conducted in FY21. We continuously monitor and analyse the gender pay gap in accordance with guidelines from the Department of Labour. We aim to ensure that our remuneration practices continue to exclude arbitrary biases. Growthpoint will participate in a gender pay-gap study in FY24 to identify any potential gaps.

3. Climate change risk review assessment and adaptation exercise

An in-depth assessment of climate-related risks was undertaken during FY21 by an external environmental firm. These were conducted in relation to the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. Ten climate-related residual risks with significant and financial impact were identified. We continue to track and monitor these risks closely.

4. Human rights review and related employee and supplier education.

Growthpoint is committed to upholding human rights and preventing discrimination. We have entrenched this commitment in our policies and practices. Training on ESG and Human rights will be conducted during FY24 for all staff. In FY23 we launched our supplier code of conduct and our Supplier ESG policy to communicate our commitment to ensuring high standards of ethics and sustainability in our supply chain.

ESG strategy

With the growing emphasis on ESG considerations, we have experienced an increased demand for data disclosure. Considering this, we welcome the latest global reporting standards informed by IFRS S1 and S2, TCFD and the JSE Sustainability and Climate Disclosure Guidance.

We continue to actively align our ESG strategy with recommended best practices, meeting the ESG management expectations of the International Finance Corporation (IFC) and other investors.

Growthpoint is working with the SA REIT Association to create ESG best practice recommendations for our sector. This is being linked with S1 and S2 disclosures and we are optimistic that this will assist those analysing company data.

Data plays a crucial role in investment decisions. The extra details on page 100 cater to the increasing need for information. We've also addressed the growing demand for data disclosure by making much of the information accessible on our website.

South Africa's National Treasury produced a Green Finance Taxonomy, following global trends. We are considering the hurdles in transitioning towards the Green Finance Taxonomy goals, and through SA REIT Association, have engaged National Treasury on the challenges and opportunities for our business associated with this move.

In the year under review, we privately placed R1bn of green bonds with the IFC in December 2022. The placement of the green bonds with the IFC demonstrates our commitment to ESG while also providing access to a diversified pool of funding and, importantly, to increased longer term funding.

We continually explore opportunities for sustainable funding. Discussing ESG with financial partners and investors is now a routine aspect of our business. We communicate with all stakeholders and encourage disclosure standardisation, noting that most requested information is available in this report.

Energy security remains a priority, particularly in the South African context. This year, our ambitious solar power target was doubling our solar capacity built up over the past 10 years. We achieved this milestone in reducing carbon emissions and transitioning from fossil fuels to renewable energy sources with a total of 27.32MWp solar power generation for our portfolio. We are targeting reaching a total of 40MWp in FY24.

This progress on solar energy takes us closer to our goal of carbon neutrality. Meeting carbon neutral requirements for our assets is a complex process. Although independent power production limits have increased, several regulations still hinder our progress in green power generation and usage.

We recognise the need to focus more on biodiversity, especially its connection to ecosystem services. Additionally, we plan to concentrate on waste service procurement.

Our environmental dashboard helps us analyse data, focus on urgent matters and set achievable goals. We've devoted substantial time and effort to enhancing our data and are seeing the advantages of these critical insights. We can make quicker decisions, focus on results and overcome previous challenges.

Managing utilities is crucial to our environmental efforts. Despite unreliable services from municipalities, we strive to provide accurate billing for our tenants. We continue to introduce more individual tenant meters where feasible.

Our buildings have management systems that notify us about any issues so we can respond promptly. We maintain accurate billing data and consumption details are displayed on a building-specific dashboard, however, we have no unified system for analysing consumption patterns across our entire portfolio. We've added environmental factors to the KPIs for relevant employees and aim to include all staff in this approach soon.

The Board and SET Committee receive reports on company's environmental performance and sustainability data every quarter. Environmental matters and their business and social impacts form part of the SET Committee's responsibilities.

The Sustainability and Utilities team's primary stakeholders are internal staff, including asset managers, the Trading and Development team, and the municipalities. We provide innovative solutions, project management and support services to these groups.

In FY23, we started a communication campaign on resource management using digital channels like our website, social media, and internal communications. Our goal is to educate and raise awareness while encouraging behaviour change. We actively participate in industry events and use various platforms to connect with our audience.

Considering the supply chain environmental impact we have included specific environmental guidelines in our supplier code of conduct. Property Point, our enterprise development initiative, has introduced a green economy programme to help small businesses access opportunities in this area and focus on improving energy, water and waste management practices to enhance their value propositions.

CEO: SA OVERVIEW (CONTINUED)

Real estate strategies are critical to many of our clients own ESG targets, and we aim to provide eco-friendly properties for our clients and collaborate with them to reach shared goals.

Improving our risk management for environmental and social effects is an ongoing process. We use a thorough method to reduce uninsurable risks, with constant monitoring using our Risk Information Management System (RIMS).

We understand the importance of social impact at the building level. Our CSR team collaborates with other departments to address environmental and social factors affecting our stakeholders. Our far-reaching local economic development programme with Property Point is one such positive initiative to arise from this approach.

We continuously engage with our staff through presentations, emails, texts and online communication. This year, we conducted several employee engagement surveys. You can find the details of the findings on page 41 of this report.

We are keenly aware of the skills shortage in our industry and in the South African context and aim to be a top employer. We prioritise employee health and safety, offering support platforms and have maintained an increased focus on mental health issues in the aftermath of the pandemic. As part of our promise to create space to thrive, not just for our clients but our employees too, we make sure that your wellness is a priority through various programmes and initiatives.

We take pride in the outcomes of applying our LED and transformation policy, which has been successfully implemented in our business. This policy sets out how we engage with local businesses in communities where Growthpoint operates. Our socio-economic goals are aligned with this policy, and we have established clear targets, which can be found on page 55 of this report.

We are dedicated to creating an inclusive South Africa and have retained a level 1 B-BBEE rating. Transformation is essential to our ESG performance, and as part of our transformation plan, we constantly address scorecard gaps and take action to maintain high scores. This is an ambitious target and we continued to review our strategy taking a broader, more scientific approach than in prior years. Once the new property sector charter codes are published, we will reveal an updated strategy. We await the Property Sector Council's timeline for this release. The increase in legislation and regulations is concerning in that it may negatively affect our business and hinder our progress towards our goals.

We focus on CSR that delivers both social and economic value to Growthpoint and all stakeholders. In a post-period highlight, Growthpoint received shareholders' approval for a R250m B-BBEE ownership scheme that will continue to fund the flagship corporate social investment (CSI) initiatives that Growthpoint supports, specifically Property Point and Growthpoint GEMS.

Our community engagement via Property Point has continued to add value, and we are looking to extend our efforts.

In FY23 our investment in Property Point resulted in an additional 32 full-time jobs, and 300 jobs were sustained. This year's Property Point cohort was all female, and we feel privileged to have this exciting group of entrepreneurs as part of our industry.

Education is crucial for addressing social issues in our communities. We consistently invest in projects ranging from early childhood to tertiary education. We collaborate with partners like the SA Property Owners Association (SAPOA) to provide SAPOA sector-relevant skills-focused bursaries. The Growthpoint GEMS programme supports our employees' children's education through various assistance methods.

The issue of gender-based violence (GBV) in our country is of great concern for Growthpoint and we collaborate with partners to support victims. Additionally, the company opposes xenophobic behaviour in the South African society.

All major industry bodies are well supported by Growthpoint and its employees, and in many cases, staff from our business play a leading role in these organisations.

We are engaged in the SAPOA, South African Council of Shopping Centres (SACSC), the Property Industry Group and the Green Building Council South Africa (GBCSA) working towards common goals relating to tax, addressing transformation, municipal challenges, ESG challenges including sustainable financing and a just transition. This year we became a participant of the UN Global Compact.

For the last 14 years, Growthpoint has been included in the FTSE/JSE Responsible Investment Index and the FTSE4Good Emerging Index for seven years and our overall rating improved from 2.9 to 3.5 this year. We maintained an MSCI ESG rating of AA.

Our ESG rating by Sustainalytics is 11.1, which is considered low risk. We participate in the Global Real Estate Sustainability Benchmark. We provided the annual submission of our carbon emissions data to the Carbon Disclosure Project (CDP), where we received a B rating.

For more information on all our ESG indices participations and ratings please refer to page 4.

For the reporting year, we obtained independent assurance for various ESG indicators. You can find the verification statements in this report's performance data section.

We aim to achieve the following in FY24:

- Conduct ESG and human rights training for all staff
- Review and enhance some of our ESG-related policies and procedures

Growthpoint aims to enhance our impact through the ESG ecosystem. We strive to provide clear data for evaluators to understand our business value and positive contributions to society, the economy and the environment.

Estienne de Klerk
CEO: SA

2023 TRANSFORMATION PROGRESS

Growthpoint has achieved a B-BBEE level 1 rating. We are currently anticipating changes to the property sector charter and will be refreshing our transformation strategy.

Objectives	Target set	FY23	FY22	FY21	FY20
Ownership					
B-BBEE ownership	• Broad-based black economic empowerment (B-BBEE) deal with 10% of Growthpoint shares	**Growthpoint shareholders have approved a R250m B-BBEE ownership scheme for FY24 that will continue to fund the flagship CSI initiatives.**	No B-BBEE deals were concluded. We have 48.4% exercisable voting rights in the hands of black people and 27.2% economic interest of black people in Growthpoint	No B-BBEE deals were concluded. We have increased ownership with 50.3% black exercisable voting rights in the hands of black people and 27.9% economic interest of black people in Growthpoint	No B-BBEE deals were concluded. We have a slight decline in ownership with 29.0% voting rights in the hands of black people and 17.5% economic interests of black people in Growthpoint
Structure net equity value	• Realise a minimum of 40% of the annual targets	**30.44%**	27.2%	27.9%	19.3%
Disposal of assets to black-owned entities	• 35% disposal to: – 50% black-owned entities over a five-year period – A minimum of 20% of the 35% must be achieved in each year	**Not achieved during this period**	Not achieved during this period. There has been no disposal to >50% black-owned entities	10.5% through the sale of the old Exxaro building to a 100% black-owned entity	Not achieved during the period. There has been no disposal to >50% black-owned entities

Objectives	Target set	FY23	FY22	FY21	FY20
Management control					
Diversify the Growthpoint Properties Non-executive Board	• 40% black Board members • At least 25% black female appointees	**41.6% black Board members 16.6% black female numbers (includes HR Director)**	50.0% black Board members 21.4% black female Board members	46.1% black Board members 23.1% black female Board members	42.9% black Board members 14.3% black female Board members
Diversify Executive Directors	• 25% black Executive Directors	**25% black Executive Directors**	25.0% black Executive Directors	25.0% black Executive Directors	25.0% black Executive Directors
Diversify Executive management	• 27% black Executive management with at least 50% being black female	**25% black executive management 5% black female executive management**	25.0% black Executive management 10.0% black female executives	21.4% black Executive management 10.0% black female executives	25.0% black Executive management 10.0% black female executives

2023 TRANSFORMATION PROCESS (CONTINUED)

Objectives	Target set	FY23	FY22	FY21	FY20
Employment equity					
Diversify senior management	• Increase black senior management from 15% to 28%	**51.14%**	23.0%	20.8%	21.5%
Diversify middle management	• Increase black middle management from 32% to 45%	**87.08%**	40.8%	48.8%	46.9%
Diversify junior management	• Increase black junior management from 69% to 77%	**95.93%**	51.7%	60.1%	70.2%

Objectives	Target set	FY23	FY22	FY21	FY20
Skills development					
Alignment of skills programmes with business needs	• 80% of training offerings within category B, C, D of the skills matrix	**57.1% of training was B, C, D**	49.5%	49.0%	47.0%
Training plan aligned to succession plan	• 5% of leviable amount spent on black people (targets based on employee assistance programme (EAP) stats) • 40% minimum to be achieved	**4.91%**	3.2%	3.0%	3.1%
Implement a disability learnership programme	• 0.3% of leviable amount is spent on disabled people • A minimum of 40% must be achieved	**1%**	0.5%	0.3%	0.5%

Objectives	Target set	FY23	FY22	FY21	FY20
Preferential procurement					
Segmentation of procurement spend*	• 40% procurement spent with companies who are at least 51% black-owned	**30.92%**	36.2%	46.3%	37.8%
	• 100% of all suppliers must be B-BBEE rated with 80% of suppliers on a minimum of a level 4	**84%**	99.0% with 87.2% of suppliers on a minimum of level 3	88% with 58% of suppliers on a minimum of level 4	66.7% with 45.4% of suppliers on a minimum of level 4
	• 12% procurement spend on companies who are at least 30% black women-owned	**19%**	21.7%	32.9%	11.9%
Continued support and funding of Property Point	• 1% net profit after tax (NPAT) towards enterprise development	**1.2%**	1.1%	2.3%	1.8%
	• 2% NPAT towards supplier development	**2.8%**	2.2%	3.8%	3.8%

Objectives	Target set	FY23	FY22	FY21	FY20
Socio-economic development					
Annual value of all SED contributions of Growthpoint	• 1% NPAT towards beneficiaries that are black**	**3.05%**	2.6%	1.2%	4.7%

RESPONSIBLE BUSINESS

Embedding an ethical culture

A commitment to responsible operations underpins our purpose, and we expect our employees, business partners and suppliers to conduct themselves with integrity.

Doing business ethically

- Defining our code of conduct
- Delivering training and raising awareness
- Providing ethics advice and confidential reporting
- Managing conflicts of interest
- Ensuring governance oversight
- Managing disciplinary and grievance processes

Complying with policies and controls

- Anti-bribery and corruption
- Legal compliance
- Ensuring governance oversight

Gordon Institute of Business Science (GIBS) Ethics Barometer

Growthpoint was one of the first organisations to participate in the GIBS Ethics Barometer, a national initiative launched in partnership with Business Leadership South Africa in 2019. The aim is to raise the ethics of South African businesses. Growthpoint participated in this barometer in 2019 and 2021, and after conducting a analysis of the results, we formulated an ethics policy. This policy was proposed to the Board and approved on 14 June 2022. We will participate in the GIBS Ethics Barometer again in FY24.

Establishing our Ethics Committee

An Ethics Committee comprising representatives from various business units established, and its priorities determined. A new value, "Play fair", was launched to specifically focus on ethics and ethical conduct. This was accompanied by a marketing campaign to reinforce our values among employees. Workshops on bullying and sexual harassment were held with all Executive and Ethics Committee members. During these workshops, external subject matter experts focused on the legislative, ethical and moral aspects of these topics.

A certified Ethics Officer was appointed to the Ethics Committee to assist it in its oversight function.

Promoting ethical conduct

Growthpoint's code of conduct and business principles outline the behaviours expected from directors, executives, employees, contractors, business partners and suppliers. These expectations are supported by policies and activities to ensure they are responsibly managed.

Several policies are intended to be read in conjunction with the Code of Ethics. These include:

- Policies dealing with conflicts of interest, fraud and corruption prevention
- The anti-corruption and gift declaration policy
- The protection of personal information policy
- The supplier code of conduct

Our ethics strategy creates awareness of these codes and policies and shares these with employees via various platforms. The SET Committee monitors these and reports to the Board, while Internal Audit provides assurance to the Audit Committee on the effectiveness of the ethics function.

Our code of conduct is supported by the policies and procedures below:

- Anti-corruption policy
- Gift policy
- Sexual harassment policy
- Human rights policy
- Conflict of interest policy
- Fraud and corruption prevention policy
- Supplier code of conduct
- Protection of personal information policy
- Whistleblowing and protected disclosure policy
- Employee integrity policy

Managing disciplinary and grievance process

We manage and govern our disciplinary and grievance processes through our grievance procedure policy.

Employees have a variety of avenues available to raise grievances and are able to consult with our HR team for advice. Labour and human rights concerns can also be addressed through our independently monitored whistleblowing hotline. We want employees and other stakeholders to be able to raise concerns about workplace malpractices without fear of victimisation or reprisal.

Depending on the nature of their concerns, employees are also welcome to raise matters with either representatives of the Diversity and Inclusion Forum or the Ethics Committee.

Information Technology

Our IT strategy aligns with the business strategy, underpinning salient business capabilities, IT improvements, and transformative IT capability. The strategy is undertaken as a service to the South African business sectors by providing information technology services and support.

We apply rigorous governance frameworks and policies to guide our IT activities and processes. Our policies and governance are managed within the IT Control Objectives for Information and Related Technology Certification (COBIT) good practice framework. Additional details on our policies can be found in the policies and documents section on page 124.

Growthpoint's IT department needs to keep abreast of all property and business-related initiatives. Several management forums with specific objectives are in place, but decisions taken in one forum needs to be communicated to the others. Depending on the function, the forums meet weekly, monthly or quarterly.

FY23 saw a focus on driving IT and digital transformation to ensure we enhance our current IT posture, giving heightened attention to self-service capabilities and cybersecurity

enhancements. This allows us to deliver better customer experiences and increase revenue.

IT governance

We base our governance of the technology and information framework on King IV principles. The Board assumes responsibility for policy and direction over matters relating to technology and information.

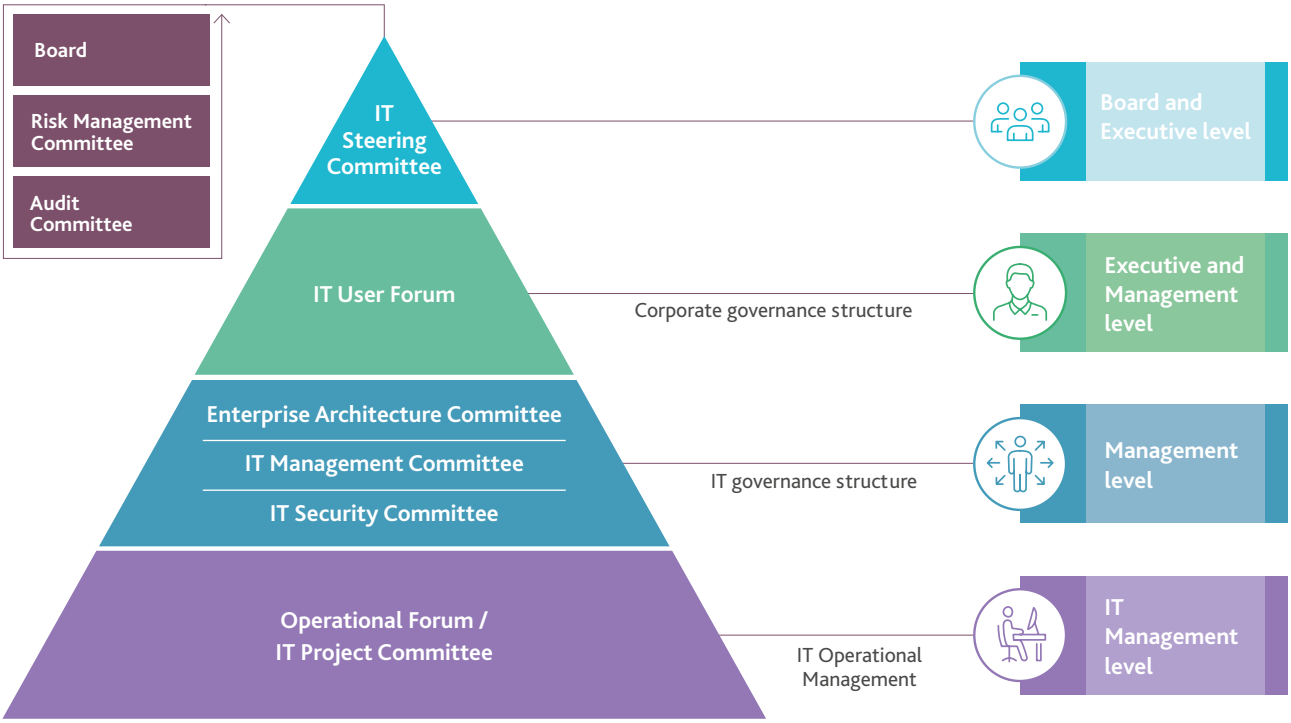
IT deals with business imperatives identified by the business and our Exco. If our Exco recognises a business need, steps are taken to implement this. There is continuous engagement with business stakeholders to ensure our IT offering is relevant. The business refers new requests to the IT user forum, which is guided by the priority of rated items.

We only deal with "Tier 1" suppliers that have products with solid reputations, built-in consistency and good support. Better quality equipment has served us well over extended periods and we are also careful to buy appropriate infrastructure that is well suited to the business. Where appropriate, we have focused on Cloud-based services, either Infrastructure As A Service (IAAS) or Software As A Service (SAAS).

Growthpoint focuses on social issues within our supply chain and we are looking at how ethical sourcing can be applied to our procurement processes. Ideally, we try and source these products from either level 1 or level 2 B-BBEE vendors.

We continued to upgrade and integrate our enterprise resource planning (ie MRI) into other systems, and are pleased with how this has been executed. In addition to ongoing maintenance and updates, there is continued attention given to accessing data for the purposes of analytics and business intelligence.

As a result of the renovation to our Sandton office during 2022, we decommissioned our on-premises data centre in June 2023 and relocated to a hosting facility with backup in the cloud.



RESPONSIBLE BUSINESS (CONTINUED)

Protecting data – data privacy and cybersecurity

In recent years, cybercrime has been on the rise, and thus there is increased attention on protecting electronic information.

We improve our security posture and the maturity of our security programme in line with regulatory requirements, best practice guidelines and industry benchmarks. Due to the rise in cyberattacks, it was necessary to increase our focus on strengthening cybersecurity resilience. This was done by introducing additional security domains to align with the newer threat vectors.

Growthpoint has layers of protection that include solutions with artificial intelligence (AI), automation, and monitoring of trends and patterns. During the past year, we implemented automated playbooks in response to identified threats. These trigger a series of processes to be undertaken to safeguard our systems and information. Any issues or concerns are communicated to our IT Steering Committee. An international rating agency monitors the effectiveness of our process and systems in preventing cybercrime. Efforts to combat cybercrime include cyber awareness training and simulation cyberattacks.

As part of ongoing education for our Non-executive Directors, the Board members attended a cybersecurity presentation facilitated by an external expert. The focus of the training was to provide the members with an understanding of cyber and its terminology, including the top cyber threats faced by companies today and the impact of these threats to corporates.

Responsible and inclusive procurement

Managing our supply chain

Growthpoint applies a hybrid approach to supply chain management. Some elements are centralised, and our procurement division is responsible for procuring services on a national basis. The budget is controlled at an operational level and includes Local Economic Development (LED) policy targets. The procurement department's role is to vet and manage the supplier base.

We encourage our suppliers and business partners to adopt sustainable business practices. We want to ensure safe and fair working conditions and responsibly manage environmental and social issues across our supply chains.

Similarly, we expect our suppliers to be accountable for managing risk in their own operations and hold their suppliers to equally high standards.

In FY23 we launched our supplier code of conduct and our Supplier ESG policy to communicate our commitment to ensuring high standards of ethics and sustainability. This commitment is not only in relation to goods or services provided to Growthpoint, but any activity undertaken by a licensee, distributor, representative or anyone with similar rights.

To deliver best practices and drive sustainability performance, our suppliers, contractors, and service providers are required to comply with relevant Growthpoint policies and procedures, as well as with specific principles and standards.

The two policies have been implemented and rolled out with existing suppliers.

SDG 8

Supporting local economic development

Supporting local enterprises is vital for economic empowerment and contributes to the creation and endurance of employment and socio-economic development opportunities.

During FY23, the focus was to roll out our LED policy within the business to ensure that relevant employees were appropriately trained on. These efforts complied with national procurement targets. Our Trading and Development division ensured that elements of the policy were integrated with the tender and documents for suppliers. LED market days were held throughout the country, with the first taking place in Johannesburg. The focus was to introduce the approved LED companies to the business and to Growthpoint's direct purchasing agreement suppliers.

The second LED Supplier Market Day took place in Cape Town on 16 August 2023. This event focused on introducing the LED suppliers to the business and our direct manufacturing partners, as well as creating opportunities for LED suppliers with Growthpoint. For more details on LED please refer to page 55.

Some of Growthpoint's major suppliers are helping smaller local businesses to facilitate LED training that will enable them to become approved and certified applicators of their products or services. This allows suppliers to meet warranties and guarantees of the product or service undertaken and contribute to building a sustainable base of suppliers and approved applicators.

B-BBEE procurement spend

B-BBEE is integral to our business and supplier strategy in South Africa. From a procurement perspective, we are doing well and meeting most of our targets. Much work has gone into upskilling the business on B-BBEE targets, and we aim to engage with organisations with a minimum of a level 4 B-BBEE rating.

Procurement spend

	FY23	FY22
Rand value of total discretionary/measured procurement spend	**R5 178 971 131**	R5 407 924 759
Rand value of historically disadvantaged South African (HDSA) procurement spend	**R1 957 345 405**	R2 072 815 034
Total number of suppliers	**2 367**	2 314

The procurement team continues to drive transformation strategies towards a greater goal. The following will remain focus areas:

- Formalising and actively tracking and reporting on LED spend against target
- Continued drive to decrease/minimise B-BBEE non-compliant spend and introducing B-BBEE compliant suppliers to the different business units
- Increasing access to Growthpoint's procurement for approved LED suppliers, as well as Black-Owned and Black-Woman-Owned suppliers, EMEs and QSEs without compromising capacity, capability, competitive pricing, and technical and commercial specifications set out by the business
- Continues stakeholder education around fronting practices as specified in the B-BBEE Act
- Continued maintenance of data integrity and accurate reporting.

Managing our social and environmental risks and impacts

Our environmental and social risk refers to the risk of adverse impacts on people and the natural environment arising from our business activities. These include impacts on climate and biodiversity, and local communities' livelihoods and human rights. At a minimum, we align with the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Risks may arise from our direct business activities or the activities of our stakeholders, and may impact our employees, tenants, individuals and enterprises in our supply chain, and communities impacted directly or indirectly by our business activities. Our environmental and social risks may create physical risk, operational risk, business risk and reputational risk. Growthpoint continues to monitor these risks closely.

RESPONSIBLE BUSINESS (CONTINUED)

External social and environmental risks

The following risks have been identified as being prevalent within the operating environment These risks were identified in FY22 and remain the same in FY23.

1. Environmental

Contributors	Probable impact	Mitigation
• Deteriorating infrastructure and service delivery • Increase in administered costs • Increased regulatory requirements • Increased attention by funders and investors	• Additional costs • Reputational damage • Ability to source funding	**Policies and governance** • Our environmental policy focuses on climate change, carbon emissions, biodiversity and energy, water, waste management and renewable energy • SET Committee terms of reference enhanced regarding environmental considerations **Developments** • A responsibility matrix is used which lists, among other things, the regulatory indicators to be considered when undertaking a development • New office developments to achieve a minimum 4-Star Green Star SA rating • Currently developing an environmental and social checklist. **Development contractors** • Where required, the contractor will appoint a consultant who specialises in environmental matters • Require adherence in line with Growthpoint's environmental commitments as part of the procurement process and supplier code of conduct **Existing buildings** • Obtaining green building certification in terms of the GBCSA for office and industrial sector properties • Identifying suitable solutions in terms of our six-step sustainable change process • Engaging and implementing energy-efficient initiatives to reduce utility spend, and sharing savings with the tenant • Using the energy and water performance tool developed by GBCSA to benchmark office buildings • Waste target of zero organic waste to landfill by 2026 • Assessing carbon footprint annually, which is externally verified by a third party **Climate change** • Tracking of data and the various weather-related incidents to identify preventative initiatives • Detailed climate risk review undertaken, identifying scenarios and potential financial impacts • Development of carbon-neutral objective by 2050 **Executive remuneration** • Measure attributable to meeting ESG targets

2. Socio-economic

Contributors	Probable impact	Mitigation
• Macro-economic fundamentals • Socio-economic effects	• Political risks • Social upheaval	**Local community engagement** • Roll-out of local LED policy • Currently developing an environmental and social checklist • Enhanced understanding of stakeholders through engagement processes • Incorporation of LED policy elements in other policies and procedures

3. Insurable risks

Contributors	Probable impact	Mitigation
• Claims on underwriters and insurers are excessive as a result of worldwide risk events such as cyberattacks, climate change, the effects of Covid-19 and the Russia-Ukraine war	• Increase in insurance premiums • Lower cover limits • Increase in deductibles • Uninsurable events such as pandemics	Proactive risk management incorporates, among other things, the following: **Day-to-day operations** **Risk Information Management System (RIMS)** An online software program focused on property operations, which facilities management personnel complete for each building, each quarter. The results are analysed to identify issues that need management's attention. **Risk Officer** A dedicated Risk Officer ensures compliance with building and fire compliance regulations as well as the Occupational Health and Safety Act (OHSA) by: • Regularly performing independent visits to buildings • Liaising with tenants when conducting building inspections • Liaising with facilities and property management personnel • Liaising with insurers **Independent insurer reviews** Growthpoint's insurers undertake inspections of buildings each year to ensure that the insurable cover is commensurate with the insurable risk that they have underwritten. **Annually** The Growthpoint broker approaches the insurance market with regards to cover, limits, deductibles and premiums. The resultant decisions taken by management are relayed to the Risk Management Committee for consideration and approval. Periodic presentations on specific insurable risks to the Risk Management Committee or the Board.

Our climate-related impact assessment

Growthpoint recognises the importance of climate change and seeks to understand the potential impacts across key aspects of business performance. An external service provider was hired during FY21 to conduct a more in-depth assessment of climate-related risks to Growthpoint Properties in South Africa. We continue to monitor these risks closely.

Specifically, the project looked to understand these in relation to the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. The aim was to evaluate existing risk assessment work related to climate change and undertake an independent assessment of the risks and opportunities that Growthpoint faces.

The objectives of this climate-related impact assessment were to:

- Identify direct and indirect physical and transition climate-related risks to selected Growthpoint facilities
- Develop a risk register outlining the climate-related risks and risk drivers
- Qualitatively assess Growthpoint's climate-related financial impact on projected climate change risks

Note: Details of the climate-related risks identified can be found on page 100 this report.

PROTECTING OUR PEOPLE

Managing health and safety

Growthpoint Properties ensures that health and safety compliance is in accordance with the OHSA No 85 of 1993. The Health and Safety Committee, chaired by the COO, meets quarterly. Safety issues at work are reported and claimed from insurance for those that are insured.

The Trading and Developments department engages dedicated health and safety consulting companies to ensure that all contractors working on development projects adhere to occupational and health and safety regulations and legislation. Growthpoint periodically conducts health and safety training such as firefighting, incident and accident reporting, and first aid for the operational staff. Our lease agreements make provision for tenants' health and safety compliance, and non-compliance by tenants is reported. Tenants are notified of non-compliance issues and the steps that need to be taken to rectify them.

Vendor procurement takes health and safety requirements into consideration and these requirements are included in the vendor contracts and service level agreements. Procurement meets with major vendors monthly to address any concerns. Vendors are liable for all aspects of health and safety on the contracted projects and are required to have insurance in place as mandated by the signing of the Section 37.2 agreement. Contravention of this mandate may result in the termination of vendor services.

Operational staff key performance indicators include health and safety compliance, and this filters through to our building and facility management. Growthpoint has a building management system, RIMS, and a portal where building regulation documentation for each building is uploaded and updated quarterly to ensure compliance with regulations. Using the RIMS system, the key performance indicators of the building contractors are also monitored on a quarterly basis, and any issues are addressed immediately.

Growthpoint's Health and Insurance officers, together with insurers, conduct annual surveys on buildings selected based on the replacement value, risk profile and five-year inspection cycle. Fire safety is a priority, and our focus remains on installing and maintaining fire protection systems, particularly sprinkler systems and early warning mechanisms. Furthermore, property management staff conduct regular building inspections to identify and address any non-compliance issues.

Upholding human rights

Respecting human rights across our operations ensures we can positively impact people and society. Growthpoint is a participant of the UNGC, which follows the guiding principles on business and human rights.

We approach human rights in accordance with our human rights policy.

Growthpoint respects all fundamental human rights and is committed to supporting and promoting universally recognised human rights entrenched in the following:

- Universal Declaration of Human Rights adopted by the United Nations in 1948
- International Bill of Rights
- International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
- Voluntary Principles on Security and Human Rights
- Global Sullivan Principles
- Constitution of South Africa and relevant legislation

Growthpoint is committed to ensuring that systems are in place to observe, respect and promote the human rights articulated in the principles above throughout our sphere of influence.

Human rights of employees

Growthpoint is committed to prohibiting all forms of discrimination based on gender, age, sexual orientation, disability, race, colour, ethnicity, religion, marital status, language, nationality, union membership or political affiliation. We also prohibit physical abuse, sexual harassment, and verbal abuse or other forms of intimidation. The use of child, compulsory or forced labour in any of our operations is forbidden and we strive to ensure safe and healthy work environments. The right of employees to compensation that at least meets basic needs is recognised.

Human rights of people in our value chain

With respect to our contractors and suppliers, Growthpoint's commitment includes promoting ethical conduct and protecting human rights throughout the value chain. We also give preference to those who share and demonstrate the values of Growthpoint.

Human rights of people in communities

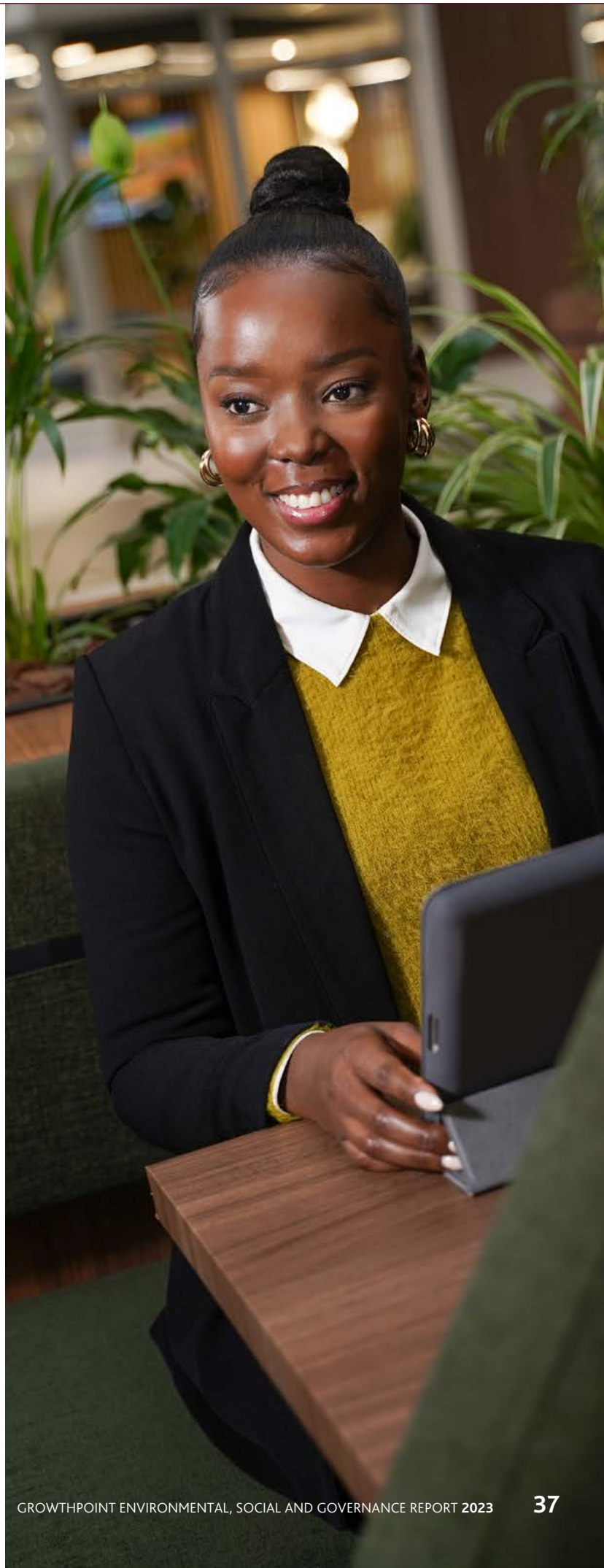
Growthpoint's commitment extends to persons and entities within the communities we operate. In terms of this policy, we commit to doing this by:

- Observing the laws of the land
- Respecting the cultural values of societies
- Seeking to identify and address indigenous people's interests
- Giving appropriate regard to the self-sufficiency, sustainability, health, safety and the environment of communities within our areas of operation
- Conducting business as a responsible corporate citizen

The human rights of children

Growthpoint recognises, respects and supports children's rights and will endeavour to:

- Meet our responsibility to respect and support children's rights
- Contribute to the elimination of child labour in all supply chain activities
- Provide decent work for young workers, parents and caregivers
- Ensure the protection and safety of children in all business activities and facilities
- Ensure products and services are safe and seek to support children's rights through them
- Use marketing and advertising that respect and support children's rights
- Consider the environment, land acquisition and land use in relation to children's rights
- Consider children's rights in terms of security arrangements as applicable
- Help protect children affected by emergencies
- Reinforce community and government efforts to protect and fulfil children's rights



THRIVING PEOPLE AND COMMUNITIES

Our employee value proposition makes Growthpoint a preferred employer and includes **great rewards, developmental opportunities**, a caring and supportive staff environment and an **inclusive team culture** without rigid hierarchy.

CONTENTS

Our people 40
Corporate Social Responsibility 46

OUR PEOPLE

Growthpoint offers competitive remuneration, benefits, growth opportunities and a supportive, inclusive environment for employees that is aligned to the new world of work. This employee value proposition makes Growthpoint a preferred employer.

SDG 10

Transformation

Growthpoint is committed to diversifying and transforming its business and by doing so, contributing towards positive transformation of the economy. We are working to create an inclusive workplace where all employees are heard and feel they belong.

The Employment Equity (EE) Act aligns with our fair and equitable employment policies and enables us to promote equal opportunities for all employees. Our affirmative action measures ensure the representation of employees from designated groups.

Growthpoint's transformation strategy has been successful in achieving its objectives and we have policies in place to address any areas that require improvement. We perform quarterly assessments to track progress in achieving transformation targets. These targets showcase our commitment to workforce diversity, equity and inclusion as a responsible corporate citizen.

To ensure sustainable transformation, we set realistic targets that consider factors like business growth, skills availability, retirements and employee turnover at all levels. We are making progress towards achieving our EE numerical goals at a senior level and below. We continue to focus our attention on ensuring representation at an Exco level, which has previously been a challenge due to low staff turnover. This year, two employees from designated groups were appointed to Exco. Our EE Committee and the Diversity and Inclusion Forum monitor our progress towards the attainment of transformation objectives and report to the SET Committee. Our three-year EE plan (January 2021 to December 2023) plays a crucial role in our transformation journey and is evaluated annually to ensure targets are met.

Skills shortages across all levels remain a challenge for the property sector as businesses compete for the same talent pool. Growthpoint's attractive employee value proposition allows us to be competitive, resulting in talent attraction and former employees often seeking to return to the company.

SDG 5

Growthpoint focuses on diversifying its workforce in terms of age, gender and race. This diversity encourages respect, fosters fresh ideas, drives innovation in our business and promotes a supportive environment for all. Organisations are facing growing demands to share diversity data, including LGBTQIA+ information. We don't require employees to disclose their sexual orientation but do welcome voluntary gender identity disclosure. All employees are afforded fair and equal treatment regardless of their sexual orientation.

At the end of FY23 our staff consisted of 54% women and 46% men, with an average age of 44.

Hybrid working

Based on employee feedback, best practice and our intention to encourage a healthy work-life balance, we implemented a 60/40 hybrid work model this year. Employees are expected to spend 60% of their time at their place of work and 40% working remotely. Many employees returning to their place of work more frequently than the minimum requirement, due to the benefits of in-person interactions, the challenges of work-from-home and the increased frequency and duration of loadshedding.

Employee value proposition (EVP)

With the exception of the introduction of hybrid working, our EVP remained unchanged this year. It is based on total rewards, benefits and development opportunities, and includes the following:

- Retirement benefits
- Medical aid
- Gap cover for out-of-pocket medical expenses
- Group risk cover

- Accidental death cover
- Educational assistance for eligible employees' children (GEMS)
- Work-life balance with flexible working hours
- Employee wellness programme
- Share options for all employees
- Disability cover
- Career and personal growth opportunities

SDG 10

Living wage and pay gaps

Our remuneration is fair and competitive, with internal and external parity. We constantly evaluate and update our compensation approach to motivate and retain valuable skills.

We are particularly mindful of the gap between our highest and lowest earners. Our minimum total fixed remuneration (TFR) is R12 500 per month, which is higher than the South African national minimum wage. We believe a living wage should cover five fundamentals: decent accommodation, food, healthcare, transportation and education for employee's children. Our employees' salaries align with this philosophy.

SDG 5

We continuously monitor and analyse the gender pay gap in line with guidelines from the Department of Labour. We aim to ensure that our remuneration practices continue to exclude arbitrary biases. Growthpoint will participate in a gender pay-gap study in FY24 to identify any potential gaps.

Employee communication

Regular communication with our employees is vital for the health and strength of our organisation. It builds a positive work environment, improves employee relations and ensures that employees have the information they need to perform their duties.

Employee surveys

Employee exit surveys enable us to obtain feedback that assists in implementing changes that create a better employee experience and to strategise and plan initiatives that increase employee engagement and retention.

We value the feedback we receive from employees. In FY22, we conducted internal and external surveys, including a staff exit survey to understand the reasons for employees leaving Growthpoint. In FY23, we implemented a strategy to address the feedback we received from the Deloitte employee engagement survey, which ranked Growthpoint among the top 150 companies with the most engaged employees and earned us a Platinum Award.

We have implemented a Board-approved ethics strategy and launched an additional value, "Play Fair", which encourages our employees to always act with integrity.

Employee health, wellness and the employee assistance programme (EAP)

We prioritise workplace safety and our Health and Safety Forum actively monitors, reports and addresses concerns to maintain a safe work environment. We follow the OHSA and all national health and safety protocols. Our goal is always to have zero workplace incidents.

We care about our employees' wellbeing and offer an integrated wellness programme to support them. Our EAP assists in educating our employees on mental health issues and how to lower their health risks, among other things. In addition to establishing a culture focused on employee health, our EAP also contributes to increased employee productivity, better morale and increased teamwork.

The current macro-environment has increased social pressures, impacting the mental wellbeing of our staff. As such, we provide support for issues such as financial stress, family issues and work overload that can lead to poor work performance.

OUR PEOPLE (CONTINUED)

We have seen increased use of our online, in-person EAP support and increased attendance at our lunchtime talks on various subjects. This integrated wellness approach culminates in an annual wellness event, with a theme based on issues impacting employees in that year. The FY23 theme was "Lighten the load". Employees had an opportunity to participate in various activities and engage with wellness partners who assisted them to "Lighten their loads".

Supporting the physical and mental wellbeing of our employees is essential to protect our human capital.

HIV/AIDS, infectious diseases and chronic conditions

People living with HIV/AIDS and other chronic illnesses often face difficulties in accessing social protection benefits, including access to healthcare. Growthpoint is proud to offer all its employees, including those living with HIV/AIDS and chronic illnesses, access to healthcare and emotional support through our various programmes and partners. Our employees are protected from discrimination, treated with dignity and have access to treatment, care and support.

We value employee confidentiality and respect the constitutional rights of all our employees. We do not test nor do we require our employees to disclose their HIV/AIDS status. We do not discriminate nor allow discriminatory practices in the workplace. Our medical aid provider estimates a 4% to 6% HIV prevalence rate within the company.

To prevent stigma, we don't have an HIV/AIDS policy and we work with our healthcare providers to support employees with chronic conditions. We have an infectious disease management policy in place. While tuberculosis and malaria are global concerns, we believe they don't directly impact our company.

Policies and procedures

Policies and procedures are important as they assist in clarifying and reinforcing the standards expected of our employees in all their professional dealings and in managing staff effectively by defining what is acceptable and unacceptable in the workplace.

We constantly review our policies and procedures to ensure alignment with all the labour laws and the International Labour Office where applicable.

In FY23, we revised various policies, such as the elimination of harassment in the workplace, employee bursaries, recruitment, disciplinary, grievance processes and travel.

Succession management

Succession management remains a key focus area for our Human Resources and Remuneration Committee. We have improved our succession management policy for better talent management. We have also updated how we identify successors, by using external assessments, feedback and customised development plans with challenging tasks to enhance their skills and abilities. This approach ensures successor readiness and reduces the risk of delayed appointment in the eventuality of a vacancy.

Effective succession management addresses the need for recruitment, development, and ongoing support for all identified incumbents. It ensures that identified successors have adequate time to prepare for senior roles, and that the training and development support is linked to clearly defined leadership standards, company values and job competencies.

Industrial relations

We focus on performance management and fair disciplinary actions that support employee morale and enhance good industrial relations. This alignment between employees and employers leads to increased productivity.

In the past year, we again saw increased incidences of company property abuse and theft due to macro-economic challenges, to which we responded appropriately.

Staff turnover

"The Great Resignation", a global trend that started in 2021, has also affected Growthpoint and resulted in increased employee turnover. This year's staff turnover rate was 11.1% compared to 8.3% last year. We hired an external consultant to conduct an extensive review, anonymously, on the reasons why employees were leaving Growthpoint, and feedback from the survey is assisting us in improving our work practices and policies.

SDG 10

Employee statistics

	FY23	% change	FY22	FY21
Total number of employees	**669**	4.53	640	643
Permanent employees	**637**	5.12	606	611
Number of temporary employees	**32**	(5.88)	34	32
Number of disabled employees (as per EEA1: 16 learners and three permanent staff)	**19**	(9.52)	21	21
Number of recordable employees in trade unions	**–**	–	–	–
Net property income per employee (South Africa) (R)	**9 637 363**	(3.96)	10 034 653	9 981 997
Total number of hours worked Formula = 40 (hours p/w) x 4.333 (average weeks p/m) x12 (months) x 669 (no. of employees)	**1 391 493**	4.34	1 333 485	Not disclosed
Average tenure of employees (years)	**8.5**	6.25	8	8
Annualised attrition rate of permanent employees (%)	**11.10% of which 9.01% was voluntary 2.09% was involuntary**	38.75	8.3% of which 12% was voluntary and 7.1% was involuntary	8.7% of which 6.9% was voluntary and 1.8% was involuntary
Annualised retention rate (%) Formula = 100% – 14.2% attrition	**88.61**	(3.68)	92	Not disclosed
Number of industrial relations cases	**23**	15.00	20	21
Number of industrial relations actions taken (All 23 cases resulted in action being taken)	**23**	15.00	20	21
Number of grievances from employees and stakeholders through the independent hotline (Direct grievances raised with and resolved through HR)	**6**	100.00	3	Not disclosed
Average age of employees (years)	**44**	(2.22)	45	45
Lowest earner cost to company (CTC) (R pa)	**150 000**	11.11	135 000	143 100
Highest earner CTC (R pa)	**8 076 476**	5.64	7 645 177	7 304 850
Average income of top 10% earners	**2 294 651**	8.28	2 119 257	Not disclosed
Average income of bottom 10% earners	**154 971**	6.08	146 086	Not disclosed
Direct investment in employee training (Rm) (Including direct training course fees, bursaries, informal and formal training and learnerships)	**7.5**	10.29	6.8	3.8
Total cost of employee training (Rm) (Direct investment in training and collateral such as training materials, textbooks and catering)	**11.9**	41.67	8.4	4.7
Number of employees trained	**441**	(3.71)	458	539
Average hours per employee	**30**	206.12	9.8	4.3
Total number of sick days	**2 098**	10.13	1 905	1 470
Rate of number of sick days per full-time employee	**3.13**	(5.4)	2.97	0.95
External contractor fatalities (external contractor was electrocuted at a Growthpoint building)	**1**	–	–	–

OUR PEOPLE (CONTINUED)

Talent management

To remain effective and to meet our organisational objectives, Growthpoint must adapt to internal and external challenges and changes in the real estate environment. In an increasingly tough economy, competition for talent and scarce resources is fierce. Our talent management strategy enables us to remain a market leader in the property sector while ensuring business continuity, good governance and positive shareholder returns.

Our approach to attracting talent includes word-of-mouth referrals, integrating our recruitment portal with various job portals such as LinkedIn, partnering with talent search companies and engaging with universities through our young talent and graduate programmes. We retained 90% of our graduate recruits. Overarching this approach is our strong brand presence.

New employees are inducted into Growthpoint's culture and values, while existing employees receive development and growth opportunities.

SDG 4

Training and leadership development

We aim to improve the existing competencies of our employees and assist them to develop new ones, all with the objective of supporting our business goals. We achieve this by investing in training and development for our employees.

For training, we focused this year on areas of priority based on feedback received from employee surveys. Our staff members were able to advance their skills and expand their knowledge. We spent R7.5m on training 441 employees.

Labour and employment practices

We adhere to all labour laws, such as the Basic Conditions of Employment Act, Labour Relations Act, Employment Equity Act, Skills Development Act and the OHSA.

Beyond legal requirements, Growthpoint aims to be a responsible corporate citizen with policies and processes that ensure fair and favourable employment conditions.

Freedom of association is an essential human right, decreed in the Universal Declaration of Human Rights. Growthpoint is not affiliated to, nor does it have a recognition agreement with any trade union, but we respect the rights of employees to join trade unions or other such organisations.

Growthpoint opposes child labour, forced labour, slave labour and bonded labour. All our employees are aged 18 or older with an average age of 44.

Human rights

Growthpoint is committed to upholding human rights and preventing discrimination. We have entrenched this commitment in our policies and practices. We adhere to the country's constitution, do not tolerate hate speech and respect individual lifestyles and indigenous rights.

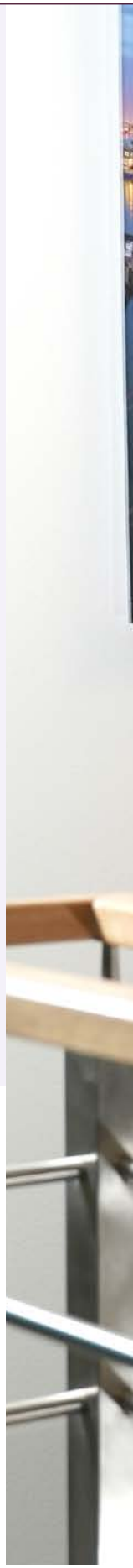
> **Our graduate programme is critical for the organisation's talent pipeline and youth development. We make a concerted effort to ensure after the one year training programme our graduates are absorbed into real jobs where they can apply their knowledge.**

Our focus is on fostering a diverse and inclusive workplace where all employees feel safe and heard, and have equal rights and opportunities to succeed. Discrimination is dealt with swiftly and racist conduct of any form can result in dismissal. We had no racial incident cases this year and we continue to educate all our employees on unconscious bias.

SDG 4

Growthpoint GEMS

Our GEMS education programme assists qualifying employees by funding their children' tuition fees, stationery, uniforms and other education-related incidentals. This support ensures that our employees' children have access to quality education and support, thereby easing the financial pressure on employees. The long-term advantages of GEMS, such as its positive impact on participants, their families and society, are as significant as the immediate benefits.



CORPORATE SOCIAL RESPONSIBILITY

Growthpoint tailors its CSR initiatives to the specific needs of the communities where we operate. We seek to create real change by addressing social challenges such as education, entrepreneurship and skills development.

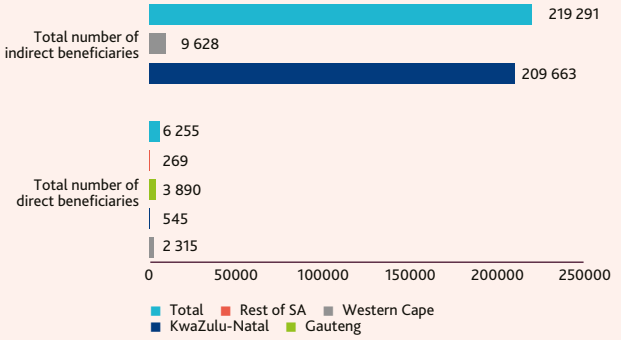
We focus on understanding these issues, monitoring progress and ensuring maximum positive impact. By investing in society, we enhance communities and reinforce our reputation as a good corporate citizen. Our initiatives align with the United Nations SDGs and our ESG strategy.

Our shopping centres play a central role in communities and their outreach is coordinated to align with our overall CSR strategy.

The various projects and programmes that are in place to deliver the social impact of our overall CSR strategy are detailed in this report.

CSI overview

Beneficiary performance – across regions



50%
Average percentage of **female beneficiaries** across all programmes

SDG impact

SDG 4 – Quality education accounts for the majority of programme impact theme

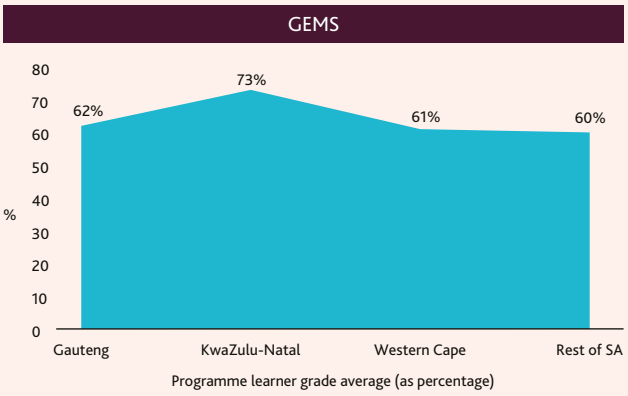
Transformation scorecard

27.2%
Black ownership

R500 051 647
Procurement spend on beneficiary **SMMEs** on all **ESD and LED** programmes

B-BBEE level
1

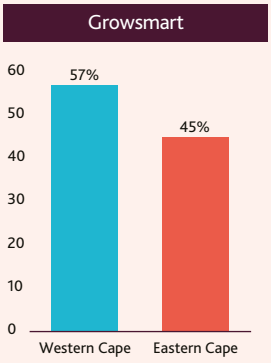
Growthpoint flagship programmes

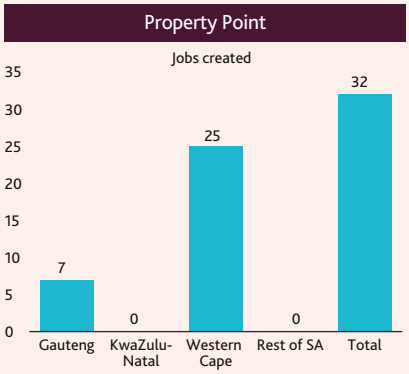


G-Squared

586

Total number of **hours volunteered** by staff





Commentary

- Consolidating and streamlining monitoring and evaluation reporting to align with the SDG goals adopted
- Encouraging staff in all regions to actively participate in G-Squared outreach
- Budget preparation to review and allocate resources in line with the project growth

CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

SDG 5

Corporate social investment (CSI) projects

Genesis SafePlace

Communities in South Africa are significantly impacted by gender-based violence. According to the World Health Organization, South Africa ranks fourth out of 183 for violence against women and girls.

Genesis SafePlace supports communities in the fight against gender-based violence with six pods located in Ugu District Municipality, KwaZulu-Natal. It provides immediate shelter for those at risk, including abuse and assault victims. From 2019 to 2021, over 400 cases were reported at the SafePlace pods. Social workers offer support services such as counselling and assistance for navigating the justice system for additional support and care.

Since partnering with Genesis SafePlace in 2019, Growthpoint has funded five safety pods. To ensure the safety of these pods, particularly at night during loadshedding, Growthpoint has installed backup power to the value of R500 000 to all the pods to maintain the ongoing support that they offer the community.

Build our Boys Programme

Through Growthpoint Gives (G^2), our staff volunteering initiative, we partnered with Christel House School & Fidelitas Comprehensive School this year to launch the "Build our Boys" programme, which encourages leadership development through interaction with positive male mentors that include our male staff. These fun workshops activated critical conversations regarding positive masculinity and how these young men can make a positive contribution in their schools, homes and communities.

CASE STUDY – Genesis Hope SA

Thank you

"You are the light of the world. A city on the hill cannot be hidden. Blessed are those who hunger and thirst for righteousness." Matthew 5:1-4

I would like to thank you for considering our proposal concerning the solar panels for our SafePlace units.

It is a stress-free moment that we have no worries for loadshedding and school holidays anymore. As our units are next to schools, we usually struggle with electricity problems during school holidays and no one attends to that until the schools reopen. With your faithful donations, you have demonstrated your deep commitment to provide immediate intervention in this turmoil.

Your support has continuously played a key role in the success of our organisation. Thank you once again for your unwavering support.

SDG 5

MAILER

G² Help us change the conversation
A call to action from Estienne, our CEO

Gender-based violence (GBV) is a profound and widespread problem in South Africa, impacting almost every aspect of life. It is systemic and deeply entrenched in our country's institutions, cultures and traditions, and Growthpoint is committed to doing whatever we can to help end the violence facing so many of our women and children.

I believe men have an important role to play in the conversation around GBV, where we have an opportunity to make a positive impact on young boys and the men they will grow up to be. To commemorate 16 Days of Activism, G² is partnering with Father a Nation to host day camps aimed at uplifting young boys in grades 8 to 10.

I would like to invite our male staff in Cape Town and Johannesburg to volunteer to take part. The camps will be open to 30 boys in each region and will include various activities that give you the opportunity to provide mentorship and guidance.

Activities include:

- Open discussions around masculinity* and GBV
- A friendly soccer match
- Braai

* *All volunteers will be briefed by Father a Nation prior to the camps to ensure that you are adequately prepared for the discussions that will take place.*

Camp dates

Cape Town: 3 December 2022
Johannesburg: 10 December 2022

Please RSVP by 18 November 2022

Yes, I want to volunteer

You can find out more about Growthpoint Gives (G²) and how you can get involved **here** or contact Linda Pangwa **lpangwa@growthpoint.co.za** or Mathari Makgatho **mmakgatho@growthpoint.co.za**

The initiative was successful and well supported. The next phase of "Build our Boys" focused on building self-confidence and constructive problem-solving.

MAILER

G² Join us in promoting positive masculinity and making a difference

We all know the incredible role that our male staff members play as husbands, fathers, brothers, uncles, and sons. Your influence in shaping the lives of our boys can create a ripple effect, both at home and in our communities.

With Father's Day on the horizon, we want to continue the meaningful conversation with Build our Boys and take action. That's why Growthpoint CSR has partnered with the School of Etiquette to facilitate an empowering day session on character development. Open to 20 boys in Cape Town and Johannesburg, these sessions aim to drive conversations about gender-based violence and promote positive masculinity.

I would like to personally invite all our male staff members in each region to volunteer and be part of this remarkable initiative.

Session dates		**Venues**
Cape Town:	24 June 2023	Christel House, Swallowcliffe Drive, Ottery, Cape Town
Johannesburg:	1 July 2023	Venue TBC

During the session, you'll have the opportunity to engage in various activities that enable you to provide mentorship, guidance, and support. Together, we will focus on:

- Mentoring to help navigate challenging life transitions
- Embodying positive masculinity and nurturing healthy relationships
- Embracing gentleman etiquette and the values it embodies

Ready to make a difference? Please RSVP by 9 June 2023 to secure your spot.

See you there!
Estienne

Yes, I want to volunteer

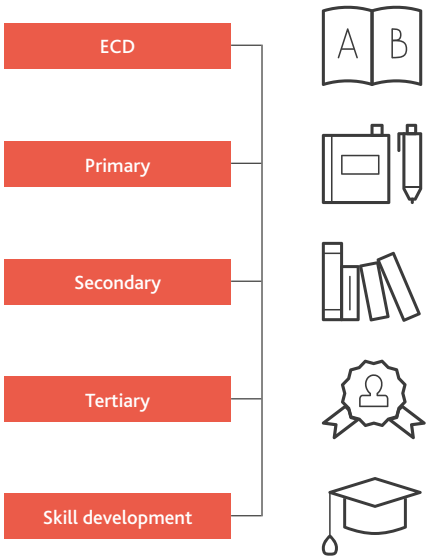
CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

SDG 4

Improving access to quality education

Growthpoint continues to have a key focus on supporting education initiatives across the whole educational value chain. Our initiatives include the development of ECD practitioners and the provision of education support and assistance to learners at primary schools through Growsmart and GEMS. At a secondary level, we provide scholarships through GEMS and our support of Christel House. Through our bursary programme and GEMS, we also provide financial support to learners at the tertiary level.

CSI – Approach to the education value chain



Investing in positive social impact across the education value chain enables transformation for generations to come. Our long-term impact objective is to improve educational outcomes and create a more inclusive society by providing quality education for our beneficiaries.

We work closely with NGOs that have expertise in the targeted areas of development.

Education programmes

National

GEMS, Growthpoint Tertiary Bursary Programme

Eastern Cape

Growsmart Educational Programme: Maths and Literacy

iSchool Africa (Gqeberha)

KwaZulu-Natal

Midlands Community College: Early Childhood Development Practitioner training (Nottingham Road)

Alladin Learning Solutions: Early Childhood Development Practitioner training (Pietermaritzburg)

Mpumalanga

Ntataise Lowveld Trust: Early Childhood Development Practitioner training programme

Western Cape

Growsmart Educational Programme: Maths and Literacy

Christel House School: scholarship for disadvantaged learners in high school

SDG 4

Early childhood development (ECD)

ECD is the building block for education. Growthpoint funds several training programmes for ECD practitioners that offer formal training in rural areas and create job opportunities for unemployed volunteers passionate about working with young children. Since 2021, 76 practitioners have graduated with an ECD NQF level 4 qualification.

Name	2023	2022	2021	Total ECD practitioners
Botshabelo ECD (Gauteng)			10	10
Ntataise Lowveld ECD (Limpopo)		12		12
Midlands Community ECD (KZN)	**20**	10		30
Alladin ECD	**10**	14		24
Total	**30**	36	10	76

Growsmart (Growthpoint Flagship Programme)

Growsmart is a Growthpoint Properties initiative endorsed by the Department of Education in the Eastern and Western Cape provinces. It aims to enhance education through a fun but competitive approach and is designed to create lasting, positive change for young people by using innovative learning methods. This year, 66 815 Growing Smarter books, which are colourful, engaging and educational, were distributed to learners and teachers from grades 4, 5 and 6. A further 114 841 learners and teachers accessed the Growsmart online library, which contains over 200 tutorial videos.

SDG 4

Number of learners taking part in the Maths and Literacy competition

Growsmart consolidated beneficiary breakdown

Year	Total (EC and WC)
2021	2 040
2022	2 227
2023	648

2021 and 2022: Online format adopted during the Covid-19 pandemic.
2023: The competition returned to an in-person format.

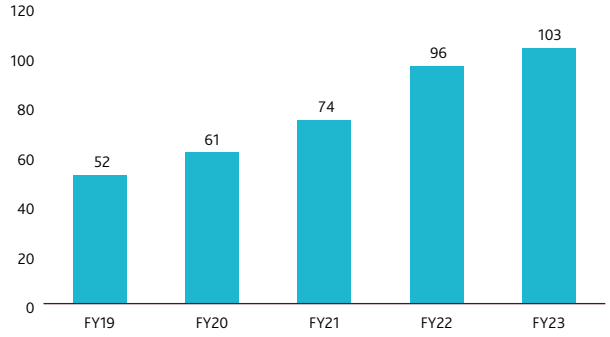
All Growsmart semi-finalist learners who take part in the competition have access to a dedicated person who will facilitate bursary and scholarship applications for high school.

SDG 4

Growthpoint GEMS (Growthpoint Flagship Programme)

Growthpoint GEMS is a unique scholarship programme designed to provide quality education for the children of Growthpoint's eligible lower-income staff.

GEMS growth over the past five years



GEMS emphasises Growthpoint's commitment to the needs of its immediate society in line with the UNSDG 4 for inclusive and equitable education.

GEMS beneficiaries at primary and secondary schools receive financial support that covers school fees, stationery and uniforms. At a tertiary level, students receive tuition fees, accommodation, book allowances, monthly stipends and monthly mentorship support.

Students are supported with extra tutoring to supplement teaching gaps and study skills workshops to assist with these vital tools.

The GEMS programme is anchored on three pillars:

- academic intervention with ongoing tutoring support and access to an educational psychologist
- personal and leadership development through workshops, seminars and webinars
- psychosocial support for parents and their children. GEMS hosts annual parent workshops as well as holiday camps for the learners to address emerging challenges with the support of our wellness partner, Maureen Kark & Associates

The programme enrolled 103 students in FY23, and we are pleased with their academic performance so far, with the overall cohort having improved their results by 7% in comparison to the previous academic year.

CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

SDG 4

We host an annual GEMS awards event that recognises the top-performing students. At this year's event, we recognised the top five performing students in each phase, with a minimum of a 70% aggregate. The guests were privileged to have Mr Siyabulela Xuza, a world-renowned rocket scientist, as the guest speaker for both the Cape Town and Johannesburg events. His words of encouragement inspired the learners while resonating with the parents. The Chairman of the Board and the SA CEO were also in attendance to witness the growth of the GEMS programme and its positive impact on staff and their children.

GEMS has included psychosocial support to the beneficiaries. Some families are still recovering from the lasting impact of the pandemic such as income reduction and family losses, leading to feelings of isolation and loneliness. To mitigate the impact of these challenges, different service providers with an understanding of the effects on parents and learners were enlisted to conduct parent workshops in every region.

In FY23, we referred more than 100 people to our wellness partners Maureen Kark & Associates for therapy sessions, highlighting the importance of ongoing psychosocial support.

The Progress in International Reading Literacy Study (PIRLS) results, announced in early 2023, confirmed that South African children rank last in reading comprehension among 50 countries, with approximately 81% of grade 4 learners struggling with basic reading for meaning in their native language. Poor literacy at this age is a strong indicator of lifelong struggles and high dropout rates. During the recent GEMS application process, we also identified many applicants with low literacy skills that are a barrier to their future academic performance.

To address this, we introduced a literacy programme that includes age-appropriate books for all grades, encouraging a reading culture.

CASE STUDY – Jiyaad Adams

Jiyaad Adams is currently an Administrative Co-ordinator for the Growsmart programme.

Jiyaad joined the GEMS programme in 2018, commencing his first year of BCom Marketing and Business Management degree at Damelin College. Upon graduating, he proceeded to work in a call centre and was subsequently offered an internship at Media24. At the end of his internship, he was appointed as the marketing assistant at Die Son, a Media24 brand, before joining Growsmart as an Administrative Coordinator.

When asked about his experience with the GEMS programme, he recalls the day his mother handed him the scholarship letter. "I was sitting on the floor and burst into tears, realising that I would get the opportunity to further my studies. GEMS provided me with direction and support throughout my studies, and I would advise anyone to remember that education is something no one can take away from you."

Jiyaad is a testament to the impact of the GEMS programme. Other than tuition fees, he benefited from career guidance and used his skills learned through various workshops to adapt to circumstances until he was able to land positions aligned with his passion and qualifications.

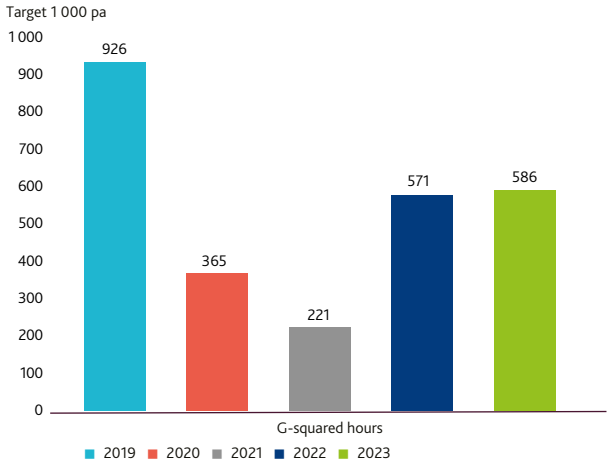
GEMS evaluates each child and assists in identifying suitable schools focused on academic performance, sports, cultural and other extracurricular activities for well-rounded development.

G-squared (Growthpoint Gives) Staff Volunteering Programme

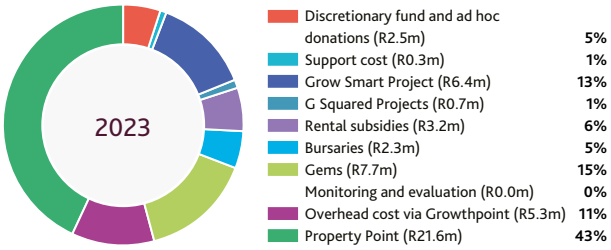
G-squared (G^2) promotes employee involvement in community development through volunteering. Through this initiative, Growthpoint staff embodied our value, The Power Of Us, and contributed a total of 578.85 volunteer hours for the period.

Project	Hours volunteered
Fidelitas Comprehensive School (Soweto) career day	65
Growthpoint graduate interns CSI project 2022: Fidelitas Comprehensive School matric dance in partnership with Crawford College (Sandton)	58.30
DL Link (947 Ride JHB)	8.25
Genesis SafePlace – solar panels project	6.30
Build our Boys 2022	123
SANBS blood drive	6
Genesis SafePlace – Christmas drive donation	16
Rise against hunger – packing events	228
Build our Boys 2023	68
TOTAL	578.85

G-squared (Growthpoint Gives) Staff Volunteering Programme



CSI spend breakdown FY23 (R50m)



Rental office subsidies

Our rental subsidy recipients are:

- Rise Against Hunger NPO
- Scatterlings NPO
- Education Africa NPO
- Fieldband Foundation
- Rivonia Circle NPO

Property Point

Introduction

Property Point was initiated by Growthpoint in 2008 and has since diversified its value proposition from enterprise and supplier development to include initiatives geared towards addressing the impact of climate change through its green economy programme, as well as local economic development and stakeholder management services intended to empower labour and emerging enterprises in communities adjacent to Growthpoint properties while also mitigating Growthpoint's social risk exposure. The organisation has been endorsed as an industry initiative and has achieved unprecedented success in implementing economic inclusion and sustainability initiatives on behalf of Growthpoint and other industry partners.

SDG 8

Enterprise and supplier development

According to the B-BBEE Commission, the purpose of ESD is "to promote a conducive environment for the creation of sustainable partnerships between Corporate South Africa and black entrepreneurs to enable access to and transformation of the value chains".

Property Point identifies and supports small, medium and micro-enterprises (SMMEs) in communities surrounding Growthpoint properties to stimulate local economic growth. Over a two-year period, the programme provides participating entrepreneurs with the skills, mentorship and development needed to strengthen their businesses and position them to take advantage of market opportunities.

Growthpoint has been actively promoting gender equality by focusing on women-owned businesses. Our collaboration with the Black Management Forum in FY22 resulted in the addition of 12 SMMEs to our programme, with 67% being women-owned. The first all-women cohort achieved an impressive 86% graduation rate, leading to demand for a second iteration of the programme.

CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

SDG 8

Graduation of the enterprise development cohort in KwaZulu-Natal

In FY23, Property Point successfully graduated five SMMEs from its incubation programme in KwaZulu-Natal. The graduation ceremony celebrated the resilience and hard work of the SMMEs and a spirit of hope and collaboration, despite the numerous challenges faced by the region. These businesses generated more than R77m in revenue during the two-year programme. For remarkable resilience and outstanding performance throughout the programme, the top-performing business was awarded R50 000 and each of the other participating business was awarded R20 000 by Growthpoint to purchase assets for their operations.

KZN graduation 2023, Top Performing Business: PhePhela Elangeni

SDG 9

Green Economy Programme

The programme aims to enable businesses to access opportunities that are presented in the green economy. SMMEs that participated in the programme have gained knowledge and the necessary skills to understand the principles of green buildings and green certifications. They have also been assisted to address efficiencies around energy, water and waste management practices in their business value propositions.

Property Point's involvement in collaboration with Growthpoint at the Green Building Convention in Cape Town was a pivotal highlight. Eight Growthpoint programme businesses were selected and sponsored to attend and exhibit at the convention's SMME Village. The convention provided unparalleled opportunities for networking, gaining confidence in articulating green value propositions and spreading knowledge about the green economy's significance in current and future buildings.

Green Building Convention, 2022, Cape Town

Property Point businesses and team at the Green Building Convention 2022

Property Point impact

Growthpoint continued its support for SMMEs, with 43 businesses being supported for the period under review. We successfully linked 13 SMMEs to market opportunities, creating 32 full-time jobs and sustaining 300 jobs.

The total revenue generated was R94.55m. Notably, 75% of the supported SMMEs were women-owned and 21% were youth-owned.

Key performance indicator	FY23	FY22	Annual growth
SMMEs supported	**43**	38	13%
SMMEs linked to market	**13**	12	8%
Full-time jobs created	**32**	31	3%
Jobs sustained	**300**	201	49%
Total revenue generated (Rm)	**R94.55**	R92.60	2%
Women-owned SMMEs (%)	**75%**	71%	6%
Youth-owned SMMEs (%)	**21%**	18%	17%
Growthpoint procurement spend (Rm)	**R131**	R107.6	22%

SDG 8 SDG 11

Local economic development (LED)

Growthpoint defines local economic development as the facilitation of procurement, employment and developmental opportunities for emerging enterprises and local labour in stakeholder communities adjacent to Growthpoint's properties.

The collaboration between Growthpoint and Property Point has resulted in the development and implementation of the Growthpoint LED policy that formalised local economic development targets across all sectors. According to this policy, for the year ended June 2023, 20% of the procurement spend serves as a target for industrial, commercial and retail sectors, while 10% is the target for trading and development.

Progress has been made with the implementation of the policy across all sectors. A total of 96 SMMEs have been registered as Growthpoint suppliers in Gauteng, Western Cape and KwaZulu-Natal, with some of the SMMEs already rendering services to various Growthpoint assets (16 retail assets and four new development sites) across the three provinces.

There are multiple impactful outcomes of the LED policy and perhaps worth noting is the joint venture agreement between Thorn Bird (a 100% white-owned company) and EAA Partnership (a 100% black-owned company) to provide HVAC services to Vaal Mall. Other key successes include the appointment of cleaning company Pique Lamech Projects (Pty) Ltd as a service provider at City View Mall in KwaZulu-Natal, as well as the appointment of Habari Green Technologies in partnership with Mila Cleaning at Alberton City Shopping Centre.

LED dashboard (FY21 – FY23)

Key performance indicator	FY23	FY22	FY21	Total
Number of beneficiary LED companies supported	**137**	50	22	209
Number of beneficiary companies awarded contracts by Growthpoint Properties	**46**	14	8	68
Number of projects executed by beneficiary LED companies	**1 449**	24	7	1 480
The total LED procurement spend at Growthpoint (Rm)	**R89.6**	R8.3	R0.25	R98.1

KEY WEST

THRIVING ENVIRONMENT

Our environmental objectives are linked to Growthpoint's overall business strategy and we have seen even greater alignment between the two over the past year.

CONTENTS

Environmental performance 58
TCFD checklist 72

ENVIRONMENTAL PERFORMANCE

We have further increased integration between our environmental and business strategies over the past year. Our ESG strategy is focused on creating value, and despite various changes and challenges this year, we achieved many ambitious goals. This strategy is integral to our operations and we are dedicated to its continued implementation and are steadfast in our commitment to reaching carbon neutrality by 2050.

In FY23, our priorities remained centred on the progression towards carbon neutrality, as well as our continued investment in renewable energy and solar projects that will further reduce our energy intensity. And also mitigate business risks caused by inconsistent power supply.

Our approach to making a difference in the environment

Growthpoint prioritises collaboration with tenants, employees and communities on environmental sustainability matters and values in order to achieve this goal.

How we create value through environmental sustainability

Our consistent focus on achieving sustainability is concentrated in five key areas:

- Managing utilities effectively
- Improving consumption efficiency
- Expanding our renewable energy mix
- Driving sustainable development
- Implementing our strategic approach

Utility management

By installing smart meters and validating data, we manage municipal utility costs and ensure that tenants don't face unexpectedly high energy or water expenses. Building performance data tracks other key sustainability target areas such as renewable energy and waste.

Consumption efficiency

By using performance tracking platforms, we identify buildings that are underperforming in key sustainability target areas.

Renewable energy

As part of our ongoing renewable energy drive, buildings with high energy use, as well as those subject to high electricity tariffs, are identified and selected for solar installations.

We consistently pursue renewable sources for a balanced energy mix.

Sustainable development

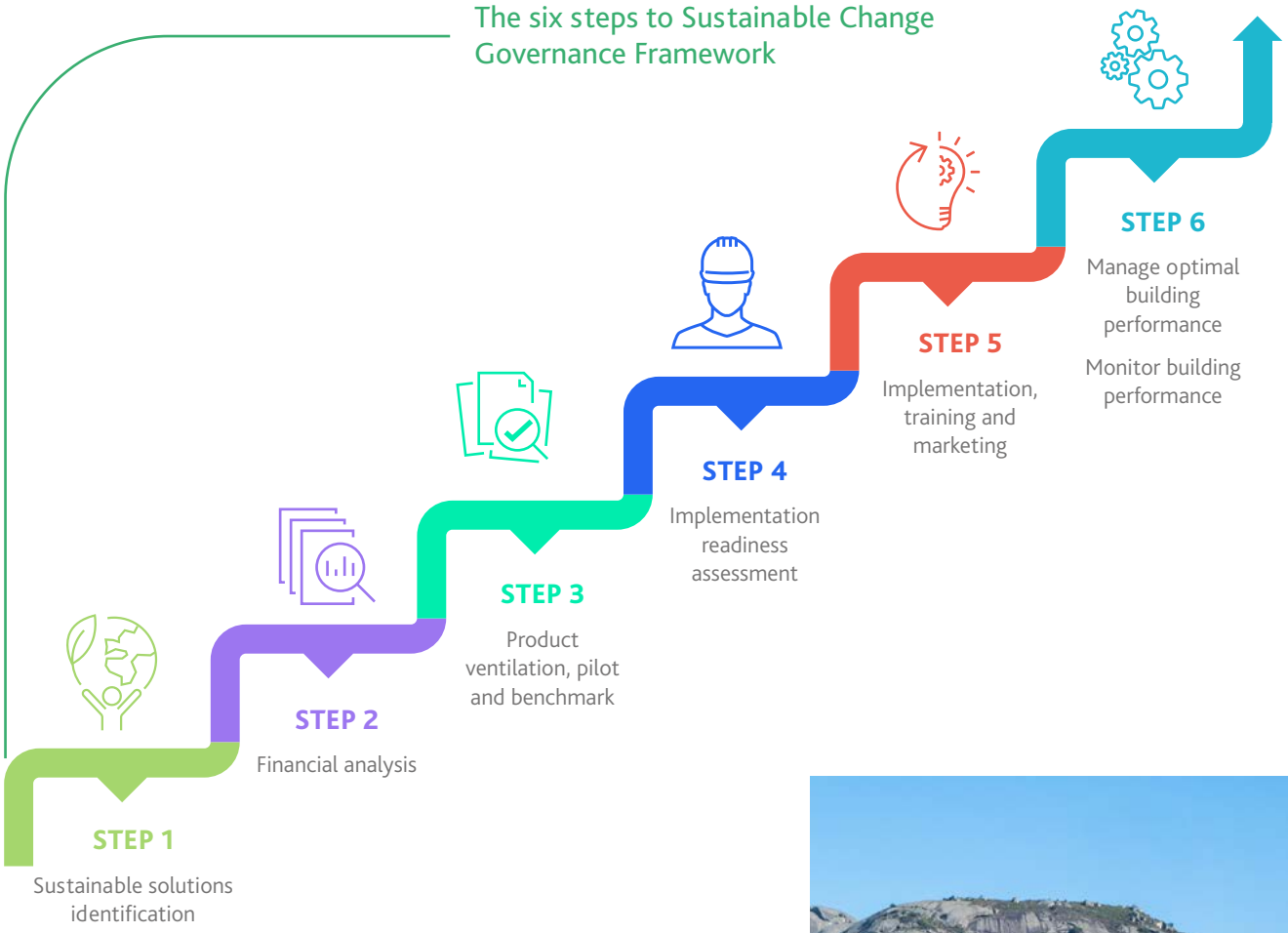
Following global sustainability standards, we create green buildings that are proven to be better quality assets. In this way, we provide optimal space for occupants while ensuring efficient operation and minimal environmental impact.

Strategic initiatives

We find innovative solutions to climate challenges through the Greenovate student competition and collaborations with tech firms to source and, where feasible, create new products/solutions.

To create value, we have a six-step framework.

Our governance framework for sustainable change



Limiting climate change

We remain dedicated to being carbon neutral by 2050, and take an agile approach to obstacles arising on this complex journey. Our FY26 targets, set out in the table on page 61 are major milestones that we are confidently on track to achieve.

Targets: our carbon-neutral pathway

Our targets remain valid and ambitious and have suitable priorities. Using the Science-Based Targets methodology, with a FY20 baseline, we have set five-year targets along the journey towards carbon neutrality.

To achieve these aims, we are focusing on sustainability and following the six-step framework for sustainable change. We also remain committed to meeting our 20:20:20:2 targets.

Decoding our 20:20:20:2 targets

Our strategy focuses on reaching four goals: 20 Net Zero buildings, 20MW of solar energy production, R20m in green lease recoveries and the implementation of two Greenovate Award ideas. The economic environment before, during and since the pandemic has certainly added complexities to achieving them, but we will conclude this 20:20:20:2 initiative at the end of FY25.

ENVIRONMENTAL PERFORMANCE (CONTINUED)

	20	20	20	2
Targets	20 Net Zero buildings	20MW of solar energy	R20m worth of green lease recoveries for Growthpoint	Two commercially implemented Greenovate Award innovations
Timeline	FY25	FY23	FY25	FY24
Progress	One project registered for certification. Two further projects identified for certification.	27.32MW of solar energy installed across 43 sites	Green lease redevelopment in progress	One
New targets/timelines	Target unaltered	Target achieved FY23	Target unaltered	Target unaltered

SDG 7

20 Net Zero buildings

Achieving Net Zero certification for buildings continues to be difficult. There are few new projects in the commercial office sector, traditionally the most receptive sector for market-leading green buildings.

However, one of the two projects previously identified is registered for Net Zero carbon certification with the GBCSA, and this is likely to be achieved in FY24. The other has been delayed while we explore its off-site energy generation compliance. A new office development has been identified for Net Zero carbon certification, which is planned for completion in mid-2025.

SDG 7

20MW of solar energy

Our total installed capacity of solar PV projects at the end of FY22 was 13.5MW. For the current financial year, we ambitiously revised our targets to double this capacity to 27.4MW.

Increasing our access to renewable energy remains a priority. Growthpoint recognises that on-site renewable energy is one part of the rapidly evolving renewable energy landscape. We are exploring utility-scale renewable energy opportunities located remotely to our properties, as well as energy wheeling agreements to boost our total amount of renewable energy consumed.

R20m of green lease recoveries

To ensure that our Growthpoint Green Lease delivers benefits to both our clients and ourselves, we are completely redeveloping the format. This will help speed up the processes and allow us to incorporate multiple shared savings models that deliver a wide range of energy and water efficiency improvements to tenants.

CASE STUDY

Two commercially implemented Greenovate Award innovations

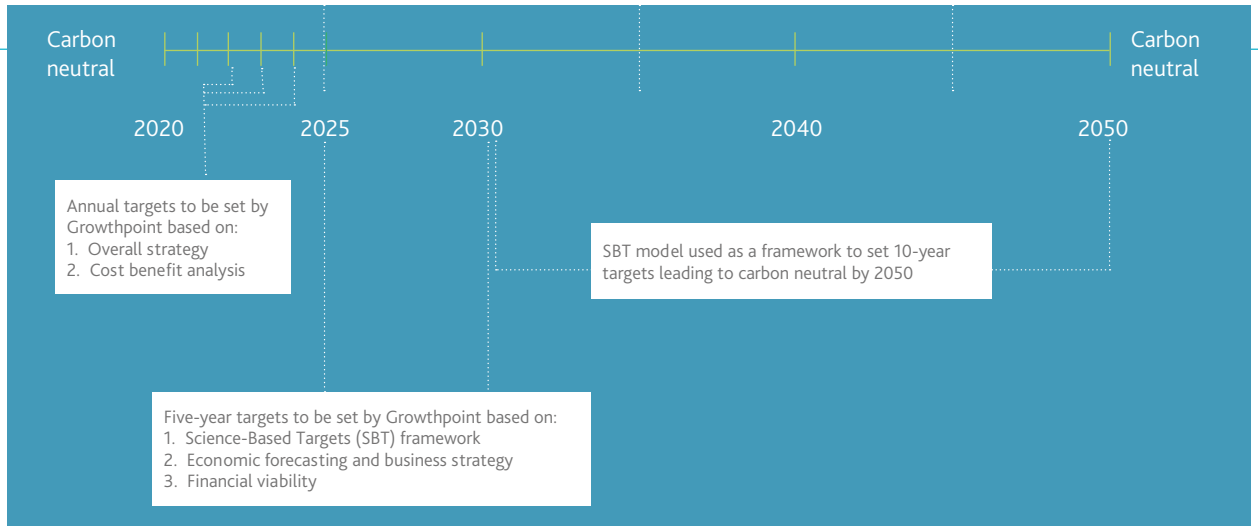
The Greenovate Awards are open to final-year undergraduate students in property studies and engineering. This means that the proposed solutions are usually at the preliminary stages of research and development.

In order to implement projects, however, we require fully developed solutions, and while we can commit to some additional development of Greenovate entries, this is often expensive and time-consuming.

Proptech is a new category that has been introduced to the Greenovate Awards taking place in FY24. This category is open to postgraduate student submissions as well as products and services in early-stage commercialisation. This should provide better prospects for swift implementation.

Tracking our progress

We track our progress using five-year targets and set appropriate annual goals to reach these milestones.



Our current targets were determined in 2020 using data from our assets. The GHG emissions mentioned on page 62 align with the defined scope and boundary, based on our owned and managed properties. This does not include single-tenant buildings or triple-net leased buildings.

	2020 Base year	**FY23 Actual**	FY23 Targets	FY26 Target year
GHG emissions total – tCO_2e	760 912	**599 106**	660 546	569 162
GHG emissions intensity – $tCO_2e/m^2/pa$	0.14	**0.124**	0.12	0.106
Energy intensity – $kWh/m^2/pa$	140	**130.21**	104	77
Renewable energy – MW installed	7.5	**27.32**	27.1*	46.0
Water intensity – $kl/m^2/pa$	0.68	**0.66**	1	0.5
Waste (tonnes)		**11 213 354**	Zero organic waste to landfill	Zero organic waste to landfill

* *The installed capacity includes co-owned properties.*

Note: Information includes all buildings in the South African portfolio excluding V&A Waterfront.

Since inception, we have made significant progress in improving our performance. As a result of a shift in boundary for the GHG emissions calculation in FY21, a base-year recalculation policy is currently underway. We are still considering how its benefits could impact our current targets.

ENVIRONMENTAL PERFORMANCE (CONTINUED)

SDG 11

GHG emissions

Source	FY23 Emissions tCO_2e	% change	FY22 Emissions tCO_2e
Scope 1			
Mobile fuels (company cars)	**28.42**	(4.25)	29.68
Product use: refrigerant gases (Kyoto Protocol)	**4 125.58***	169.03	1 533.52
Stationary fuels (generators)	**14 333.35**	424.53	2 732.62
Total	**18 487.34**	**330.36**	**4 295.82**
Scope 2			
Purchased electricity (location-based)	**42 801.50**	(11.17)	48 182.05
Total	**42 801.50**	**(11.17)**	**48 182.05**
Total scope 1 and 2	**61 288.84**	**16.79**	**52 477.87**
Scope 3			
Business travel	**792.27**	84.69	428.97
Downstream leased assets: purchased electricity	**523 843.68**	(11.70)	593 253.77
Employee commute	**610.76**	(0.34)	612.84
Purchased goods and services: paper usage	**19.22**	42.81	13.46
Purchased goods and services: water	**2 825.90**	4.48	2 704.68
Upstream transport and distribution	**8.77**	8.49	8.08
Waste generated in operations	**8 581.51**	(2.37)	8 789.62
Total scope 1, 2 and 3	**597 970.95**	(9.16)	**658 289.30**
Out of scope – non-Kyoto refrigerants (R-22)	**1 135.60**	56.43	725.94

* *FY23 reporting was more complete.*

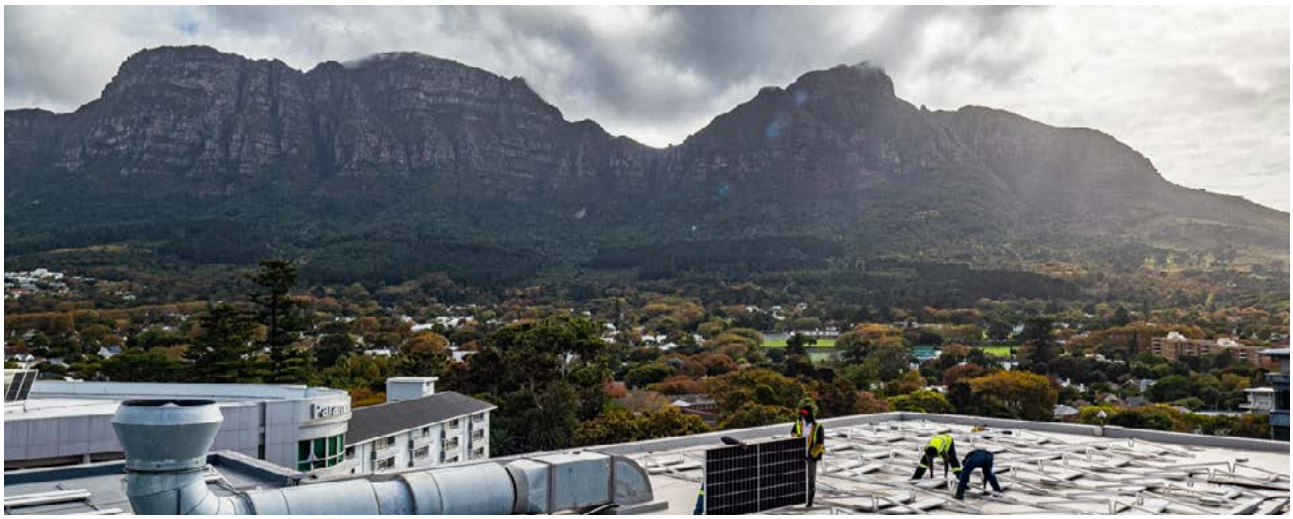
For FY23, the GLA assessed accounts for 88% (FY22: 88%) of the South African portfolio, excluding the V&A (excludes 26 buildings).

Since Growthpoint had no PPAs in place with tenants for direct energy supply during FY23, only the location-based scope 2 total is reported.

An increase in our scope 1 emissions is due to the increased usage of generator fuels during loadshedding.

R-22 gas phase-out

The Department of Environmental Affairs promulgated the phasing out of ozone-depleting substances in 2014. The regulation outlines 2020, 2025 and 2030 requirements for phasing out and managing ozone-depleting substances. Our carbon neutral framework includes phasing out of R-22 and other harmful refrigerants. Additionally, we are committed to the Montreal Protocol and will ensure compliance with the South African regulatory requirements by the identified dates.



Priorities

Focus area	Priority level	Progress
Energy efficiency	High	
Green building certification	High	
Renewable energy investment	High	
Net Zero carbon buildings carbon neutral pathway	High	
Waste: zero organic waste to landfill	Medium	
Waste: audit waste service providers	Medium	
Refrigerant management	Medium	
Water efficiency	High	
Water: borehole registration	Medium	
Biodiversity	Low	
Green building guidelines for Growthpoint and the property sector	Low	

In progress Delayed Achieved

ENVIRONMENTAL PERFORMANCE (CONTINUED)

Wheeling

Wheeling is a process where electricity is bought and sold between private parties, using the existing grid to exchange power from where it is generated to end-users that can be long distances apart. Wheeling transactions create greater access to affordable renewable energy and support the development of independent power producers as part of the solution to the country's energy crisis.

A pilot wheeling agreement between the City of Cape Town and Growthpoint was signed at the end of August. In a milestone for renewable energy in Cape Town, solar power from The Constantia Village retail building was successfully injected into the city's energy grid for use at the 36 Hans Strijdom office building on Sunday, 10 September 2023. This exchange of energy between two Growthpoint-owned properties represents the first steps taken towards making use of wheeling to contribute towards our carbon emissions targets.

Growthpoint is investigating opportunities to access renewable energy at a utility scale and to conclude power purchase agreements to optimise wheeling opportunities in partnership with Eskom, multiple municipalities as well as making use of energy traders.

Green Bonds and Sustainability Linked Bonds

Green financing is a promising opportunity that we accessed by issuing a green bond in which the IFC invested R1bn to fund the retrofitting of green improvements designed to reduce CO_2 emissions from the company's portfolio by more than 18 000 tonnes annually. It was also used to refinance our green office building located at 144 Oxford in Rosebank, Johannesburg, which has a GBCSA Green Star 5-Star certification. This green bond supports our ESG strategy and renewable energy goals and furthers the diversification of our funding.

SDG 9

Diesel generators

As we depend on diesel generators, continuous loadshedding is an obstacle for our carbon-neutral target. That said, it is sharpening our focus on renewable energy sources and battery storage. To learn about how we are addressing climate change risks using solar power and insurable measures, refer to page 66 of this report.

Preparing for carbon tax

The Carbon Tax Act review is scheduled for 2025. Growthpoint participates in activities subject to carbon tax and has been working to register with the relevant South African Revenue Services (SARS) department for compliance. Although challenging, we remain committed to this goal.

We endorse the tax's purpose of reducing fossil fuel usage and recognise the advantages of carbon reduction. By investing in renewable energy, we will minimise the potential impact of the tax on our business. Due to ongoing loadshedding, we anticipate continued elevated levels of fossil fuel consumption in the foreseeable future, but are mitigating this wherever possible, as set out on page 61 of this report.

In FY23, one tonne of carbon cost us an average of R2 639 (FY22: R2 241).

During the past year, we reported our backup generator capacity to the Department of Forestry, Fisheries and the Environment, and had it verified by an external source.

Calendar year	2022	2021
Number of generators/ fire pumps	**414**	374
MW generation potential	**341MWth**	332MWth

Unlocking excellence from utility management

Utility management is crucial for our business and sustainability goals. Our utility management relies heavily on municipal delivery, and there is a disparity between municipal service capacity and fee increases. These increases affect tenant billing and result in notable accruals. Service Level Agreements (SLAs) with utility companies are not the norm, so we have installed tenant meters where possible, based on the variety, type and age of equipment present in some buildings.

Growthpoint actively communicates with clients to understand their needs and provides tailored recommendations for reducing utility expenses.

Our utilities-based environmental initiatives align with UN SDG 7 (affordable clean energy) and UN SDG 11 (sustainable cities and communities).

SDG 7

Energy

South Africa's energy crisis continues to worsen and creates significant risks and operational challenges for businesses. Energy generation, transmission and distribution are all under threat due to:

- lack of investment in capacity building
- inadequate investment in maintenance
- declining administrative capability at some municipalities, leading to obstructions to the introduction of independent power production.

This operating environment has led to increased interest in alternative and renewable energy sources. Unfortunately, the number of large-scale energy plant investment opportunities is limited, so we have explored partnerships.

We have conducted a feasibility study on utility-scale wheeling and power purchase agreements for our portfolio, but must also evaluate factors such as which buildings have the capacity to receive this energy.

Growthpoint continues to investigate battery storage backup options and we embarked on a pilot battery backup project for Paarl Mall in FY23. If successful, we may expand this and adopt it as a temporary solution until the feasibility of wheeling becomes clearer.

This operating environment has led to increased interest in alternative and renewable energy sources. Unfortunately, the number of large-scale energy plant investment opportunities is limited, so we have explored partnerships.

ENVIRONMENTAL PERFORMANCE (CONTINUED)

Energy generation is an important opportunity and we remain focused on ensuring that our buildings are energy efficient (measured as energy intensity in the table below). Energy efficiency measures include a focus on more efficient HVAC system upgrades when replacement is due, and lighting upgrades.

On-site diesel generators supply backup power at many buildings. Considering the extensive loadshedding we have experienced and that we expect to continue for the foreseeable future, we anticipate a further increase in the use of diesel fuels. We are mitigating this by integrating our solar PV plants with diesel generators at properties where this is technically and financially feasible. We have identified 23 site/buildings where a solar PV plant is in place and could potentially be integrated into the existing diesel generators. This will result in fuel savings during loadshedding. All new solar PV installations include diesel generator integration for fuel saving.

Solar

Investing in renewable energy, specifically solar power, is essential for South Africa to reduce carbon emissions and ensure business stability. The rising cost of traditional energy sources also incentivises this shift.

The well-established solar supply chain relies on international procurement, which causes vulnerability to exchange rate fluctuations and complicates financial planning. Selecting reliable and socially responsible service providers at the scale that Growthpoint requires is a challenge.

Current legislation changes, however, could make solar projects more feasible for our company. Generally, the return on solar investment falls between four and five years but this may vary by location.

The annual cost for maintenance of our existing solar plants is R6.8m.

SDG 7

Solar power produced	FY23	% Δ	FY22	FY21
Number of solar plants	**43**	12 630.0	19	16
Energy produced by solar (MWh)	**14 588**	14	12 837	9 252
Emission saved (tCO_2e)	**15 463**	13.6	13 607	9 806
Annual savings (Rm)	**22 324 717**	2	21 977 674	17 723 381
Annual investment in new solar plants (Rm)	**R235.00**	1 076	R19.98	R3.1m
Total Investment in solar to date (Rm)	**R395.00**	147	R160	R140m
Annual maintenance cost (Rm)	**6.8**	385	R1.40	1.4m
Growthpoint direct benefits by consumption (%)	**5**	0	5	80
Growthpoint tenant benefits by consumption (%)	**95**	0	95	20

SDG 7

Solar and battery projects piloted in FY23

Building	Capacity	Region	Estimated investment R	Payback – years
Paarl Mall battery project	**4.5MWh**	Western Cape	R25m	6
Paarl Mall solar generation	**2.5MWp**	Western Cape	R23m	5

Installation of this important learning project was completed in December 2022 and commissioning and fine-tuning to achieve the required load factor is ongoing.

We are pleased to report that our tariff objectives were achieved. The facility is expected to generate 3 601MWh a year with a carbon emission saving of 3 817.59 tCO_2e a year. The return on investment for the solar plant is calculated with a conservative tariff escalation of 8% in year one and 6% after that.

SDG 6

Water

Water plays a crucial role in our operations. We are dedicated to further prioritising the conservation of this scarce resource this year by evaluating supply management and water harvesting. This will be done using our environmental and utility tracking systems.

Using FY20 as our base year, our full portfolio had a water intensity of 1.14kl/m²/pa. We aim to reduce this intensity to 0.5kl/m²/pa by FY26.

	FY23	FY22	FY21	FY26 target
Water intensity of total portfolio (kl/m²/pa)	**0.65**	0.61kl/m²/pa	0.61kl/m²/pa	0.5kl/m²/pa
GLA of total portfolio (m²)	**4 934 912**	5 194 379	5 473 034	
GLA verified (m²)	**4 610 954**	4 577 680	4 850 693	
Number of buildings verified	**344**	342	369	

You can find more information on water usage by sector on page 116 of this report.

Water-saving projects are challenging due to the low tariffs set by municipalities and utility companies. This affects the return on investment and it is difficult to motivate for projects that offer low financial yields. Ultimately, water security drives these initiatives. Typically, water supply projects have a 15- to 20-year payback period, depending on their size.

In a select number of locations, we are testing the feasibility of incorporating water projects with financially viable solar projects to improve their financial viability.

We recognise that the different sectors have diverse needs and challenges related to water use.

Legislative pressures mainly involve borehole registrations and some water intermediary user licences. We have created a programme to help property management obtain the necessary licences and this has been well received. Most boreholes within our commercial and retail sectors have been registered.

Borehole registration and licensing	**FY23**	FY22	FY21
Number of boreholes registered	**20**	16	16
Number of boreholes drilled	**20**	16	–

We keep track of our buildings' water use and actively seek ways to improve efficiency. We also explore new technologies to lower consumption.

In addition, we:

- Monitor industry trends
- Identify innovative technologies (relevant to the South African operating environment)
- Identify buildings to pilot new systems and technologies (FY24)

ENVIRONMENTAL PERFORMANCE (CONTINUED)

SDG 12

Waste

Local municipalities handle waste removal for most of our buildings, making it challenging to gather data and work towards zero organic waste in landfills. We have 165 properties using non-municipal waste removal providers, excluding where tenants have their own arrangements.

Our goal is for all buildings that had privately contracted waste services in FY22 to achieve zero organic waste-to-landfill by FY26. To achieve this, we are adjusting our waste management procurement to favour companies with strong tracking and reporting methods. Reliable supply chains are crucial for recycling, composting and waste-to-energy solutions.

We are working towards recycling being a standard for all service providers at targeted buildings and collaborating with contractors to enhance data recording and reporting.

While our e-waste is minimal, it is managed by a private provider that is responsible and compliant with end-of-life product management regulations.

For our FY23 waste objectives, we consulted a waste specialist to develop a tenant-friendly strategy. The aim is to divert recyclable waste from landfills in 50% of Growthpoint's core buildings by FY26. Early indications are that node-based waste management projects offer scale opportunities and increase the financial viability of waste management initiatives.

	FY23	FY22	FY21	FY26 target
Waste generated in operations (tonnes)	**11 213.35**	11 497	8 975	Zero organic waste to landfill
GLA verified (m²)	**2 740 292**	2 729 905	2 308 380	
Number of buildings verified	**144**	148	128	

Further detail on waste per sector within our portfolio can be found on page 116 of this report.

Biodiversity

We actively address our impact on biodiversity and are sharpening our focus on this global ESG priority.

Aligned with this priority, we are improving our understanding of our impacts on biodiversity and the ways in which we can improve. New developments and our existing assets require different approaches.

For new buildings

New property developments have the greatest potential to affect biodiversity, so our current impact is minimal because we are undertaking relatively few new developments.

However, we understand that every effort makes a difference, so we are continuously improving our processes and procedures to protect biodiversity. In addition to Growthpoint developing an environmental and social review to minimise risk, all projects undergo the necessary environmental impact assessments.

We comply with the South African National Building Standards on environmental issues and because our operations are primarily urban, they are unlikely to affect species on the IUCN Red List.

Many biodiversity measures are included in the green building certifications that we continually strive to incorporate into our portfolio and adopt in our operations. In particular, the Green Star: Land Use and Ecology category contributes towards the green rating of our buildings.

For existing buildings

Landscaped areas at our buildings also represent an opportunity to address biodiversity and we will take an integrated approach towards these opportunities in FY24.

We also aim to improve biodiversity by replacing non-indigenous plants with indigenous plants that not only reduce water consumption but also support local bird and insect populations.

SDG 9

Projects

Energy Performance Certificates (EPCs)

We are subject to a new requirement to obtain energy performance certificates, verified by an accredited inspection body, for our office buildings. This major project focuses on privately owned buildings larger than 2 000m² displaying their energy ratings. These certificates are issued by the Department of Mineral Resources and Energy.

The first-time certification progress of the entire property industry was constrained due to limited approved service providers, so the deadline was extended from December 2022 to December 2025.

All our eligible properties were submitted to the regulatory authority for certification by the original December 2022 deadline apart from 20 buildings under investigation that required technical clarifications on eligibility. All eligible buildings will be EPC certified well before the December 2025 date.

EPC certification

Number of buildings applicable per size	Number of buildings applicable per size	Cost (Total spend)	Budget	Total estimated cost
FY22	88	R265 000	R1 103 726	R6 968 726
FY23	**146**	**R6 515 582**	**R4 963 830**	**R6 805 582**

SDG 9

Green leases

Growthpoint's Green Lease programme partners with tenants to help them save money through reduced water and electricity usage. We also benefit from these sustainability efforts.

We have reassessed our goals, methods and Green Lease format due to the pandemic, changing tenant habits and the pay-back periods being achieved. We currently have no green leases in place but believe that these will offer attractive opportunities for both tenants and ourselves. Reduced operating costs and reduced environmental impacts will be achieved through the shared savings model.

We are introducing the Growthpoint Green Lease V.2, tailored for each tenant's needs. This new format will adjust dates and other aspects based on lease lengths and audit results. Longer leases offer more benefits for tenants.

An audit will establish a baseline for measuring future performance and we are developing a platform with our IT team (including an updated formula for shared savings) and service providers to track monthly costs over time. Our aim was to launch the new version this year, and we have made good progress by identifying a selection of buildings as prototypes for this initiative. We will launch the new green lease once we are satisfied with the new version.

SDG 9 SDG 11

Green building certifications

As a leader in green building certifications, Growthpoint has set a minimum GBCSA Green Star 4-Star rating for its new office developments. This will help us to achieve our goal of carbon neutrality.

Over the past year, we have focused on obtaining energy and water performance ratings to improve our portfolio efficiency. In FY22, we invested R2.1m in certifications (same as FY21) and in FY23, we spent R4.91m. The increase was due to several expiring certifications requiring re-certification.

We recognise the value of green building certification and continuously search for opportunities to enhance this value. Growthpoint donates R80 000 a year to sponsor the MSCI Green Building Index, an independently researched index that consistently shows improved total returns on green-certified buildings over non-green-certified buildings in the premium and A-Grade office sectors. We are also collaborating with the GBCSA to create green building guidelines for internal stakeholders. Once complete, these guidelines will become public resources.

SDG 9

Greenovate Awards

This sustainability initiative focuses on innovative solutions for the built environment and has progressed significantly in recent years. Greenovate was launched in 2015 to seed an early passion for sustainable development in university students by focusing on property industry challenges and opportunities. The programme showcases up-and-coming talent and provides a platform for the future leaders of the built industry. Our partnerships with organisations like the GBCSA have contributed to the success of these awards.

By the end of 2022, we had collaborated with four universities, totalling 21 participants.

In the engineering category – which incorporates electrical, computer and electronic, civil and mechanical engineering, the first and second place winners were both from the University of Cape Town (UCT). The third place recipient was from the University of Pretoria (UP).

The property category, which includes quantity surveying, construction management and property studies, was also won by UCT. The second and third places went to Wits University.

For the first time this year, a new award was introduced. It was sponsored by the IFC and linked to EDGE green building certification, an innovation of the IFC, which is a member of the World Bank Group. This award was won by students from Wits.

In FY23, we invested more than R9.6m and increased the prize money for future awards. Given the vast opportunity in the technology space for the real estate sector, we also added a new Proptech category, and look forward to announcing the first winners in this category later this year.

Lighting

This table shows our investment in lighting projects for FY23.

Energy efficiency initiatives	FY23 Amount invested R
Lighting upgrades	R8.8m

ENVIRONMENTAL PERFORMANCE (CONTINUED)

Feasibility study and due diligence projects

A consulting team was appointed to establish the cost of achieving ESG targets for energy, water and waste. Sample buildings from the retail, industrial and office sectors were selected, and outcomes were finalised.

Plans for project implementation to meet targets within the cost framework are to be developed for funding allocations. The consultancy fees were R500 000.

There will be a separate appointment for consultants to complete due diligence on utility-scale solar projects and power purchase agreement. The budget for this is R800 000.

Sub-meter rollout

Our strategic approach identifies data sourced from utility management as a vital building block for our sustainability initiatives. Sub-metered information provides more granular data sets to identify energy and water initiatives.

Our preliminary investigations indicate that, due to the quantum of energy and water consumption in the retail sector as well as the potential for efficiencies, it will be the first sector in which the sub-meter roll-out will be initiated. Properties with more tenants will be prioritised to optimise the value of this process.

Although the cost of the initial phase is uncertain due to metering complexities in retail spaces, we will complete it within 18 months of starting. The start date was deferred to FY24 while we worked through these complexities.

The industrial and office sectors will be considered once we have proven the technological and financial feasibilities.

Research and development initiatives

Growthpoint supports research and development through the Greenovate programme. We receive many requests to join other R&D projects and carefully choose our involvement, considering proposals that could benefit Growthpoint or the property sector.

SDG 7

Electric vehicle (EV) charge stations

After taking tentative steps towards introducing EV stations at some of our properties, we developed a plan to launch 20 stations at various retail and commercial sites with a market-leading service provider.
This project will help us analyse the costs and benefits by considering:

- The potential visitor count, electricity recovery and advertising revenue per site
- The potential emission reduction
- Technical aspects (installation process, power supply, effect on building electricity use, maintenance)
- The right buildings based on client and stakeholder requirements

We started FY23 having installed four EV charging stations – two at Brooklyn Mall and two at The Constantia Village. Due to the slow adoption of EVs in the South African motor industry, viable opportunities for installations are limited.

The financial impact of environmental events

Growthpoint uses insurance claims data to measure the financial effects of environmental events on our assets. We use information from our insurer to assist our planning and set maintenance goals for adapting in order to reduce future costs.

In FY21, we shared our climate risk assessment that identified climate-related risks under a Hot House World scenario and a Disorderly Transition scenario. The climate risk register from this assessment can be found on page 100.

The table sets out weather-related property damage costs, based on the timing of events. Since some claims may have been resolved after the FY22 ESG report publication, we revised the financial impact for FY22.

Insurance

The insurance renewal exercise is becoming harder each year as the business operating environment is becoming complex. The insurance market capacity is shrinking, with a few major players exiting the South African market. We have seen increases in the excess limits and exclusions by insurers with the notable exclusions being "total grid collapse" and floods, as a result of KZN floods. Insurers have become rigorous with their underwriting terms. Growthpoint Properties continues to enjoy competitive insurance premiums as we continue to see interest from different insurers to participate in our insurance programme as a result of our strong risk management philosophy.

Climate change is becoming an emerging risk leading to increased weather-related insurance claims from year to year. South Africa experienced increased frequency and severity of extreme weather events such as drought, floods, hail, and damaging winds. As a result, Growthpoint is experiencing a higher number of weather-related insurance claims for property damage and business interruption year on year.

Table 1 presents the financial impact of weather-related events on our properties. We have restated the FY22 financial impact as some claims were only finalised and settled after the FY22 ESG report was published.

Table 1: Total insurance claims

	FY23		FY22	
	No of claims	**R (values)**	No of claims	R (values)
Earthquakes	**0**	**0**	0	0
Floods	**11**	**1 026 603**	9	8 582 462
Hail	**0**	**0**	0	0
Wind	**1**	**4 140**	0	0
Total	**12**	**1 030 743**	9	8 582 462

Growthpoint is starting to see the effects of climate change, evidenced by the increased number of buildings affected by the weather events in each region. The other noticeable pattern is that we are experiencing different weather-related events each year. This indicates that there is a change in the weather patterns. In FY23, we saw considerable increase in the flood-related claims. The region most affected by floods is KZN. Refer to table 2 below.

Table 2: Number of buildings impacted by weather-related events by region

	FY23						FY22					
	Gauteng		**KZN**		**Western Cape**		Gauteng		KZN		Western Cape	
	No of buildings	**R (values)**	**No of buildings**	**R (values)**	**No of buildings**	**R (values)**	No of buildings	R (values)	No of buildings	R (values)	No of buildings	R (values)
Earthquakes	**0**	**0**	**0**	**0**	**0**		0	0	0	0	0	0
Floods	**1**	**9 650**	**9**	**990 167**	**1**	**26 786**	3	1 393 619	6	7 188 843	0	0
Hail	**0**	**0**	**0**	**0**	**0**		0	0	0	0	0	0
Wind	**0**	**0**	**0**	**0**	**1**	**4 140**	0	0	0	0	0	0
Total	**1**	**9 650**	**9**	**990 167**	**2**	**30 926**	3	1 393 619	6	7 188 843	0	0

The sector most affected by the weather-related events is the industrial sector, with R736 697 claims in total. The largest claims were due to floods mostly affecting the industrial sector in KZN. Refer to table 3 below.

Table 3: Insurance claims by sectors

	FY23				FY22			
	Office	**Retail**	**Industrial**	**Total**	Office	Retail	Industrial	Total
Earthquakes	**0**	**0**	**0**	**0**	0	0	0	0
Floods	**188 426**	**101 480**	**736 697**	**1 026 603**	0	367 671	8 214 791	8 582 462
Hail	**0**	**0**	**0**	**0**	0	0	0	0
Wind	**4 140**	**0**	**0**	**4 140**	0	0	0	0
Total	**192 565**	**101 480**	**736 697**	**1 030 743**	0	367 671	8 214 791	8 582 642

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) CHECKLIST

Climate change is increasingly being recognised not only as a systemic risk to economies in the future, but also one that is causing financial impacts now. Additionally, risks arise not only as a result of the planetary changes due to increased global temperatures, but also as a result of societal or government responses to reduce emissions of greenhouse gases and thereby transform energy and resource systems.

The complex nature of climate change means that it can also act as an amplifier of other risks across a company's risk profile. As a result, climate-related risks have the potential to manifest across environmental, economic, or other systems. Despite this complexity, the market trends resulting in these risks are clear, those who anticipate regulatory or market pressure to mitigate emissions, and those who have a clearer understanding of their assets' exposure to extreme weather events and the capital planning needed to climate proof those assets, will be better positioned to increase asset value and avoid stranding. Growthpoint has recognised the importance of climate change and has historically sought to understand the potential impacts across key aspects of business performance.

A in-depth assessment of climate-related risks was undertaken during 2021 by an external environmental firm. These were conducted in relation to the TCFD recommendations.

The aim of this project was to evaluate existing risk assessment work related to climate change and also undertook an independent assessment of the risks and opportunities that Growthpoint faced, drawing on climate science and scenario data.

The objectives of this climate-related impact assessment was to:

- Identify direct and indirect physical and transition climate-related risks to selected Growthpoint facilities
- Develop a risk register outlining the climate-related risks and risk drivers
- Qualitatively assess Growthpoint's climate-related financial impact on projected climate change risks.

	Brief description
Governance	
(a) Description of the board's oversight of climate-related risks and opportunities.	The SET Committee (and Risk Management Committee, where applicable) are responsible for climate change matters within Growthpoint. The committee monitors Growthpoint's activities regarding organisational ethics, responsible corporate citizenship, ESG, sustainable development and stakeholder relationships. The committee considers any relevant legislation and prevailing codes of best practice, including safety, health and environment (including climate change), and stakeholder demands and requests on ESG disclosure. Quarterly reports are compiled and provided to the SET Committee, a sub-committee of the Board. The terms of reference of the SET Committee are reviewed annually and ensure that ESG issues including climate change are addressed. The committee reviews quarterly Growthpoint's strategies and policies relating to ESG. The extent to which information is regarded to be pertinent to climate-related issues is provided to the Risk Management Committee. The quarterly reports that are submitted to the Board of Directors from the Board sub-committees include reports from the SET Committee that provide updates on climate-related matters. The CEO: SA also provides information on environmental concerns including climate-related issues and ESG-related information.

	Brief description
(b) Description of management's role in assessing and managing climate-related risks and opportunities.	Growthpoint continually improves its sustainability practices which resulted in an ESG strategy being developed. This strategy was reviewed and approved by both Executive members and Board members. The CEO: SA is responsible for the ESG strategy in South Africa. This strategy includes monitoring and reporting on the progression of ESG factors including climate-related concerns. Growthpoint's COO has a pivotal role in the development and implementation of organisational strategies found within various operations. The COO is an attendee of the SET Committee. The Sustainability and Utilities function reports directly to the COO while the ESG Manager provides guidance and engages on climate-related matters. Growthpoint's ESG Manager is responsible for the compilation of the integrated annual report and ESG report and is tasked with ESG disclosure, highlighting trends, developments, regulations, and disclosure requirements that may affect the company. The Sustainability and Utilities function alongside the ESG Manager reports quarterly to the SET Committee and the Board. Information that is deemed to be pertinent will be provided to both the Audit Committee and Risk Management Committee. ESG concerns are important to Growthpoint. Executive remuneration is linked to ESG performance. Environmental focuses include energy reduction, investment in renewable energy supply, net zero for carbon/water/energy/waste, and biodiversity. Policy review, improvement and alignment together with ethics have been our governance focus.
Strategy	
(a) Description of the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Growthpoint identified climate-related risks and opportunities over the short, medium and long term, which may influence our strategy and/or financial planning. As per a climate-related risk assessment conducted in early FY21 a: • 1 – 10-year period is appropriately defined as short term • 10 – 20-year period is defined as medium term • 20 – 30-year period is defined as long term **This time frame is related to climate risk only.** The assessment identified 10 "significant" and "severe" climate-related financial impacts relevant to properties situated in Johannesburg, Cape Town and Durban. These risks and impacts are related to: • Energy security • Water security • Infrastructure • Building vacancy
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Each identified risk receives an exposure and vulnerability risk rating of: very low, low, medium, high, and very high. Thereafter a likelihood risk rating was allocated in the categories of: very unlikely, unlikely, moderate, likely, and almost certain. The identified risk will then be given a climate-related financial impact severity rating of: negligible (insignificant financial impact amounting to <R1m), minor (moderate financial impact amounting to R1m – R5m), moderate (moderate financial impact amounting to R5m – R100m), significant (major financial impact amounting to R100m – R500m), and severe (severe financial impact of >R500m). These financial impacts are associated with either financial losses or an increase in operating or capital expenditure.

TCFD CHECKLIST (CONTINUED)

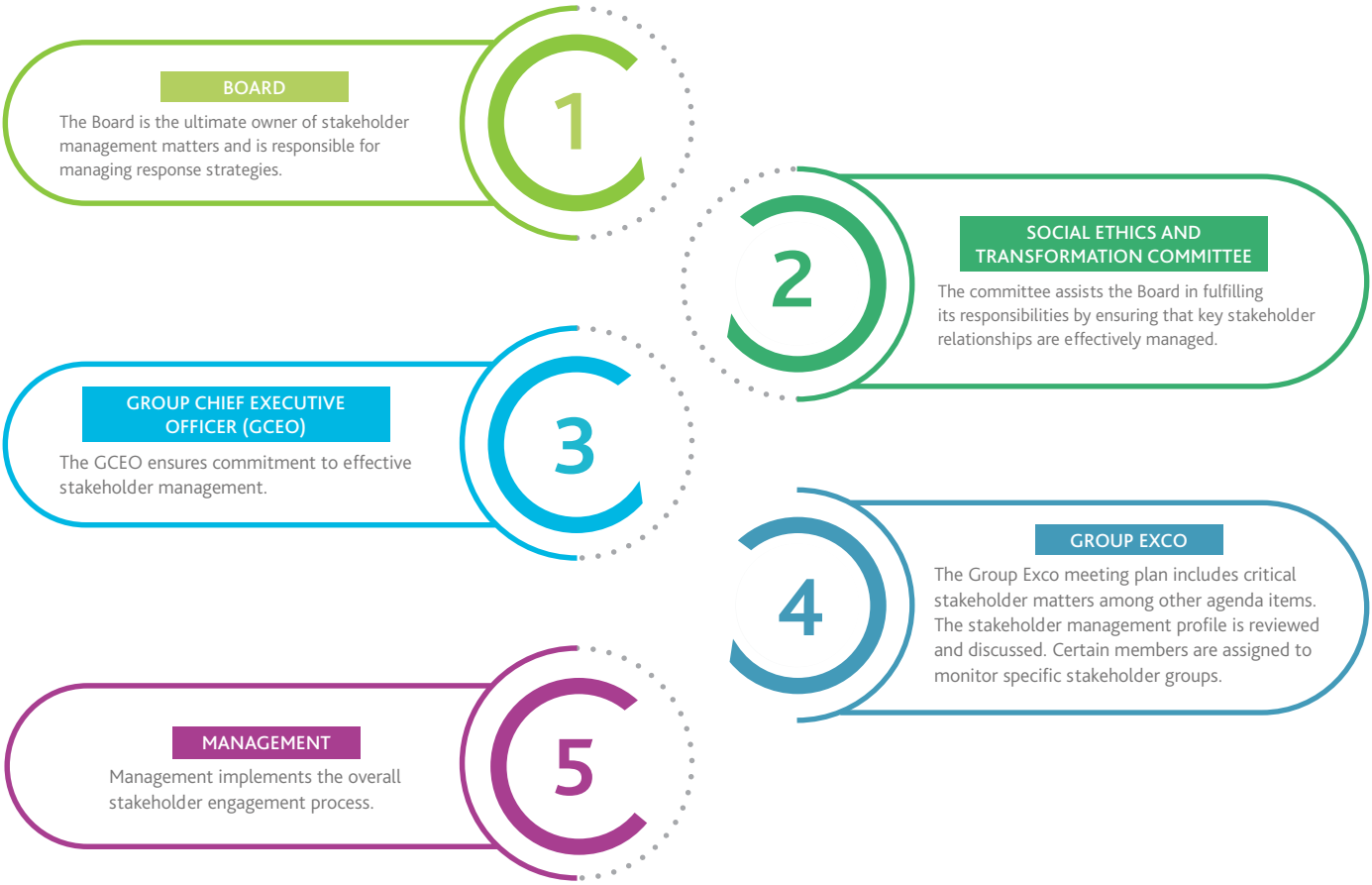
	Brief description
(c) Description of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	A high-level climate-related risk assessment was conducted in FY21. Two scenarios were used to identify the impact of extreme climate-related scenarios on our operations – a Hot House World (HHW) scenario and a Disorderly Transition (DT) scenario. Tests were applied regarding resilience of our investment portfolio, business strategies, and financial planning. HHW assumes: • Currently implemented policies are retained and emissions grow until 2080 to 3°C+ of warming and see severe physical risks which result in a disorderly transition • Physical risks are high and aligned to the representative concentration pathway (RCP) 8.5 scenario • Transition risks are aligned to the reference technology scenario (RTS), which reflects the realities aligning South Africa's Nationally Determined Contribution (NDC) and is consistent with current emission ambitions DT assumes: • Net-zero emissions are achieved before 2070, allowing for a 67% chance of limiting global warming to below 2°C • Emissions reduction efforts are taken relatively late and limited by available technologies, with policies only being introduced in 2030 • Responses are sudden and unanticipated, resulting in disruption • Transition risks align with the 2° scenario (2DS) and risk is regarded as high due to the sudden nature of efforts to decarbonise • Physical risks are lower and align with the RCP 4.5 scenario, which aims to limit warming to below 2°C
Risk management	
(a) Description of the organisation's processes for identifying and assessing climate-related risks.	Risks associated with climate change are integrated into Growthpoint's risk identification and management processes, and assurance processes. The Group Chief Executive Officer identifies risks and opportunities annually based on the business model and the organisation's strategy. This is compared to the "REIT Risk Instrument" universe of risks, which is an internet-based technology risk solution built exclusively for SA REITs, after determining the risk's probability and likelihood. These are aligned with the risk that is assessed by the Risk Management Committee. The Risk Management Committee is provided with an analysis of key risks where these risks are reviewed and inform our mitigation strategies.
(b) Description of the organisation's processes for managing climate-related risks.	Reducing our carbon footprint is a critical component of our ESG strategy. The path to carbon neutrality by 2050 is based on our 2020 emissions. To keep on track, annual targets will be set and, where necessary, adjusted in line with our net-zero objective. The two most substantial contributing factors to our carbon-neutral targets are energy efficiency (which we measure as energy intensity) and renewable energy generation. Our carbon-neutral strategy is being rolled out and applied throughout all levels of the business.
(c) Description of processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Quarterly reports are compiled and provided to the SET Committee, a sub-committee of the Board. The terms of reference of the SET Committee which are reviewed annually ensure that ESG issues including climate change are addressed. The committee reviews quarterly Growthpoint's strategies and policies relating to ESG. The extent to which information is regarded to be pertinent to climate-related issues is provided to the Risk Management Committee. The quarterly reports are submitted to the Board of Directors from the Board sub-committees and include reports from the SET Committee that provide updates on climate-related matters. The CEO: SA also provides information on climate-related issues and ESG-related information.

	Brief description
Metric and targets	
(a) Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	The climate-change risk assessment conducted proved to be informative in setting our targets and further assisting in the identification of metrics that can be utilised to maximise opportunities that are in line with our ESG strategy and carbon-neutral pathway. These include: • Increasing renewable energy investment for energy continuity and cost reduction through the 20:20:20:2 strategy (refer "c" below) • Reducing emissions and the possible liability for all through a green addendum, which is part of our carbon neutral strategy • Design flexibility and Green Star Ratings • Utility optimisation through smart meters and the internet of things • Investing in water storage and water harvesting systems • Ensuring materials used to provide greater resistance to extreme weather events, reducing the cost of repairs
(b) Disclosure of scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	The review of our annual carbon footprint is verified by a third party under the international standard ISO 14064-3 (2006) specification and guidance for validation and verification of greenhouse gas assertions.
(c) Description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our 20:20:20:2 targets aim to achieve 20 net-zero buildings, 20MW of solar energy, R20m worth of green lease recoveries for Growthpoint, and two commercially implemented Greenovate Awards ideas. We also have focus area targets relating to: • GHG emissions total • GHG emissions intensity • Energy intensity • Renewable energy • Water intensity • Waste We also track our performance through voluntary participation in reporting platforms such as Dow Jones, GRESB and CDP.

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement approach is driven by the identification of key groups that we impact and that have an impact on our business. It is a multi-faceted approach, in that the nature and degree of engagement varies to meet each specific stakeholder group's needs.

Stakeholder governance structure



Monitoring and reporting

Properly assessing stakeholder relationships is critical to Growthpoint.

Our focus in FY22 was to strengthen stakeholder engagement externally and internally. Extensive engagement was undertaken with internal stakeholders. In addition, 532 tenants participated in a satisfaction survey. An ethics survey was also conducted with staff and suppliers. In FY23 we continued to focus on service delivery and promote fair and ethical practices with all our stakeholders.

Growthpoint is committed to transparency with all its stakeholders. We strive to engage with and respond to stakeholder concerns appropriately and in a timely manner.

STAKEHOLDER ENGAGEMENT (CONTINUED)

Growthpoint is committed to transparency with all its stakeholders. We strive to engage with and respond to stakeholder concerns appropriately and in a timely manner.

These are our key stakeholder groups:

Employees	Tenants	Suppliers
Our employees contribute to the sustainability of our business and enable the achievement of its strategic objectives.	*Our tenants create sustained value for all other stakeholders.*	*Our suppliers provide products and services that preserve and enhance our properties and support our business.*
Desired outcome for Growthpoint: • Managing our talent through our HR processes of recruiting the right people, rewarding them and retaining them to ensure that we meet stakeholder expectations • Productive and competent workforce • Retention of key staff • Ethical leadership	**Desired outcome for Growthpoint:** • Retaining existing tenants and attracting new ones to sustain and grow Growthpoint's business • Creating long-term business partnerships • Attraction of diverse tenants through GIP	**Desired outcome for Growthpoint:** • Creating long-term business partnerships • Providing sustainable business and growth opportunities that are mutually beneficial in a manner that is transparent and equitable • Supporting local procurement, thereby creating employment and upliftment of small and medium businesses • Leading B-BBEE status • Joint market opportunities • Supplier sustainability
Employees' interests, needs and expectations: • Trust and transparency • Job security • Fair remuneration, recognition and reward for performance • Learning, development and career progression • A non-discriminatory and safe work environment • Flexible work environment	**Tenants' interests, needs and expectations:** • High-quality, prominently located properties • Environmentally sustainable buildings which lower their cost of occupancy and enable them to meet their ESG targets • Superior property management services • Bespoke alternative real estate properties for GIP	**Suppliers' interests, needs and expectations:** • Open channels of communication • Joint contractual obligation management • Performance visibility and feedback • Adherence to payment terms • Effortless transactions • Training
The value that Growthpoint creates for its employees: • Fair remuneration • Non-discriminatory workplace • Employment and career development opportunities • Learning and development programmes are aimed at fostering employee engagement, broadening our employees' skill base and developing skills for future leadership • Accessible and flexible Employee Wellness Programme that extends to employees' families • Providing qualifying employees with funding for their children's tuition fees, stationery, uniforms through our GEMS programme (refer page 51)	**The value that Growthpoint creates for tenants:** • Well located, quality properties • Well serviced properties • Ability to grow or shrink their space requirements • Ability to expand nationally within our footprint • Ability to provide space to tenants across the retail, office, industrial, healthcare and student accommodation sectors • Development of bespoke properties • Resource-efficient spaces that remain relevant to their evolving needs • Long-term partnership	**The value that Growthpoint creates for its suppliers:** • Suppliers generate revenue through supplying their products and services to Growthpoint at fair terms • Our ESD and Transformation programmes support local procurement as far as possible. We also support local employment through supporting and developing local contractors • Ongoing training through Property Point (refer page 55) • Adherence to our supplier code of conduct

Providers of finance	Government and regulatory bodies	Property brokers
Our funders provide finance that supports and grows our business.	*Regulatory frameworks enable Growthpoint to operate in an environment that provides reasonable certainty and is fair and transparent to all competing participants.*	*Our brokers assist us to let our space.*
Desired outcome for Growthpoint: • Access to funding • Diversification • Funder confidence • Sustainable relationships • Open channels of communication	**Desired outcome for Growthpoint:** • Fair regulations and policies that encourage investment	**Desired outcome for Growthpoint:** • The letting of available space which enables Growthpoint to sustain and grow its business • Introduction of development opportunities • Tenant retention • Partnerships with tenants
Providers of finance's interests, needs and expectations: • Transparent reporting • Timeous payment of interest and capital • Strong balance sheet • Credit metrics that are within covenants • Managing the security pools • Maintain investment grade domestic credit rating	**Government and regulators' interests, needs and expectations:** • Growthpoint acts in a responsible, ethical and transparent manner • A relationship of trust and transparency • Compliance • Social impact	**Property brokers' interests, needs and expectations:** • High-quality, prominently located properties • Environmentally sustainable buildings which lower the cost of occupancy for tenants and enable them to meet their ESG targets • National footprint • Diversification by sector • Tenant partnership opportunities • Timely payment of commissions
The value that Growthpoint creates for providers of finance: • Secure source of returns by ensuring prudent balance sheet management, healthy credit risk metrics, and proactive risk management • Diversified risk	**The value that Growthpoint creates for government and regulatory bodies:** • Contributing to the fiscus through financial contributions such as tax payments, licence fees and contributions to the Universal Service and Access Agency of South Africa • Enabling government's social and economic development mandate through investment in networks and infrastructure • Shaping government policies through robust engagement with government, regulators and competition authorities, and participating in industry forums • Supporting local procurement and employment and value-adding corporate social initiatives	**The value that Growthpoint creates for property brokers:** • High-quality, prominently located properties • Environmentally sustainable buildings • National footprint • Diversification by sector • Tenant partnership opportunities • Timely payment of commissions enabling the growth of their business

STAKEHOLDER ENGAGEMENT (CONTINUED)

Industry and business organisations	Communities	Investors and analysts
The consensus opinion of the participants enables industry and business organisations to influence and impact matters that affect them and their operations.	*Our communities drive our social licence to operate. We have a responsibility to contribute to the socio-economic environment we operate in.*	*Our investors create access to equity and debt markets. The provision of financial capital to grow the business.*
Desired outcome for Growthpoint: • Reputable SA REIT sector • Collaboration • Alignment across companies	**Desired outcome for Growthpoint:** • Creating long-term relationships with our communities • Good corporate citizen status • Positive impact • Meeting our ESG objectives	**Desired outcome for Growthpoint:** • Investor confidence • Access to equity and debt markets • Attraction of diverse shareholder base including impact investors through GIP • Fair valuation of share price • Positive credit rating • Liquid shares • Share price that reflects the value of the business
Industry and business organisations' interests, needs and expectations: • The sharing of experience and expertise that will mutually benefit the property industry and related organisations	**Community interests, needs and expectations:** • Financial support • Local job creation • Local business development • Education and skills development	**Investor and analyst's interests, needs and expectations:** • Long-term sustainable return on investment • Stabilisation of debt levels • Trust and transparency • Access to management • Clearly articulated investment case • Improved ESG disclosures
The value that Growthpoint creates for its industry and business organisations: • Leader in the SA REIT Sector • Sets benchmarks domestically and internationally	**The value that Growthpoint creates for its communities:** • Our CSR and CSI initiatives support communities, with a focus on education and social development • Partnerships with communities • Good corporate citizen status • Enabling SMMEs	**The value that Growthpoint creates for its investors and analysts:** • Providing investors with a secure investment underpinned by high-quality physical property assets diversified by sector, geography and income streams • Delivering sustainable, quality earnings that can be projected with a high degree of accuracy • Providing investors with investments in alternative asset classes including healthcare and student accommodation through GIP • Providing investors with an investment with an increasing proportion of assets and EBIT from offshore • Strong management team that has a proven track record • Adherence to high levels of corporate governance • Transparent reporting • Payment of bi-annual dividends of at least 75% of distributable income, thereby retaining our REIT status • Strong ESG criteria • Effective internal control environment

How we engage with our stakeholders:

We engage with stakeholders regularly through appropriate channels.

- Annual and bi-annual results presentations
- Pre-close updates
- Non-deal, ESG, AGM and remuneration roadshows
- Investor conferences
- Site visits
- JSE SENS announcements
- IAR, ESG report and AFS
- Electronic communication
- Training and development
- Wellness and information sessions
- One-on-one employee check-ins and on-site presentations and engagements
- Growthpoint's website
- Press releases and media interviews
- Operational notices
- Safety notices and safety drills
- Maintenance call centre
- On-site property teams
- Request for proposals (RFPs)
- Property Point's enterprise development programme
- B-BBEE preferential procurement
- Social media announcements (X, Facebook, LinkedIn and Instagram)
- Formal responses on policy and regulation
- Joint initiatives for industry solutions
- B-BBEE scorecards
- Employee equity reports
- Tax legislation
- Workplace skills development plan
- Municipal matters
- Incentive programmes
- Active involvement on boards
- and committees
- CSI and environmental initiatives
- Graduate programme and internships

Through memberships:

- SA REIT
- SAPOA
- PI Group
- GBCSA
- European Public Real Estate Association (EPRA)
- Women's Property Network (WPN)
- South African Institute of Black Property Practitioners (SAIBPP)
- South African Facilities Management Association (SAFMA)
- Property Practitioners Regulatory Authority (PPRA) (previously Estate Agency Affairs Board)
- Investor Relations Agency, Association of Corporate Treasurers of Southern Africa (ACTSA)
- DIA
- Johannesburg Chamber of Commerce and Industry (JCCI)
- Business Leadership South Africa (BLSA)

CINTOCARE
DELIVERIES
EXIT

GROWTHPOINT INVESTMENT PARTNERS (GIP)

ESG special disclosure

We understand the various stakeholders need specific ESG performance details. GSAH and GHPH ESG disclosure targets a particular audience.

CONTENTS

Growthpoint Student Accommodation Holdings (GSAH) 84
Growthpoint Healthcare Property Holdings Limited (GHPH) 87

GROWTHPOINT STUDENT ACCOMMODATION HOLDINGS (GSAH) AND OPERATIONS

Student Accommodation

Growthpoint Student REIT

Holding company	Growthpoint Student Accommodation Holdings (RF) Limited (GSAH)
Manager	Growthpoint Student Accommodation *en commandite* partnership
Fund Manager	Amogelang Mocumi
Property Manager	Feenstra Group
Gross asset value (GAV)	R2.7bn
Net asset value	R1.8bn
Growthpoint shareholding	14.3%
LTV	29.5%
Major investors	Royal Bafokeng Holdings, Kagiso Capital, Government Institutions Pension Fund of Namibia (GIPF), Growthpoint Properties, Feenstra Group, Vulindlela Holdings
Asset management fee	1.25% of GAV, reducing to 1.0% when GAV reaches R5bn
Portfolio	In total GSAH has 11 student accommodation properties located in Gauteng and the Western Cape and split between the universities of Pretoria (59%), Johannesburg (20%), the Witwatersrand (13%) and Cape Town (8%). All properties are short walks from their campuses and have consistently high occupancy rates and rental growth. • Studios@Burnett, Hatfield, Pretoria • Hatfield Studios, Hatfield, Pretoria • Festival Edge, Hatfield, Pretoria • Varsity Studios, Hatfield, Pretoria • Kingsway Place, Auckland Park, Johannesburg • The Richmond, Auckland Park, Johannesburg • Richmond Central, Auckland Park, Johannesburg • Apex Studios, Braamfontein, Johannesburg • Peak Studios, Observatory, Cape Town • Brooklyn Studios, Brooklyn, Pretoria • Horizon Heights, Auckland Park, Johannesburg – under development • Howard College, Glenwood, Durban – land
Number of properties	11
Distribution policy	Twice yearly, a minimum of 90% of distributable income

GSAH was launched in December 2021 as South Africa's first unlisted, purpose-built student accommodation REIT, and offers investors an opportunity to participate in this alternative asset class that has strong fundamentals and proven resilience.

Thrive Student Living was launched as the brand name for the portfolio of properties, and this has proven to resonate with the target market. The 6 443 beds are 94% occupied.

Investing in purpose-built student accommodation properties combines financial growth with social benefits. GSAH actively invests in making positive social and economic impacts, particularly in education where there is a critical social need in South Africa.

Approximately 60% of students in the fund's portfolio are from low-income households and are supported by National Student Financial Aid Scheme (NSFAS). Another 8% are funded by bursaries for students from low-income households and those from the "missing middle".

The student accommodation portfolio offers comfortable learning and living spaces as well as a student life programme that assists students with academic and psycho-social support. This combination contributes towards positive academic outcomes for the students.

GSAH's social impact expands beyond education. We undertake new accommodation developments that create jobs during and after construction and increase municipal infrastructure, which benefits local communities.

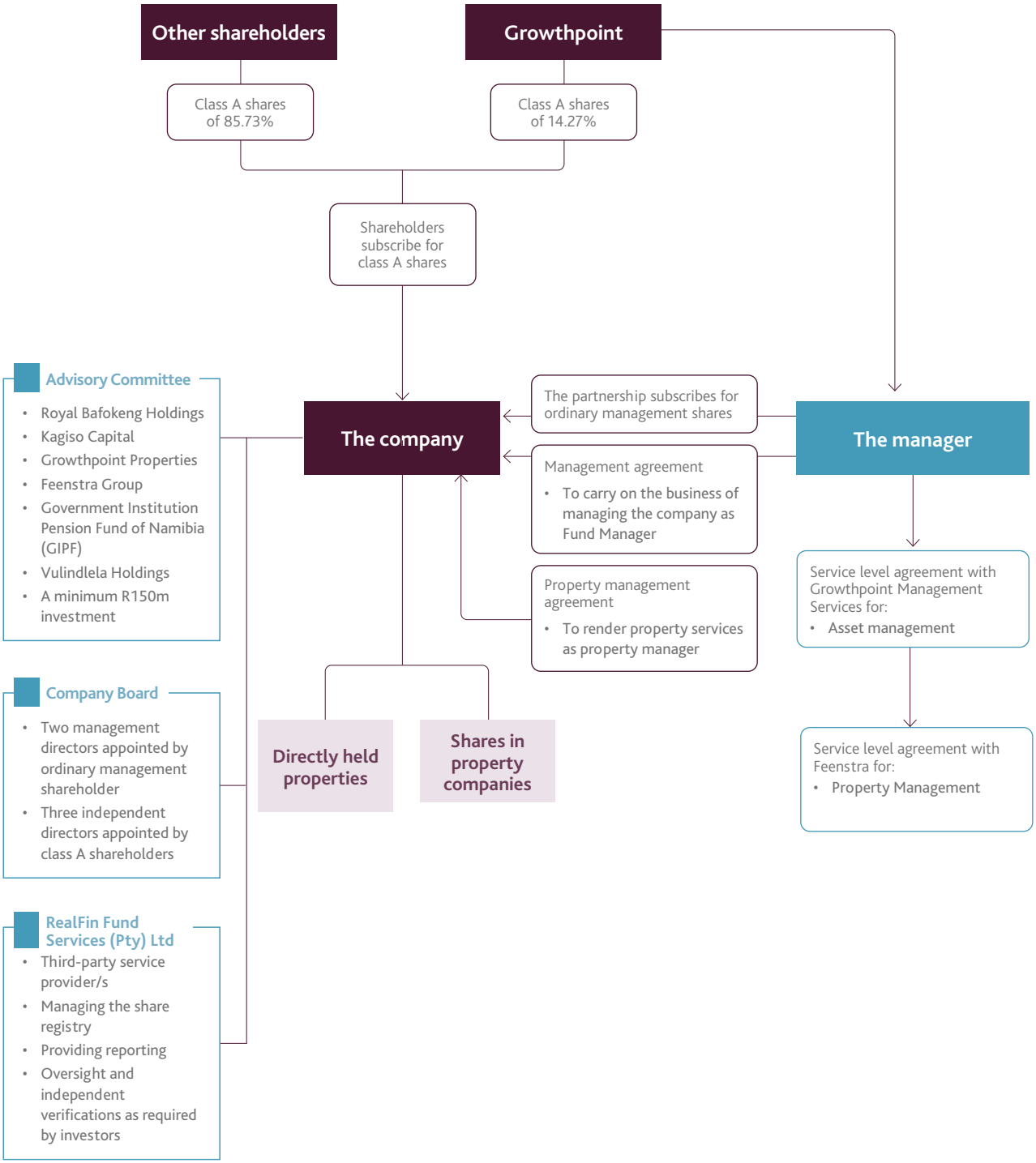
Positive social impacts are also made through our corporate social investment budget that allows for sponsorships and other initiatives that benefit students.

GSAH gained its first preliminary EDGE (Excellence in Design for Greater Efficiencies) certificate this year and is working on optimising resource efficiency across their portfolio. The fund continues to assess the current impact of their portfolio on ESG-related matters to ensure better alignment with local and international best practices.

Property name	Number of beds	Energy kWh	Energy intensity kWh/m²	Water kℓ	Water intensity kℓ/m²	Carbon emissions tCO_2e/m^2	Carbon intensity tCO_2e/m^2
Varsity Studios	953	2 035 866.33	2 136.27	8 744.71	9.18	1 478.88	1.55
Studios @ Bernett	1 000	1 631 328.177	1 631.33	46 736.57	46.74	1 390.75	1.39
Festival Edge	605	337 210.43	557.37	23 060.98	38.12	370.45	0.61
The Richmond	388	365 027.87	940.79	14 961.49	38.56	377.53	0.97
Kingsway Place	665	716 970.57	1 078.15	25 237.40	37.95	759.25	1.14
Richmond Central	388	257 487.19	663.63	14 784.09	38.10	263.59	0.68
Apex Studios	901	814 847.26	904.38	17 361.52	19.27	540.31	0.60
The Peak	563	508 439.41	903.09	13 057.32	23.19	378.91	0.67
Hatfield	980	2 936 911.65	2 996.85	53 862	54.96	2 193.49	2.24
Total	**6 443**	**9 604 088.88**	**1 490.62**	**217 806.08**	**33.81**	**7 753.16**	**1.20**

GROWTHPOINT STUDENT ACCOMMODATION HOLDINGS (GSAH) AND OPERATIONS

GSAH is level 6 B-BBEE-rated and the manager is level 1 B-BBEE-rated and will seek to introduce further strategic B-BBEE shareholders at both company and manager levels.



GROWTHPOINT HEALTHCARE PROPERTY HOLDINGS LIMITED (GHPH)

Healthcare

Growthpoint Healthcare

Holding company	Growthpoint Healthcare Property Holdings (RF) Limited (GHPH)
Manager	Growthpoint Healthcare *en commandite* partnership
Fund Manager	Dr Linda Sigaba
Gross asset value (GAV)	R3.7bn
Net asset value	R3.1bn
Growthpoint shareholding	39.1% economic interest including a convertible loan
SA REIT LTV	13.0%
Major investors	Growthpoint Properties, Government Institutions Pension Fund of Namibia (GIPF), Kagiso Capital, International Finance Corporation (IFC), Sentinel Retirement Fund and Vulindlela Holdings
Asset management fee	1.25% of GAV
Property management fees	1.5% of gross collections
Portfolio	The eight healthcare properties consist of six hospitals, one medical chamber and one warehouse and distribution centre. These are: • Netcare N1 City Hospital, Goodwood, Cape Town • Netcare N1 City Medical Chambers, Goodwood, Cape Town • Mediclinic Louis Leipoldt Hospital, Bellville, Cape Town • Busamed Gateway Private Hospital, Umhlanga Ridge, Durban • Busamed Hillcrest Private Hospital, Hillcrest, Durban • Busamed Paardevlei Private Hospital, Somerset West, Cape Town • Cintocare Hospital, Menlyn, Pretoria • 50% share of the Adcock Ingram facilities, Midrand, Johannesburg
Distribution policy	Twice yearly, a minimum of 90% of distributable income

GROWTHPOINT HEALTHCARE PROPERTY HOLDINGS LIMITED (GHPH)

GHPH is the first private healthcare REIT focusing on healthcare properties in South Africa. It aims to acquire and develop hospitals, laboratories, biotechnology facilities and allied healthcare assets.

GHPH aligns capital with societal good and focuses on positive ESG outcomes. It reports annually to the IFC on the environmental and social impacts of its facilities and operations.

Cintocare Hospital, developed by Growthpoint Trading and Development, achieved a 5-Star Green Star rating from the GBCSA. All future development projects will target a minimum 4-Star Green Star rating.

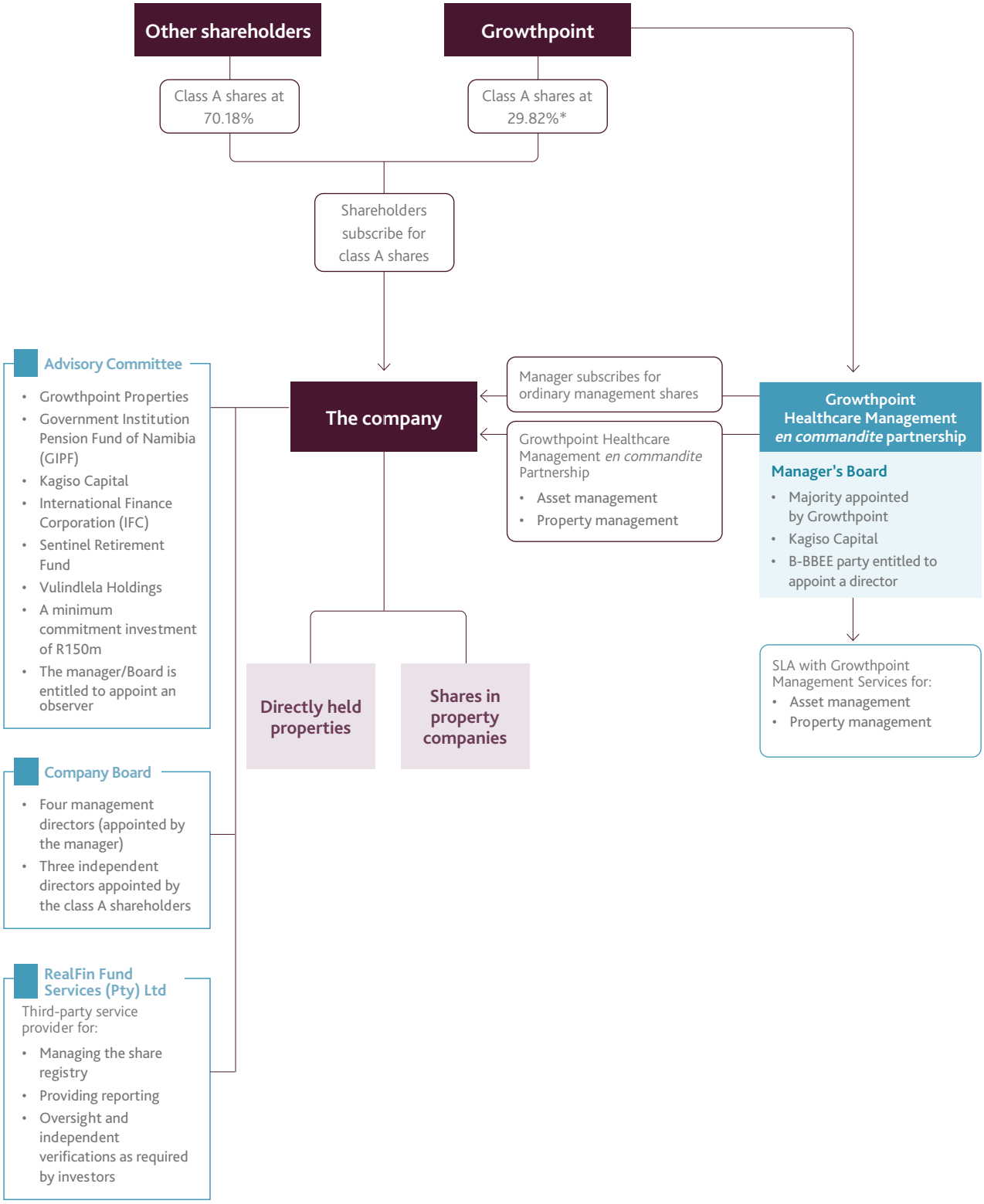
GHPH and its manager are both level 1 B-BBEE certified and have advanced their strategies to add B-BBEE shareholders at both the company and management levels. Growthpoint sold 15% of its share in the Growthpoint Healthcare *en commandite* Partnership to Kagiso Capital for R41.6m in February 2023.

Ensuring the highest levels of corporate governance, the Advisory Committee reviews all related party transactions to ensure transparency and fairness. The committee consists of one member from each of the largest five shareholders: Growthpoint, Kagiso, IFC, Sentinel and Vulindlela. GIPF was eligible to appoint a representative to the Advisory Committee in May 2023.

GHPH's Audit and Risk Committee comprises entirely of independent Non-executive Directors. The committee is responsible for oversight of the Growthpoint Healthcare *en commandite* Partnership, appointing an external valuer, approving valuations, and approving the issue price of shares. The committee is also responsible for reviewing and recommending the financial statements to the Board for approval.

Property name	GLA (m^2)	Energy kWh	Energy intensity kWh/m^2	Water kl	Water intensity $k\ell/m^2$	Carbon emissions tCO_2e/m^2	Carbon intensity tCO_2e/m^2
Louis Leipoldt Hospital	15 075	3 265 139.39	216.59	20 904.72	1.39	3 415.08	0.23
N1 Hospital	14 636	4 353 422.60	297.45	18 737.17	1.28	4 544.89	0.31
N1 Medical Chambers	4 455	526 816.17	118.25	1 577.857	0.35	410.27	0.09
Cintocare	17 926	4 274 624.90	238.46	14 127.669	0.79	4 458.68	0.25
Hillcrest Private Hospital	20 445	7 469 650	365.35	25 678	1.26	7 792.19	0.38
Gateway Private Hospital	22 609	7 414 532	327.95	34 732	1.54	7 743.24	0.34
Paardevlei Hospital – 100%	12 417	2 747 636.00	221.28	1 469	0.12	2 858.90	0.23
Total	**107 563**	**30 051 821.05**	**279.39**	**117 226.42**	**1.09**	**312 23.25**	**0.29**

The company and the manager are level 1 B-BBEE rated and will seek to introduce further strategic B-BBEE shareholders at both company and manager levels.



* Excluding convertible loan.

SUPPLEMENTARY INFORMATION

We continue to manage our assets in ways that optimise their values over the long term and, in the process, ensure that we have a portfolio that is optimally balanced, fit-for-purpose and well located.

CONTENTS

Assurance statements	92
Performance data	100
Policies and governance documents	124
Abbreviations	134
Contact details	136

ASSURANCE STATEMENTS

Verification Opinion Declaration: Greenhouse Gas Emissions

The Intended Users and Stakeholders of Growthpoint Properties Limited

- Organization: Growthpoint Properties Limited
- Address: The Place, 1 Sandton Drive, Sandton, 2196, Gauteng
- Verification Standard: ISO 14064-3:2019 'Specification with guidance for the verification and validation of greenhouse gas statements'
- Verification Criteria: WRI/WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, 2004, and subsequent Amendments.
- GHG Consolidation Approach: Operational Control
- Level of Assurance: Limited
- GHG Inventory Period: 01 July 2022 to 31 June 2023 (FY2023)
- GHG Statement: Refer to: GPT_GHG Inventory_FY23_v6_VERIFIED.xlsx

Growthpoint Properties Ltd. ("Growthpoint") is the largest South African primary JSE-listed real estate investment trust (REIT), with a significant and diversified property portfolio both in South Africa and offshore. Growthpoint exercises operational control over its South African assets (excluding the V&A Waterfront in Cape Town), whereas all offshore assets are independently managed. As of 30 June 2023, Growthpoint's direct investment portfolio in South Africa (SA) comprised 387 properties across a range of sectors.

Growthpoint engaged Verify CO2 to conduct independent third-party verification of the Group's greenhouse gas (GHG) emissions for its SA property portfolio for the financial reporting period 01 July 2022 to 30 June 2023 (FY2023), as calculated and presented in the GCX Analytics online dashboard.

This Verification Opinion Declaration is issued following an in-depth review of the GHG Inventory calculations and supporting information for the stated inventory period, based on the scope of work detailed below.

Responsible Parties

Growthpoint nominated a third party[1] to prepare the GHG Statement set out below but retains sole responsibility for its preparation and fair presentation in accordance with the stated criteria.

Verify CO_2's responsibility is to express an independent assurance opinion on Growthpoint's FY2023 GHG Statement based on the evidence obtained regarding:

1. Conformance with the principles and reporting requirements of the GHG Protocol Corporate Standard.
2. Completeness and accuracy of the activity data and GHG emissions quantification.

The ISO 14064-3 Standard requires that ethical standards are upheld in planning and performing a verification engagement to obtain the agreed level of assurance that the GHG Statement is free from material misstatement.

Level of Assurance

The verification activities provided a limited level of assurance on the final GHG Statement below. A materiality threshold of 5% per emission source was applied.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the ISO 14064-3 Standard will always detect a material misstatement when it exists.

Misstatements are considered material if, individually or taken together, they could reasonably be expected to influence the intended user's decisions. Verification activities performed to achieve a limited level of assurance are less extensive in nature, timing, and extent than those for reasonable assurance. Furthermore, there is an inherent limitation in verifying GHG data, which is subject to greater inaccuracy than financial data, as the methods used to estimate GHG emissions rest upon incomplete scientific knowledge.

GHG Verification Activities

Evidence-gathering procedures to achieve a limited level of assurance included but were not limited to:

- Risk assessment based on high-level review of the initial FY2023 GHG data and historical GHG reporting.
- Communication with Growthpoint and GCX to clarify anomalies and deviations, and to provide supporting evidence as required.
- Evaluation of the completeness of the reporting boundaries, considering structural/other significant changes since the previous reporting period.
- Analytical procedures to assess completeness and accuracy of the GHG data, including year-on-year variance checks, recalculation, and tracing of primary data to GHG information.
- Evaluation of the appropriateness of emission factors, estimation methodologies and assumptions.
- Evaluation of the accuracy and consistency of the GHG emissions calculations.
- Liaison with Growthpoint and GCX regarding the verification findings and recommended corrective action.
- Evaluation of conformity of the GHG Statement with the verification criteria referenced above.
- Since Growthpoint is a REIT with no complex GHG emitting activities, site visits were not necessary.
- Owing to the maturity of Growthpoint's GHG reporting, an independent review was not performed.

[1] *Collation of activity data and GHG quantification were carried out by GCX on behalf of Growthpoint.*

Verification Scope and Exclusions

GHG Boundaries:[2]

- FY2023 structural changes relevant to the reporting boundary included 1 acquisition and 28 disposals.
- The organisational boundary was defined based on operational control with South Africa as the geographical boundary, consistent with previous GHG reporting.
- The reporting boundary included all scope 1 and scope 2 GHG emissions sources, as well as the 6 scope 3 categories that are currently measured.
- As of 30 June 2023, Growthpoint's property portfolio comprised 387 wholly- or part-owned properties. Of these, 325 fell into the reporting boundary. The 62 properties below were specifically excluded for the reasons noted:
  - 21 – Land; land-under-development; Trade and Development sites – No GLA and/or emissions data
  - 29 Sites – No operational control as 3rd-party managed or triple net lease sites (includes 6 hospitals)
  - 11 Student Residences - No GLA assigned.
  - 1 Heliport – Not relevant

Added to this were the 24 in-boundary disposals during FY2023, as well as 1 managed property.

Growthpoint's FY2023 GHG reporting boundary therefore included a total of 350 properties.[3]

Reporting Exclusions

- Out of the 350 properties in Growthpoint's FY2023 GHG reporting boundary, 6 properties were omitted due to data availability.
- These 6 sites (combined) accounted for only 1.2% of Growthpoint's total GLA, so the omissions were deemed not relevant.

Verification Exclusions

- This Verification Opinion Declaration provides assurance specifically for Growthpoint's FY2023 GHG Statement below, which only includes properties that were operationally controlled by Growthpoint during FY2023.
- GHG intensity ratios were not included in the verification scope as they were calculated using data for all properties in the FY2023 Property Portfolio, rather than only those in the reporting boundary.

GHG statement

After correction of misstatements, the FY2023 GHG Statement below, consolidated based on operational control, was finalised on 12 September 2023:

FY2023: GHG Emissions	Tonnes CO_2e
Scope 1	18 487
Scope 2 (location-based)[4]	42 802[5]
Total scopes 1 and 2 (location-based)	**61 289**
Category 1 – Purchased municipal water and paper[6]	2 845
Category 5 – Waste	8 582
Category 13 – Downstream lease assets[7]	523 844
Other categories[8]	1 412
Total scope 3	536 682
Total scopes 1, 2 and 3 (location-based)	**597 971**
Outside of scopes (Product use emissions: HCFC-22)[9]	1 136

100% of Growthpoint's reported scope 1 and scope 2 GHG emissions were verified.

[2] *Note: Growthpoint has no operational control over the V&A Waterfront JV or any offshore subsidiaries.*

[3] *Pick 'n Pay Plumstead (4801) is a managed-only property and as such is not included in the Property Portfolio. The 24 disposals are not included in the FY2023 Property Portfolio as they were disposed of prior to 30 June 2023.*

[4] *Scope 2 includes Growthpoint own consumption and all unrecovered COS consumption (including that of vacant space). FY2023 and historical scope 2 emissions were calculated using the location-based method only, as no contractual instruments were used (for all 24 solar arrays RE is supplied directly to tenants without PPAs).*

[5] *Due to delayed release of Eskom's annual financial statements, a one-year lag in the electricity emission factor is applied.*

[6] *Municipal water consumption (3,055,023 kl equivalent to 2,826 tCO2e) and office paper (19.2 tCO2e).*

[7] *Tenant electricity consumption: 513,973 MWh (503,696 MWh purchased and 10,277 MWh on-site renewable generation). Unrecovered tenant consumption was reported in Scope 3 to align with the recovered COS (as per the FY2020 base year). FY2021 to be restated as this change resulted in a notable decrease in scope 2 emissions.*

[8] *Includes Cat4. Courier transport (8.77 tCO2e); Cat6. Business Travel (792 tCO2e); Cat7. Employee Commute (611 tCO2e).*

[9] *Fugitive GHG emissions from refrigerant gases not listed under the Kyoto Protocol were included as over time HCFC-22 may be replaced by gases that are covered by the Kyoto Protocol (i.e., scope 1).*

ASSURANCE STATEMENTS (CONTINUED)

Additional data points verified:	Growthpoint	Tenants
Purchased/acquired electricity (non-renewable)	45 455MWh	559 673MWh
On-site generation (Renewable – solar PV at 24 sites)[10]	685MWh	9 797MWh
	46 140MWh	569 470MWh
Total electricity consumed	**615 610MWh**	
Total municipal water consumption	2 923 977kl	

	Landfilled	Recycled	Composted
Waste generated in operations[11]	6 701t	4 746t	50t

[10] *Excludes on-site solar generation for 5 third-party managed properties that fell outside the reporting boundary (3559 MWh) and one installation that was not operating during FY2023. Since the split of renewable energy (RE) consumed by Growthpoint vs. tenants is not measured, it was allocated in proportion to each party's grid consumption. Consequently, most RE was allocated to tenants (Note: For FY2021 a different approach was used).*

[11] *Under-reported as data only available for +/-80% of the 176 sites with Growthpoint-controlled waste management.*

[12] *The dashboard operates by integrating with service provider internal data systems. The raw data is reformatted and imported directly into the dashboard, thereby reducing the risk of transcription error.*

GHG Verification Findings and Qualifications

Findings:

GHG Boundary:

- The GHG boundary was updated to reflect changes to lease agreements and operational control. For FY2023 65 properties (including 3 disposals) fell outside the reporting boundary, either because the tenant has a triple net lease, or it is 3rd-party managed.

GHG Quantification:

- IPCC AR4 100-year GWPs were applied to all GHG conversions.
- The GHGs applicable to Growthpoint's business activities are CO2, CH4, N2O, HFCs and HCFCs.
- GHGs were reported in tonnes of CO2e only, and not also in tonnes CO2, CH4, N2O and HFC.
- Growthpoint's GHG information is managed, quantified, and reported using the GCX Analytics online dashboard.12 The verifier concluded that this tool provides a well-structured data management system supported by robust processes that significantly reduce both inherent and control risk. The only limitation remains reporting completeness, which relies on manual monitoring.
- Scope 1:
  - Generator diesel: A significant increase in FY2023 usage was anticipated due to increased loadshedding incidents. Although initial reporting was more than 2.5 times higher than in FY2022, the FY2023 diesel spend indicated that consumption was 100% under-reported. Diesel purchases were thus used a proxy for FY2023 consumption.
  - Refrigerants: Initially data was only submitted for 10 multi-tenanted properties. Following further checks, data was received for a total of 29 sites. However, several duplicates were found in the revised data as refills were uploaded from both service provider reports and Growthpoint's internal gas register. After removal of duplicates, GHG emissions increased almost 6-fold compared to those initially reported.
    Reporting may still be incomplete however, as some Facilities Managers understood from the Worktrainer instructions that only gas refill data for chiller units was required, rather than for all air conditioning units.
- Scope 2/3 Electricity:
  - The notable decrease in electricity consumption and GHG emissions was attributed to property disposals, increased loadshedding, and a 2% drop in the Eskom emission factor. This decrease was offset in part by higher scope 1 emissions due to the use of generators during loadshedding, although the combustion of diesel is less GHG-intensive than coal (the predominant fuel used for electricity generation in SA).
  - No RECS were generated, and Growthpoint was the sole beneficiary of the environmental attributes for the energy generated by the solar PV arrays installed at 24 sites. However, these zero carbon attributes were allocated between Growthpoint (scope 2) and tenants (scope 3) in proportion to their respective grid consumption.
- Scope 3:
  - Waste: GHG emissions were under-reported as Growthpoint only records waste at +/- 55% of the overall property portfolio (176 sites). Initial waste data was materially under-reported as several sites and data points were omitted. After investigation further data was included but remained incomplete (143 sites reported landfilled waste and 125 sites recycled waste).
  - Business Travel: Emissions almost doubled but remained well below pre-Covid emissions (FY2019).
  - Scope 3 Employee Commute: GHG emissions may be under-reported as they were estimated based on a FY2021 survey during which time most employees worked remotely.

Conclusion and final verifier opinion

Based on the evidence obtained in conducting the limited assurance procedures in accordance with ISO 14064-3:2019 and applying the stated criteria, misstatements were identified and duly rectified.

Notwithstanding the above qualifications, it is our opinion that Growthpoint has established appropriate systems for the collection, aggregation, and analysis of data for quantifying the GHG emissions for the stated period and boundaries. There is no evidence that the GHG Statement set out above:

1. has not been prepared in accordance with the principles and requirements of the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard; and
2. does not provide a true and fair representation of Growthpoint's GHG emissions data and information for

the stated inventory period and boundaries.

This Verification Opinion Declaration provides assurance only for Growthpoint's FY2023 GHG Statement above. The information presented in the GCX Analytics dashboard cannot be verified, as the verifier has no control over changes that may be made on this platform after completion of the verification.

Verify CO_2 did not conduct any work outside of the agreed scope, and our opinion is therefore restricted to the agreed subject matter.

Statement of Competence, Independence, and Impartiality

With over 10 years' experience in performing corporate GHG verification projects, Verify CO_2 has the competence and proficiency required to lead verification engagements.

Verify CO_2 conducted this verification independently and, to our knowledge, there has been no conflict of interest. No member of the verification team has a business relationship with Growthpoint beyond that required of this assignment.

Signed: Kerry Evans
Lead GHG Verifier, Verify CO_2

Cape Town
13 September 2023

ASSURANCE STATEMENTS (CONTINUED)

Independent Assurance Statement to the management and stakeholders of Growthpoint Properties Limited

Introduction

IBIS Environmental Social Governance Consulting Africa (Pty) Ltd (IBIS) was commissioned by Growthpoint Properties Limited (Growthpoint) to conduct an independent third-party assurance engagement in relation to the sustainability information in its Environmental, Social, and Governance (ESG) Report (the ESG Report) for the financial year ended 30 June 2023.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Ibrahim Akoon, Mathapelo Matlakala, and Megan Nair from IBIS. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work. This assurance engagement is the third consecutive sustainability assurance engagement conducted for Growthpoint by IBIS.

Assurance standard applied

This assurance engagement was conducted in accordance with AccountAbility's AA1000 Assurance Standard v3 (2020) ("AA1000AS") and the AA1000 Accountability Principles Standard (2018) ("AA1000AP") and was performed to meet the AA1000AS Type II Moderate level requirements.

Respective responsibilities and IBIS' independence

GROWTHPOINT	IBIS
Growthpoint is responsible for preparing their ESG Report and for the collection and presentation of sustainability information within the report. Growthpoint is also responsible for maintaining adequate records and internal controls that support the reporting processes.	IBIS' responsibility is to the management of Growthpoint alone and in accordance with the scope of work and terms of reference agreed with Growthpoint. IBIS applies a strict independence policy and confirms its impartiality to Growthpoint in delivering the assurance engagement.

Assurance scope

The scope of the subject matter for moderate assurance in accordance with the AA1000AS assurance standard, as detailed in the agreement with Growthpoint is set out below:

SUBJECT MATTERS IN THE ASSURANCE SCOPE

Adherence to the AA1000AP (2018) AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.

The following selected disclosures relating to material ESG risks and opportunities for its South African entities:

Environmental

- Green building certifications maintained (pages 106 and 108)

Health and safety

- Total number of employee sick days (pages 11 and 43)
- Fatalities (full time employees, HR hired contractors, third party contractors) (page 43)

Social

- Number of permanent employees (pages 11, 43, 116 and 123)
- Number of temporary employees (pages 11, 43 and 123)
- Employee demographics table (average age) (pages 11, 40, 43 and 44)
- Annualised attrition rate (pages 11 and 43)
- Employee retention rate (page 43)
- Number of industrial relations cases raised (pages 11, 43 and 123)
- Number of employees trained (pages 11, 43 and 44)
- Corporate Social Investment (CSI) Spend (page 11)
- CSR Beneficiaries (page 11)
- Percentage of employees that belong to a trade union (page 43)
- Number of grievances from employees and stakeholders recorded (page 43)
- Direct investment in employee training (Rm) (pages 43 and 44)
- Total cost of employee training (Rm) (pages 11 and 43)
- Average training hours per employee (pages 11 and 43)

The following assessment criteria were used in undertaking the work:

AA1000AP (ACCOUNTABILITY PRINCIPLES)

AA1000AP (2018) AccountAbility Principles criteria for Inclusivity, Materiality, Responsiveness, and Impact

GROWTHPOINT'S INTERNAL REPORTING PROCEDURES

The completeness, accuracy, and validity of reported data

ASSURANCE STATEMENTS (CONTINUED)

Assurance procedures performed

Our assurance methodology included:

TESTING	INTERVIEWS	INSPECTION	ASSESSING	REPORTING
Testing, on a sample basis, the measurement, collection, aggregation, and reporting processes in place	**Interviews** with relevant data owners to understand and evaluate the processes in place for maintaining information in relation to the subject matters in the assurance scope	**Inspection and corroboration** of supporting evidence received electronically to evaluate the data generation and reporting processes against the assurance criteria	**Assessing** the presentation of information relevant to the scope of work in the ESG report for consistency with the assurance observations	**Reporting** the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process

Engagement limitations

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate level of assurance in accordance with AA1000AS.

The procedures performed in a moderate assurance engagement vary in nature from, and are less in extent, than for a high assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS.

Assurance conclusion

In our opinion, based on the work undertaken for moderate assurance as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined criteria and are free from material misstatements.

Key observations and recommendations for improvement

Based on the work set out above, and without affecting the assurance conclusion, the key observations and recommendations for improvement are set out below.

In relation to AA1000AP (2018)

Inclusivity: Across a range of policy and procedure documents, Growthpoint has articulated its commitment to stakeholder engagement and accountability. Growthpoint has teams and structures in place across organizational levels and stakeholder groups to ensure effective and responsive stakeholder engagement. It is recommended that Growthpoint continue to set metrics to measure engagement effectiveness, outcomes, and impact, as well as enhance its monitoring of stakeholder engagement effectiveness.

Materiality: Growthpoint has implemented an organisation-wide and systematic materiality determination process under the governance of senior management, including key cross-functional involvement. The assessment draws on a wide range of business and sustainability topics, from a wide range of sources to determine the key material topics relevant to the business. Independent external facilitators are employed to enhance the quality of materiality discussions.

Responsiveness: Growthpoint continues to employ and enhance its process of developing and providing responses to stakeholders in a timely and appropriate manner. Its policies and procedures assign responsibilities to specific staff and functions across the Group to achieve this objective.

Impact: Growthpoint continues to employ and enhance its process of developing and providing responses to stakeholders in a timely and appropriate manner. Its policies and procedures assign responsibilities to specific staff and functions across the Group to achieve

this objective.

In relation to the selected disclosures

It was observed that, although systems and processes are in place to provide source data related to the selected disclosures assessed, internal data quality controls need to be enhanced to improve the consistency of reported data. Formula and data entry inconsistencies identified during the final consolidation of the sustainability information, were subsequently adjusted and IBIS is satisfied with the accuracy of the final data in the assurance scope as presented. Growthpoint is commended for initiating the development of a Sustainability Reporting Procedure to govern and improve its internal control environment.

A comprehensive management report detailing the findings and recommendations for continued sustainability reporting improvement has been submitted to Growthpoint management for consideration.

Petrus Gildenhuys
Director

IBIS Environmental Social Governance Consulting Africa (Pty) Ltd

Johannesburg
26 September 2023

AA1000
Licensed Report
000-156/V3-7CTS0

The assurance statement provides no assurance on the maintenance and integrity of sustainability information on the website, including controls used to maintain this. These matters are the responsibility of Growthpoint.

PERFORMANCE DATA

Environmental data

Climate change-related risks

Climate-related risk	Mitigation	Theme	Financial impact	Time horizon*	Financial rating impact: Hot House World	Financial rating impact: Disorderly Transition	Opportunities
Energy supply and storage; increased consumption and increased tariffs	• Solar energy investment • Utility optimisation • Green Star certification.	Energy security – physical risk	Increased costs	Medium term	JHB – significant CT – significant DBN – significant	JHB – significant CT – significant DBN – significant	• Increase renewable energy investment for energy continuity • Cost reduction through 20:20:20:2 strategy.
Carbon tax	• Carbon neutral strategy.	Energy security – transitional risk	Decrease of revenue	Short term	JHB – significant CT – significant DBN – significant	JHB – significant CT – significant DBN – significant	• Engaging with National Treasury to influence taxonomy • Green Addendum to reduce emissions and the possible liability for all, part of carbon neutral strategy • Design flexibility and Green Star ratings.
Increased water stress necessitating water storage infrastructure; increased water tariffs, drought conditions leading to decreased productivity and ability to generate revenue	• Borehole water access • Utility optimisation • Water storage tanks • Smart meter installation and management • Investigating water harvesting.	Water security – physical risk	Increased costs, decreased productivity of the wider economy, staff, tenants, and service providers	Long term	JHB – significant CT – significant DBN – significant	JHB – significant CT – significant DBN – moderate	• Utility optimisation through smart meters and the internet of things • Investment in water storage will ensure continuity of supply and support tenant needs • Investment in water harvesting systems • Influence behavioural change.
Increased pressure to decarbonise	• Carbon neutral strategy.	Infrastructure – transitional risk	Increased costs	Short term	JHB – significant CT – significant DBN – significant	JHB – significant CT – significant DBN – significant	• Reduce reliance on municipal energy supply and implement 20:20:20:2 strategy.
Structural damage to infrastructure and property as a result of extreme weather events and sea-level rise	• Property insurance and tracking of environmental events, and the financial impact as a result of changing weather conditions	Infrastructure – physical risk	Increased costs	Medium term	JHB – significant CT – significant DBN – severe	JHB – significant CT – significant DBN – severe	• Ensuring materials used provide greater resistance to extreme weather events • Reducing the cost of repairs.
Increased building vacancy as a result of more frequently working from home and as a way of decreasing operational costs and emissions	• Continually assesses facilities	Building vacancy – transitional risk	Decreased revenue as a result of lower tenancy	Short term	JHB – severe CT – severe DBN – severe	JHB – severe CT – severe DBN – severe	• Ensuring safe (health), appealing space with continued energy supply.

* *Short term = less than 10 years. Medium term = 10 – 20 years. Long term = greater than 20 years.*

PERFORMANCE DATA (CONTINUED)

Below is a list of the buildings that have a green building certificate with an indication of the certificate attained by each asset. A total GLA of 950 061m² has been certified. This accounts for 19.74% of our portfolio.

Types of certification and GLA certified

Office	59	Healthcare	1	Industrial	2	Student Accommodation	1

Building name	GLA m² (as at June 2023)	Design GLA certified m²	As built GLA certified m²	Customised ratings GLA certified m²	Net Zero GLA certified m²
1 Frosterley (BCX Durban)	2 565.23				
1 Montgomery	10 375.78				
100 West Street	4 288.34				
11 Adderley	22 557				
138 West Street	10 721.3				
Oxford 144 – GPT	37 473.69	5 Star 42 345	5 Star 42 345		
19 Impala Road	2 803.47				
200 on Main	4 602				
23 Impala Road	1 978.49				
24 Flanders	6 535				
257 Oxford Road	31 32.24				
271 Veale Street	4 614.6				
28 Fricker Road	6 182.74				
29 Impala Road	13 86.64				
29 Richefond Circle	3 382.52	4 Star 4 061	4 Star 3 418		
31 Impala Road	922				
33 Bree & 30 Waterkant	12 918.43				
33 Fricker Road	6 592.35				
34 & 36 Fricker Road	4 794.59				
36 Wierda Road West	2 917.62				
4 Fricker Road	4 780.56				
44 on Grand Central	7 450	4 Star 8 074			
50 Wierda Road	2 362				
8 Rivonia Road	5 329				
82 Grayston	7 289.5				
9 Frosterley Crescent	1 137.56				
Advocates Chambers	7 444.68				
Albion Springs	3 968.85				
Anslow Park Phase 2	10 713.1	4 Star 11 159			
Autumn Road	9 717.04				
Belmont Office Park	15 178				
Belvedere Office Park	5 996				
Boundary Place	3 699.22				

EBP GLA m²	EWP certified points received	EDGE* GFA certified m²	Region	Sector
4 Star			KZN	Office
2 554				
4 Star			Gauteng	Office
11 089				
3 Star			Gauteng	Office
3 850				
	14		Western Cape	Office
4 Star			Gauteng	Office
10 612				
			Gauteng	Office
	14		Gauteng	Office
	18		Western Cape	Office
	15		Gauteng	Office
5 Star			KZN	Office
6 535				
	7		Gauteng	Office
	11		Gauteng	Office
4 Star			Gauteng	Office
6 141				
	3		Gauteng	Office
			KZN	Office
4 Star			Gauteng	Office
951				
4 Star			Western Cape	Office
12 929				
4 Star			Gauteng	Office
6 353				
	19		Gauteng	Office
4 Star			Gauteng	Office
2 906				
	20		Gauteng	Office
	12		Gauteng	Office
4 Star			Gauteng	Office
2 362				
	9		Gauteng	Office
	11		Gauteng	Office
4 Star			KZN	Office
1 138				
	13		Gauteng	Office
4 Star			Western Cape	Office
3 604				
			Gauteng	Office
	20		Gauteng	Office
	21		Western Cape	Office
4 Star			Western Cape	Office
5 996				
4 Star			Gauteng	Office
3 658				

* *EDGE green building certification requires Gross Floor Area (GFA) and not Gross Lettable Area (GLA) to be used as the area measurement for all buildings targeting EDGE certification.*

PERFORMANCE DATA (CONTINUED)

Building name	GLA m² (as at June 2023)	Design GLA certified m²	As built GLA certified m²	Customised ratings GLA certified m²	Net Zero GLA certified m²
Bridge Park 50%	**9 577**	5 Star 19 274			
British Consul General	**1 048**				
Brookfield Office Park	**7 546.95**				
Cintocare (Pretoria Head & Neck Hospital)	**17 926**			5 Star 11 354	
Constantia Park	**73 570.01**				
Country Club Estate	**33 429**				
Discovery 1 & 2 - 55%	**64 126.7**	5 Star 147 217	6 Star 147 217		
Draper on Main	**5 618**	4 Star 5 846			
Eastgate 20 (148 On Katherine)	**13 874.86**	4 Star 5 653	4 Star 5 029		
Equity House	**1 550.77**				
Exxaro Lakeside 2	**21 708**	5 Star 24 316	6 Star 24 316		
Freestone Office Park	**5 509.3**				
Golf Park	**32 475.27**				
Greenfield Industrial Park	**21 815**		4 Star 21 000		
Grosvenor Corner	**13 690.42**				
Hatfield Gardens	**25 927.45**				
Homestead Place	**5 689.59**				
Honeywell	**3 817.53**				
Kirstenhof Office Park	**3 879.26**				
Lakeside 3	**6 428**	4 Star 6 832			
Lincoln on the Lake	**6 428.06**		4 Star 6 479		
Longkloof	**17 504.1**				
Mayfair On The Lake	**6 170.51**	4 Star 6 415	4 Star 6 370		
Meadowbrook Estate (Grundfos)	**17 103**	5 Star 34 00			
Menlyn Corner	**10 221.8**				
Morningside Close	**2 983.02**				
Newlands on Main	**13 333.38**				
Ogilvy	**9 154.8**				
Oxford Corner	**9 104.38**				
Paramount Place	**12 636.9**				
Peak Studios	**8 629**				

EBP GLA m²	EWP certified points received	EDGE* GFA certified m²	Region	Sector
			Western Cape	Office
	5		Gauteng	Office
4 Star 7 600			Gauteng	Office
			Gauteng	Healthcare
	10		Gauteng	Office
4 Star 33 142	6		Gauteng	Office
			Gauteng	Office
			Western Cape	Office
			Gauteng	Office
	7		Gauteng	Office
			Gauteng	Office
4 Star 5 509			Gauteng	Office
4 Star 30 837			Western Cape	Office
			Western Cape	Industrial
4 Star 13 778			Gauteng	Office
4 Star 25 927			Gauteng	Office
	18		Gauteng	Office
4 Star 3 816			Gauteng	Office
4 Star 3 854			Gauteng	Office
	8		Gauteng	Office
			KZN	Office
	24		Western Cape	Office
4 Star 6 171			KZN	Office
			Gauteng	Industrial
4 Star 10 187	8		Gauteng	Office
	27		Gauteng	Office
	11		Western Cape	Office
	15		Gauteng	Office
	27		Gauteng	Office
	15		Western Cape	Office
		29% Energy; 35% Water; 43% Materials 8 629	Western Cape	Student Residence

PERFORMANCE DATA (CONTINUED)

Building name	GLA m² (as at June 2023)	Design GLA certified m²	As built GLA certified m²	Customised ratings GLA certified m²	Net Zero GLA certified m²
Peter Place Office Park	**8 753.13**				
Pharos House	**5 556.9**				
Pinewood Office Park	**7 258.73**				
Ridgeview Umhlanga	**6 658.9**	5 Star 7 855	4 Star 8 148		
River Park	**13 390**				
Roggebaai	**13 972.43**				
Rosebank Office Park	**4 134.37**				
Sandown Erf 169	**2 068.86**				
Sovereign Quay	**8 872.9**				
Strathavon 11	**9 951.44**				
Sunnyside Office Park	**30 209.6**				
The Annex - TPG 50% (15 Alice Lane)	**10 284.22**	4 Star 20 545	4 Star 20 545		
The Boulevard, Umhlanga Ridge	**10 324.42**	4 Star 6 199	4 Star 6 199		
The District	**18 939.2**				
The Estuaries	**11 878.8**				
The Oval - Bryanston	**10 384.82**				
The Oval Newlands	**8 589.1**				
The Terraces	**12 952**				
Tsebo House	**2 046.07**				
Tygerberg Park (THIN)	**19 168**				
Tygerberg Park (THOP)	**12 023.87**				
Waterfall Park: Phase 1	**8 073.1**				
Woodmead Estate	**19 941.98**				
	Total building GLA				
Total GLA m²	**965 089**	319 191	291 066	11 354	-
Total certificates	**63**	15	11	1	0

EBP GLA m²	EWP certified points received	EDGE* GFA certified m²	Region	Sector
	19		Gauteng	Office
4 Star			KZN	Office
5 503				
	13		Gauteng	Office
3 Star			KZN	Office
6 659				
5 Star			Western Cape	Office
13 384				
3 Star			Western Cape	Office
12 278				
4 Star			Gauteng	Office
4 207				
	14		Gauteng	Office
	18		Western Cape	Office
	8		Gauteng	Office
	8		Gauteng	Office
			Gauteng	Office
			KZN	Office
	18		Western Cape	Office
4 Star			Western Cape	Office
11 811				
	18		Gauteng	Office
4 Star			Western Cape	Office
8 594				
	15		Western Cape	Office
	11		Gauteng	Office
4 Star			Western Cape	Office
15 907				
4 Star			Western Cape	Office
11 876				
4 Star			Gauteng	Office
8 103				
	13		Gauteng	Office
			Total certified GLA	
319 821		8 629	950 061	
35	39	1		

PERFORMANCE DATA (CONTINUED)

Green building analysis for SA portfolio excluding the V&A Waterfront

	Office	Industrial	Healthcare	Retail	T&D	Student residential	Total portfolio
Total certificates	**59**	**2**	**1**	**0**	**0**	**1**	**63**
Total GLA certified from certificates	**905 678**	**24 400**	**11 354**	**0**	**0**	**8 629**	**950 061**
Number of buildings in the portfolio	155	168	8	39	7	11	388
Number of buildings certified	48	2	1	0	0	1	51
Total GLA from portfolio	**1 650 192**	**1 940 293**	**118 790**	**1 225 637**	**9 014**	**n/a**	**4 943 926**
Total GLA certified from certificates	**905 678**	**24 400**	**11 354**	**0**	**0**	**8 629**	**976 009**
Percentage of certified buildings per total sector GLA (%)	55	1.26	9.56	0	0	0	19.74
Total GLA per sector	**902 556**	**38 918**	**17 926**	**0**	**0**		**959 400**
Percentage total GLA certified per sector	**55**	**2**	**15**	**0**	**0**	**0**	**19.41**
Percentage of certified buildings per sector GLA certified (%)	93	2	1	0	0	1	19.74
Percentage of certified buildings from total portfolio (%)	18	0.49	0.23	0	0	0	19.04
Total GLA for certified buildings with 4 Green Star and above	882 891	24 400	11 354	0	0	0	918 645
Percentage of certified buildings with 4 Green Star and above from total certified GLA (%)	90	2.50	1.16	0	0	0	94.12
Percentage of certified buildings with 4 Green Star and above from total portfolio GLA (%)	54	1.26	9.56	0	0	0	18.58
Building values for certified buildings (Rm)	14 479	325	516	0	0	0	15 322

* *Some buildings have more than one 4 star Green Star rating and GLA would be counted more than once.*

Energy Performance Certifications

Building name	Rate received	kWh/m².annum	Region	Sector	GLA of building	Certified NFA
1 Friesland Drive – Merck Building – Longmeadow 2	E	84	Johannesburg	Office	4 276	3 388
1 Frosterley Crescent	D	151	Durban	Office	2 557	2 651
1 Holwood Park	G	228	Durban	Office	7 817	7 803
1 Montgomery Building A	F	241	Durban	Office	10 376	6 280
1 Montgomery Building B	C	117	Durban	Office	10 376	1 593
1 Montgomery Building C	B	60	Durban	Office	10 376	3 595
1 North Wharf Square	C	79	Cape Town	Office	18 763	13 887
1 Sixty Jan Smuts	E	116	Johannesburg	Office	16 507	15 558
100 West Street	B	73	Johannesburg	Office	4 274	6 014
103 Central Street	B	58	Johannesburg	Office	2 360	2 539
11 Adderley	G	222	Cape Town	Office	22 513	25 696
11b Riley Road	E	88	Johannesburg	Office	4 438	4 409
12 Alice Lane – 100%	G	486	Johannesburg	Office	17 543	13 698
138 West Str	E	225	Johannesburg	Office	10 612	10 694
151 On 5th Block B	G	248	Johannesburg	Office	12 560	391

Building name	Rate received	kWh/m².annum	Region	Sector	GLA of building	Certified NFA
151 On 5th Block C	F	98	Johannesburg	Office	12 560	3 067
200 On Main	C	126	Cape Town	Office	4 601	4 736
24 Flanders Drive	G	272	Durban	Office	6 535	6 637
25 Rudd Road	B	61	Johannesburg	Office	3 161	3 099
271 Veale Street, Brooklyn	E	127	Johannesburg	Office	4 614	4 614
28 Fricker Road	E	126	Johannesburg	Office	6 170	2 711
29 Richefond	F	140	Durban	Office	3 383	2 244
3012a William Nicol	G	143	Johannesburg	Office	7 282	6 020
3021 William Nicol Block A	G	151	Johannesburg	Office	6 645	2 849
33 Bree & 30 Waterkant	D	87	Cape Town	Office	12 884	9 041
33 Fricker Road	G	244	Johannesburg	Office	6 582	2 514
34 Fricker Road	C	55	Johannesburg	Office	4 842	2 138
36 Fricker Road	G	129	Johannesburg	Office	4 842	2 108
36 Hans Strijdom	G	273	Cape Town	Office	12 836	12 836
4 Fricker Road	C	63	Johannesburg	Office	4 782	4 048
4 Frosterley	B	92	Durban	Office	3 167	3 283
44 On Grand Central	E	125	Johannesburg	Office	7 450	6 412
50 Wierda Road	A	38	Johannesburg	Office	2 362	2 263
70 Grayston	B	106	Johannesburg	Office	4 089	3 914
8 Rivonia Road	G	127	Johannesburg	Office	5 329	6 316
82 Grayston Drive	B	87	Johannesburg	Office	7 255	7 169
Adt House	F	234	Cape Town	Office	5 388	4 204
Advocates Chambers	B	61	Johannesburg	Office	7 445	7 942
Albion Springs	D	88	Cape Town	Office	3 960	3 393
Anslow Park (Nestle)	G	198	Johannesburg	Office	11 986	10 684
Anslow Phase 2	G	240	Johannesburg	Office	10 713	6 731
Autumn Road	G	146	Johannesburg	Office	9 717	8 289
Bcx Durban 2	G	296	Durban	Office	5 078	3 394
Belmont Office Park College House	C	64	Cape Town	Office	15 052	2 215
Belmont Office Park Ebden House	B	31	Cape Town	Office	15 052	1 766
Belvedere Office Park – Building D	B	66	Cape Town	Office	5 996	1 048
Belvedere Office Park – Building E	C	100	Cape Town	Office	5 996	740
Belvedere Office Park – Building F	E	175	Cape Town	Office	5 996	2 969
Boundary Place	C	50	Johannesburg	Office	3 653	3 552
Bridge Park 1 & 2	E	165	Cape Town	Office	9 050	16 454
Brookfield Office Park	C	113	Johannesburg	Office	7 600	6 919
Centennial Place Building 1	C	60	Cape Town	Office	12 348	10 831
Central Park – Midrand Building E	B	45	Johannesburg	Office	34 021	984
Central Park – Midrand Building O	G	189	Johannesburg	Office	34 021	3 596
Central Park – Midrand Building P	B	42	Johannesburg	Office	34 021	2 046
Central Park – Midrand Building R	G	320	Johannesburg	Office	34 021	2 122
City View Shopping Centre	F	243	Durban	Retail	40 784	32 186
Constantia Park Building 10	E	91	Johannesburg	Office	74 883	1 969
Constantia Park Building 11	E	87	Johannesburg	Office	74 883	2 472
Constantia Park Building 12	G	135	Johannesburg	Office	74 883	3 040
Constantia Park Building 13	C	51	Johannesburg	Office	74 883	3 231

PERFORMANCE DATA (CONTINUED)

Building name	Rate received	kWh/m².annum	Region	Sector	GLA of building	Certified NFA
Constantia Park Building 14	A	20	Johannesburg	Office	74 883	17 750
Constantia Park Building 15	C	54	Johannesburg	Office	74 883	4 183
Constantia Park Building 16	C	60	Johannesburg	Office	74 883	3 133
Constantia Park Building 17	D	70	Johannesburg	Office	74 883	4 124
Constantia Park Building 18	F	117	Johannesburg	Office	74 883	2 945
Constantia Park Building 2	D	66	Johannesburg	Office	74 883	2 388
Constantia Park Building 3	C	55	Johannesburg	Office	74 883	3 237
Constantia Park Building 4	B	48	Johannesburg	Office	74 883	2 173
Constantia Park Building 5	E	160	Johannesburg	Office	74 883	3 495
Constantia Park Building 6	E	118	Johannesburg	Office	74 883	3 348
Constantia Park Building 7	F	189	Johannesburg	Office	74 883	3 490
Constantia Park Building 8	G	248	Johannesburg	Office	74 883	4 152
Constantia Park Building 9	F	100	Johannesburg	Office	74 883	3 916
Corobrick Meadowdale	C	59	Johannesburg	Industrial	2 470	2 442
Country Club Estate Building 02	D	71	Johannesburg	Office	33 331	2 602
Country Club Estate Building 05	F	100	Johannesburg	Office	33 331	3 563
Country Club Estate Building 06	G	139	Johannesburg	Office	33 331	2 758
Country Club Estate Building 07	D	76	Johannesburg	Office	33 331	2 883
Country Club Estate Building 08	E	92	Johannesburg	Office	33 331	2 117
Country Club Estate Building 09	F	102	Johannesburg	Office	33 331	2 333
Country Club Estate Building 10	E	93	Johannesburg	Office	33 331	3 064
De Waterkant Centre	G	166	Cape Town	Office	6 789	3 450
Deloitte And Touche (Sa)	D	97	Durban	Office	6 313	6 763
Discovery – Phase 1 & 2	C	72	Johannesburg	Office	116 594	147 207
Draper On Main	A	23	Cape Town	Office	5 618	4 153
Eastgate 20	C	56	Johannesburg	Office	5 734	5 065
Exxaro Lakeside 2	C	95	Johannesburg	Office	21 708	17 479
Ferguson Place	F	103	Johannesburg	Office	4 988	3 159
Festival Mall	F	191	Johannesburg	Retail	82 850	87 887
Fredman Towers	C	170	Johannesburg	Office	14 695	15 653
Georgian Crescent	F	111	Johannesburg	Office	6 347	5 921
Gilloolys View Office Park Building 4	C	59	Johannesburg	Office	20 349	3 732
Gilloolys View Office Park Building 6	E	80	Johannesburg	Office	20 349	27 40
Gilloolys View Office Park Building A/1	E	92	Johannesburg	Office	20 349	4 270
Glenfield Office Park Block F	B	60	Johannesburg	Office	5 165	5 036
Golf Park Building 1	B	88	Cape Town	Office	32 173	3 767
Golf Park Building 2	C	114	Cape Town	Office	32 173	6 305
Golf Park Building 3	C	114	Cape Town	Office	32 173	2 693
Golf Park Building 4	B	88	Cape Town	Office	32 173	3 092
Golf Park Building 5	B	88	Cape Town	Office	32 173	4 644
Golf Park Building 6	D	136	Cape Town	Office	32 173	7 879
Grayston Office Park Building 4	F	107	Johannesburg	Office	13 671	1 125
Greenacres Shopping Centre	E	213	Cape Town	Retail	50 142	48 254
Grosvenor Corner	E	125	Johannesburg	Office	13 690	8 426
Hatfield Gardens Block B	B	39	Johannesburg	Office	25 927	3 692
Hatfield Gardens Block C	B	37	Johannesburg	Office	25 927	2 889

Building name	Rate received	kWh/m².annum	Region	Sector	GLA of building	Certified NFA
Hatfield Gardens Block D	D	119	Johannesburg	Office	25 927	6 111
Hatfield Gardens Block E	B	38	Johannesburg	Office	25 927	7 537
Hatfield Gardens Block G	D	104	Johannesburg	Office	25 927	2 685
Hillcrest Cnr – 100% Virgin Active	G	263	Durban	Retail	23 583	26 420
Homestead Place	F	103	Johannesburg	Office	5 697	4 442
Honeywell	E	107	Johannesburg	Office	3 818	3 622
Hunts End Phase 2	B	98	Johannesburg	Office	10 138	3 794
Illovo Corner Building A	C	47	Johannesburg	Office	11 570	4 194
Illovo Corner Building B&C	C	49	Johannesburg	Office	11 570	4 194
Inanda Greens – Building 1	C	150	Johannesburg	Office	40 772	3 761
Inanda Greens – Building 10	B	93	Johannesburg	Office	40 772	10 166
Inanda Greens – Building 2	C	124	Johannesburg	Office	40 772	5 028
Inanda Greens – Building 3 & 4	B	95	Johannesburg	Office	40 772	9 070
Inanda Greens – Building 5	B	63	Johannesburg	Office	40 772	3 275
Inanda Greens – Building 6	A	44	Johannesburg	Office	40 772	2 713
Inanda Greens – Building 7	B	108	Johannesburg	Office	40 772	3 433
Inanda Greens – Building 8	B	77	Johannesburg	Office	40 772	2 761
Inanda Greens – Building 9	A	40	Johannesburg	Office	40 772	3 690
Inyanda 1	E	264	Johannesburg	Office	24 016	8 222
Inyanda 2 – 100%	F	118	Johannesburg	Office	11 358	9 420
Inyanda 3	B	103	Johannesburg	Office	24 016	6 215
Inyanda 4	B	75	Johannesburg	Office	24 016	9 966
Key West Shopping Centre Building 1	F	205	Johannesburg	Retail	46 963	53 578
Key West Shopping Centre Building 2	G	164	Johannesburg	Retail	46 963	9 198
Lakeside 3_lakeside 3	G	277	Johannesburg	Office	64 28	2 790
Longkloof Block 1 (Threshers Studio) & 2 (Darters Studio)	C	112	Cape Town	Office	16 001	8 077
Louis Leipoldt Hospital	D	92	Cape Town	Other	15 075	8 969
Lumley House	B	45	Johannesburg	Office	2 714	2 645
Mayfair On The Lake & Lincoln On The Lake	G	169	Durban	Office	6 171	10 031
Menlyn Corner	C	80	Johannesburg	Office	10 222	13 548
Menlyn Piazza	F	145	Johannesburg	Office	7 035	4 461
Microsoft	G	134	Johannesburg	Office	9 483	9 020
Montclare Place	G	263	Cape Town	Office	29 687	31 485
N1 Medical Chambers – Health	B	82	Cape Town	Other	4 455	4 529
Nautica	E	168	Cape Town	Office	5 730	3 572
Newlands On Main 1 Aska House	D	93	Cape Town	Office	13 333	1 024
Newlands On Main 2 Letterstedt And Mariendahl House	G	506	Cape Town	Office	13 333	3 718
Ogilvy Building	G	148	Johannesburg	Office	9 155	7 996
Oxford 144	E	112	Johannesburg	Office	37 474	37 474
Oxford Corner	C	161	Johannesburg	Office	9 108	10 626
Paramount Place	G	197	Cape Town	Office	12 637	11 123
Peter Place	D	66	Johannesburg	Office	4 266	3 750
Pharos House	C	120	Durban	Office	5 476	4 564
Pinmill Farm Block C	G	332	Johannesburg	Office	23 256	430

PERFORMANCE DATA (CONTINUED)

Building name	Rate received	kWh/m².annum	Region	Sector	GLA of building	Certified NFA
Pinmill Farm Block D	E	83	Johannesburg	Office	23 256	1 462
Pinmill Farm Block E	F	99	Johannesburg	Office	23 256	3 107
Pinmill Farm Block F	F	102	Johannesburg	Office	23 256	5 021
Pinmill Farm Block G	F	101	Johannesburg	Office	23 256	2 828
Ridgeview Umhlanga	G	223	Durban	Office	10 092	6 747
River Park 1 Liesbeek House	F	213	Cape Town	Office	13 385	1 059
River Park 2 Berkdale	A	17	Cape Town	Office	13 385	3 637
River Park 3 Maitland House 2	C	90	Cape Town	Office	13 385	2 476
River Park 4 Maitland House 1	C	88	Cape Town	Office	13 385	2 375
Roggebaai Place	F	160	Cape Town	Office	13 362	13 379
Sandown Erf 169	E	80	Johannesburg	Office	2 069	2 651
Sandown Mews East	F	133	Johannesburg	Office	20 936	8 959
Sandown Mews West	F	130	Johannesburg	Office	20 936	11 977
Sandton Close 2	B	115	Johannesburg	Office	12 460	10 788
Sanofi House	G	326	Johannesburg	Office	8 038	1 421
Sovereign Quay	F	159	Cape Town	Office	8 894	5 426
Strathavon 11 Building 1	G	167	Johannesburg	Office	10 348	6 037
Strathavon 11 Building 2	G	168	Johannesburg	Office	10 348	3 049
Sunnyside Office Park Building 1	E	100	Johannesburg	Office	30 148	2 263
Sunnyside Office Park Building 2	C	75	Johannesburg	Office	30 148	4 106
Sunnyside Office Park Building 3	C	71	Johannesburg	Office	30 148	6 673
Sunnyside Office Park Building 4	C	79	Johannesburg	Office	30 148	7 542
Sunnyside Office Park Building 5	C	74	Johannesburg	Office	30 148	6 817
The Annex – 100%	F	142	Johannesburg	Office	20 253	24 177
The Avenues	A	25	Johannesburg	Retail	34 813	25 844
The Boulevard Umhlanga	C	107	Durban	Office	10 324	10 321
The District Building A,B,C,D	D	153	Cape Town	Office	18 729	13 355
The Estuaries Block A	E	164	Cape Town	Office	11 881	2 302
The Estuaries Block C	C	117	Cape Town	Office	11 881	2 876
The Oval Newlands A Kildae And Oakdale House (Building 1)	F	135	Cape Town	Office	8 593	3 326
The Oval Newlands B Collinton & Fernwood House (Building 2)	B	35	Cape Town	Office	8 593	4 118
The Oval Newlands C Coronation House (Building 3)	G	153	Cape Town	Office	8 593	545
The Park On 16th Blocks A	G	772	Johannesburg	Office	5 553	249
The Park On 16th Blocks C	G	151	Johannesburg	Office	5 553	377
The Park On 16th Blocks Def	C	55	Johannesburg	Office	14 898	1 840
The Place	E	106	Johannesburg	Office	35 932	39 613
The Terraces	G	1044	Cape Town	Office	12 796	9 830
The Towers – 100%	C	79	Johannesburg	Office	26 174	26 174
Tygerberg Office Park P/Thin 3,5,6 Building 1 Drakenzicht	C	75	Cape Town	Office	19 121	3 979
Tygerberg Office Park P/Thin 3,5,6 Building 2 Uitzicht	B	48	Cape Town	Office	19 122	1 828
Tygerberg Office Park P/Thin 3,5,6 Building 3 Panorama House	B	58	Cape Town	Office	19 122	1 888

Building name	Rate received	kWh/m².annum	Region	Sector	GLA of building	Certified NFA
Tygerberg Office Park P/Thin 3,5,6 Building 5 Plattekloof	A	28	Cape Town	Office	19 123	2 249
Tygerberg Office Park P/Thop Phase 1,2&4 Building 1 Bergzicht	G	425	Cape Town	Office	19 123	1 898
Tygerberg Office Park P/Thop Phase 1,2&4 Building 2 Table Bay	C	89	Cape Town	Office	19 123	2 492
Tygerberg Office Park P/Thop Phase 1,2&4 Building 4 Tygerberg	A	23	Cape Town	Office	12 030	2 448
Waterfall Augrabies 1	F	143	Johannesburg	Office	8 467	4 714
Waterfall Augrabies 2	F	131	Johannesburg	Office	8 467	2 531
Waterfall Park	G	576	Johannesburg	Office	8 103	1 657
Westville Mall – Shopping Centre	G	663	Durban	Retail	13 566	10 236
Willowbridge Place	G	298	Cape Town	Office	6 948	6 849
Woodlands Bld 33 100%	G	134	Johannesburg	Office	13 259	12 683
Woodlands Office Park Building 03	F	127	Johannesburg	Office	114 630	6 181
Woodlands Office Park Building 04	G	190	Johannesburg	Office	114 630	2 701
Woodlands Office Park Building 06	G	213	Johannesburg	Office	114 629	1 974
Woodlands Office Park Building 07	G	203	Johannesburg	Office	114 629	1 873
Woodlands Office Park Building 08	B	28	Johannesburg	Office	114 629	4 190
Woodlands Office Park Building 11	E	78	Johannesburg	Office	114 630	5 228
Woodlands Office Park Building 12	D	70	Johannesburg	Office	114 630	1 412
Woodlands Office Park Building 13	C	55	Johannesburg	Office	114 630	4 416
Woodlands Office Park Building 14	A	20	Johannesburg	Office	114 630	3 376
Woodlands Office Park Building 15	B	26	Johannesburg	Office	114 630	3 863
Woodlands Office Park Building 16	D	69	Johannesburg	Office	114 630	4 046
Woodlands Office Park Building 17	F	111	Johannesburg	Office	114 630	6 262
Woodlands Office Park Building 18	D	70	Johannesburg	Office	114 630	4 029
Woodlands Office Park Building 21	E	95	Johannesburg	Office	114 630	1 284
Woodlands Office Park Building 22 A	G	226	Johannesburg	Office	114 630	2 165
Woodlands Office Park Building 25	B	49	Johannesburg	Office	114 630	1 336
Woodlands Office Park Building 26	C	54	Johannesburg	Office	114 630	1 741
Woodlands Office Park Building 27	F	112	Johannesburg	Office	114 630	1 701
Woodlands Office Park Building 28	B	34	Johannesburg	Office	114 630	1 840
Woodlands Office Park Building 29	D	71	Johannesburg	Office	114 630	3 147
Woodlands Office Park Building 30	G	129	Johannesburg	Office	114 630	5 815
Woodlands Office Park Building 31	D	74	Johannesburg	Office	114 630	2 859
Woodlands Office Park Building 32	D	64	Johannesburg	Office	114 630	4 563
Woodmead Estate Building 13	C	59	Johannesburg	Office	20 634	2 417
Woodmead Estate Building 3	E	94	Johannesburg	Office	20 635	2 385
Woodmead Estate Building 7	E	93	Johannesburg	Office	20 636	2 250

PERFORMANCE DATA (CONTINUED)

Solar breakdown

Building name	MW peak	Installed
Prior FY23		
33 Bree	0.109	X
Bayside Mall	0.5	X
Constantia Village	0.815	X
Kolonnade (50%) (100% = 0.29MWp)	0.29	X
Lincoln on the Lake	0.044	X
Waterfall Mall	0.574	X
Key West	1.016	X
Northgate (50%) (100% = 1.06MWp)	1.056	X
Inanda Greens	0.424	X
Sunnyside	0.262	X
Anslow Nestle	0.13	X
Brooklyn Mall (75%) (100% = 1.1MWp)	1.104	X
Vaal Mall (66.7%) (100% = 1.13MWp)	1.133	X
GreenField	0.209	X
144 Oxford	0.18	X
Adcock Ingram	0.7	X
Montclare Place	0.501	X
GIE Mini Units	0.32	X
Vaal Mall Ext (66.7%) (100% = 4MWp)	2.502	X
Kolonnade Mall Ext (50%) (100% = 2.50MWp)	0.9516	X
Lakeside Mall	1.214	X
Paarl Mall	2.5	X
Discovery 55% (100% = 0.30MWp)	0.37	X
Exxaro Lakeside	0.161	X
Avroy Shlain	0.032	X
FY23		
Trade Park	0.142	X
Central Park	0.429	X
Ebony	0.14	X
Range Industrial Park	0.394	X
The Grove Business Estate	0.572	X
Hilltop Industrial Park- Rubicon	0.634	X
Growthpoint Business Park	1.137	X
Midrand Central 520	0.045	X
GIE_ Avon	0.144	X
GIE- DPD Laser	0.301	X
Scania	0.141	X
Eazi Access	0.088	X
Saligna	0.857	X
Dominic Corner	1.268	X
54 Peter Place- DHL	0.038	X
Kolonnade Mall Ph2B	1.584	X
Wadestone	2.17	X
Scientia Techno Park	0.14	X
Total	**27.32**	

PERFORMANCE DATA (CONTINUED)

Performance by asset type

	Retail			Office		
	2023	% change	2022	**2023**	% change	2022
Energy						
Total GLA (m^2)	**1 225 637**	(5)	1 283 698	**1 650 192**	(1)	1 672 345
GLA assessed (m^2)	**1 316 522.17**	2	1 288 017	**1 554 277**	(3)	1 598 165
Total number of buildings	**39**	(7)	42	**155**	(2)	158
Number of buildings assessed	**40**	0	40	**151**	1	149
Total energy (MWh)	**286 603.6191**	(6)	306 458	**191 463.3514**	(12)	171 385
Energy from fuels (diesel – generators):	**19 012.5422**	393	3 855	**32903**	422	6 302
Total energy consumption from district heating and cooling	**N/A**	N/A	N/A	**N/A**	N/A	N/A
Purchased electricity for Growthpoint (MWh)	**24 389.90**	(12)	27 716	**14 683.60**	4	14 116
Purchased electricity for tenant-occupied space (MWh)	**234 594.15**	(12)	266 402	**140 631.85**	(6)	149 379
Total purchased electricity (MWh)	**258 984.05**	(0.24)	294 119	**155 315.45**	(5)	163 495
GHG emissions from energy	**274 179**	(16)	324 846	**170 419**	(6)	181 668
Solar (MWh)	**8 607.024**	1	8 485	**1 708**	7	1 588
GHG emissions saved from solar (tCO_2e)	**8 951**	0	8 994	**1 776**	5	1 684
Energy intensity per square metre (MWh/m^2/p.a.)	**0.22**	(9)	0.24	**0.12**	15	0.11
Energy intensity per South African revenue (MWh/Rm)	**89**	(35)	137	**61**	(26)	83
Energy intensity per employee						
Water						
Total GLA (m^2)	**1 225 637**	(5)	1 283 698	**1 650 192**	(1)	1 672 345
GLA assessed (m^2)	**1 236 965**	(4)	1 289 540	**1 525 360**	0	1 520 712
Total number of buildings	**39**	(7)	42	**155**	(2)	158
Number of buildings assessed	**36**	(10)	40	**140**	(1)	142
Water discharge (kl)	**519 692**	7	486 846	**464 731**	18	394 502
Total water supply (kl)	**1 098 597**	(7)	1 028 819	**847 413**	8	785 178
Water intensity per square metre (kl/m^2/p.a.)	**0.9**	11	0.80	**0.6**	8	0.52
Water intensity per South African revenue (kl/Rm)	**342**	(26)	459	**272**	(28)	378
Water intensity per employee						
Waste						
Total GLA (m^2)	**1 225 637**	(5)	1 283 698	**1 650 192**	(1)	1 672 345
GLA assessed (m^2)	**1 196 957**	2	1 178 421	**1 132 704**	2	1 108 190
Total number of buildings	**39**	(7)	42	**155**	(2)	158
Number of buildings assessed	**32**	(3)	33	**90**	0	90
Recycled (kg) (dry mixed recycling, glass, mixed metal cans, scrap metal, municipal waste, paper and board, plastics)	**3 689 236**	(10)	4 089 574	**717161**	(67)	429 469
Landfill (kg)	**4 231 756**	(7)	4 571 470	**1 576 405.626**	24	1 269 055
Total waste generated (kg)	**7 921 869**	(9)	8 710 852	**2 293 567**	35	1 698 524
Waste intensity per square metre (kg/m^2/p.a.)	**6.6**	(10)	7.39	**2.03**	32	1.53
Waste intensity per South African revenue (kg/Rm)	**2 468**	(37)	3 890.51	**735**	(10)	817.78
Waste intensity per employee						

Note: Information relates to South African operations excluding V&A.
Note: FY23 employees: 669.
Note: FY22 employees: 640.
Note: FY23 SA revenue 2023: Retail – R3 210m, Office – R3 119m, Industrial – R1 558m, Healthcare – R451m
Note: FY22 SA revenue 2023: Retail – R2 239m, Office – R2 077m, Industrial – R1 213m, Healthcare – R322m.

Industrial			Healthcare				Total portfolio		
2023	% change	2022	**2023**	% change	2022	Target if applicable (FY26)	**2023**	% change	**2022**
1 940 293	(7)	2 093 262	**118790**	10	107 562		**4934912**	(5)	5 194 379
1 826 060.17	(10)	2 037 467	**4455**	0	4 455		**4 701 314.75**	(5)	4 928 106
168	(10)	187	**8**	14	7		**370**	(9)	408
169	(10)	188	**1**	0	1		**361**	(4)	378
133 544.3072	(10)	148 090	**526.816167**	34	392		**612 138.09**	(2)	626 326
2591	383	536	**213**	813	23		**54720**	411	10 716
N/A	N/A	N/A	**N/A**	N/A	N/A		**N/A**	N/A	N/A
2 081.63	(43)	3 623	**0.1551942**		0		**41 155.29**	(9)	45 455
128 156.53	(11)	143 523	**313.318406**	(15)	368		**503 695.85**	(10)	559 673
130 238.16	(11)	147 146	**313.47**		368		**544 851.14**	(10)	605 128
136 109	(13)	156 976	**380**	(3)	391		**581 087**	(12)	663 905
714.708125	75	408	**0**	0	0		**11 029**	5	10 481
743	72	433	**0**	0	0		**11 470**	3	11 110
0.07	(4)	0.07	**0.12**	36	0.09	77	**0.13**	2	0.13
86	(30)	121	**1**	2	1		**73**	(31)	107
							915	(7)	978.63
1 940 293	(7)	2 093 262	**118 790**	10	107 562		**4934912**	(5)	5 194 379
1 844 173	(10)	2 045 370	**4 455**	0	4 455		**4610953**	(5)	4 860 078
168	(10)	187	**8**	14	7		**370**	(9)	408
167	(12)	189	**1**	0	1		**344**	(8)	372
502 322	(4)	523 134	**0**	0	0		**1486745**	6	1 404 482
1 107 435	0	1 108 064	**1577.857**	(18)	1 917		**3 055 023**	4	2 923 977
0.6	11	0.54	**0.35**	(19)	0.43	0.5	**0.7**	10	0.602
711	(22)	913	**3**	(41)	6		**1 328**	166	499.74
							4 567	0	4568.71
1 940 293	(7)	2 093 262	**118790**	10	107 562		**4 934 912**	(5)	5 194 379
406 177	(8)	439 953	**4455**	33	3 341		**2 740 292**	0	2 729 905
168	(10)	187	**8**	14	7		**370**	9	408
21	(13)	24	**1**	0	1		**144**	3	148
264 428	17	226 653	**0**	0	405		**4 670 825**	2	4 746 101
711 596	(15)	841 052	**21895**	15	19 008		**6 541 652**	2	6 700 585
976 024	(9)	1 067 705	**21895**	13	19 413	Zero organic waste to landfill	**11 213 354**	2	11 496 494
2.4	(1)	2.43	**4.915**	(15)	5.81		**4.1**	3	4.21
626	(29)	880.22	**49**	0	70.81		**3 878**	97	1 964.88
							16 761	7	17 963.27

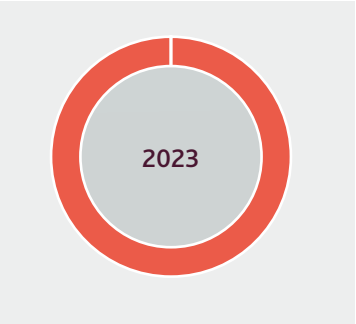
PERFORMANCE DATA (CONTINUED)

HR data

Employee age profile	FY23	% change	FY22	FY21
21 – 30 years	**49**	(17)	59	58
31 – 40 years	**164**	8	150	151
41 – 50 years	**214**	1	211	214
51 – 60 years	**169**	7	157	154
60+ years	**41**	41	29	34
Total	**637**	5	606	611

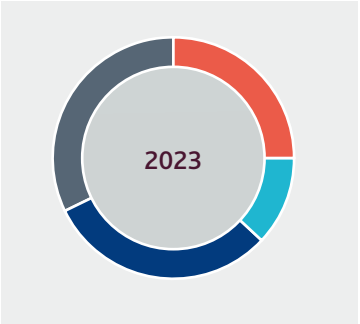
Employee diversity indicators

Foreign nationals



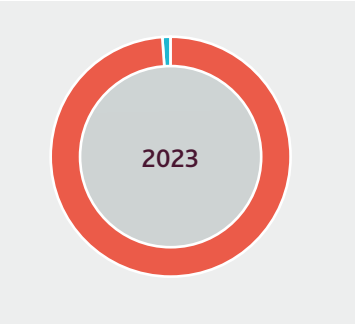
African males **8**

Employee tenure



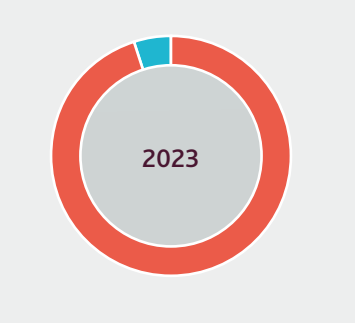
<3 years **161**
3 – 5 years **75**
6 – 10 years **196**
10+ years **205**

Manager review (%)



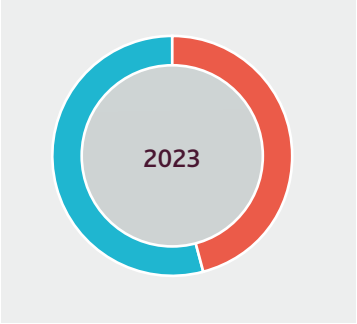
	2023	2022
Complete	**99**	96
Incomplete	**1**	4

Self-review (%)



	2023	2022
Complete	**95**	89
Incomplete	**5**	11

Employee per gender (%)



	2023	2022
Male	**46**	46
Female	**54**	54

Industrial relation cases

Nature of case	FY23	% change	FY22	FY21
Breach of company policy and procedures	**3**	200	1	0
Dishonesty	**9**	800	1	0
Disorderly/unbecoming conduct	**0**	100	1	0
Gross negligence and dereliction of duty	**2**	0	2	0
Insubordination and unsatisfactory work performance	**0**	100	1	0
Negligence and unsatisfactory work performance	**1**	0	1	0
Theft	**6**	100	3	0
Theft and dishonesty	**0**	100	2	0
Sexual harassment	**0**	0	0	1
Unauthorised absenteeism	**0**	100	4	0
Unauthorised use of company vehicle for personal use	**1**	0	1	0
Unsatisfactory work performance	**1**	50	2	4
Unsatisfactory work performance, dereliction of duty, desertion of post and unauthorised absenteeism	**0**	100	1	0
Other	**0**	0	0	16
Total	**23**	15	20	21

Actions taken	FY23	% change	FY22	FY21
Dismissal with notice	**1**	(0)	1	7
Final written warning (six months)	**0**	100	1	0
Final written warning (12 months)	**5**	66.7	3	2
Resigned pending internal hearing	**1**	0	1	0
Summary dismissal	**7**	(12.5)	8	0
Verbal warning (six months)	**2**	100	1	0
Written warning (six months)	**7**	40	5	8
Other*	**–**	0	0	4
Total	**23**	15	20	21

Employee benefits coverage

Coverage	FY23
Life insurance	√
Healthcare	√
Disability and invalidity coverage	√
Paternal leave	√
Retirement provision	√
Stock ownership	√
Others – including employee assistance like legal advice, psychological sessions, health promotion, review session and debt advice	√

PERFORMANCE DATA (CONTINUED)

Training

			Occupation level of employees trained (%)												
	Total number of employees trained		Top management		Senior management		Middle management		Junior management		Semi - Skilled		Unskilled		
Course	Male (M)	Female (F)	M	F	M	F	M	F	M	F	M	F	M	F	Grand Total
Assertiveness Training		1						1							1
Basic Labour Relations		1						1							1
Business Etiquette	8	6									8	6			14
Captivating The Speaker	5	7									5	7			12
Combating Sexual Harassment and Bullying in the Workplace	12	20		1			11	11		7	1	1			32
Conversational intelligence	3	3					1	1	2	2					6
Email Efficiency training		3						1		2					3
Emergency Evacuation Exam	16	4					4		12	2		2			20
Excel Basic Training	7	1							6		1	1			8
Excel Intermediate Training	7	17	1				1	1	1	1	4	15			24
Facilities Management Learnership	9	3					1	1	7	2	1				12
Financial Training	10	30	1		2		6	24	1	2		4			40
Fraxion and MRI Training	5	22					2	3	3	9		10			27
Fraxion Training	24	40					4	4	10	20	10	16			64
Gen Management Learnership	8	6									8	6			14
Generic Management Customer Management Qualification	2	8						4	2	2		2			10
Graduate GP Onboarding	8	6									8	6			14
Graduate Presentation	6	6					4	2	2	3		1			12
Graduates Project Management	5	8									5	8			13
HR Heritage Workshop	2	11					1	4		6	1	1			13
HR monthly Workshop	3	19		1			2	8		8	1	2			22
HR Team Build Workshop	2	10		1			1	3		5	1	1			12
Interview Skills	3	7									3	7			10
Local Economic Development B-BBEE Workshop	76	61			1		31	47	42	12	2	2			137
Minute Taking		3						1		2					3
MRI Training	22	31					9	10	7	9	6	12			53
MS Power BI	3	3					3	3							6
Occupational Certificate Facilities Manager Qualification	7	2					1		5	2	1				9
People tax year end - Virtual Training		2						1		1					2
Power BI Training	2	3					1		1	1		2			5
Powerpoint Basic to intermediate		1								1					1
Powerpoint Graduates	5	7									5	7			12
Project Management for Facilities Management NQF 4	1	1							1	1					2
Property Development & Urban Design	6	7							1		5	7			13
Public Speaking and Presentation Masterclass	8	6									8	6			14
Real Estate Learnership	1										1				1
Re-Org Workshop Sustainability and Utilities	4	7					2	1	2	4		2			11
Sage People Basic		2								1		1			2
Sage Training		3						2		1					3
Sprinkler Training	41	25					12	3	27	16	2	6			66
Staff Onboarding	30	59			1		11	12	13	28	5	19			89
Three day field trip: visiting Nando's, Entelect, Discovery, Unitrans, DHL and King Price	1	1					1	1							2

			Occupation level of employees trained (%)												
	Total number of employees trained		Top management		Senior management		Middle management		Junior management		Semi - Skilled		Unskilled		
Course	Male (M)	Female (F)	M	F	M	F	M	F	M	F	M	F	M	F	Grand Total
Udemy Online Training		1								1					1
VAT In person Training	2	7					2	2		4		1			9
VAT Training	130	212	2		4		48	64	58	68	18	80			342
Webinar – Complete Guide to power BI Essentials Training	1								1						1
Advanced Diploma Management		1										1			1
Advanced Diploma in Business Management		1										1			1
Advanced Management Programme	1		1												1
Bachelor of Accounting		1										1			1
Bachelor of Business Administration	1	2					1	1				1			3
Bachelor of Business Administration – Online		1								1					1
Bachelor of Management Leadership		1						1							1
Bachelors in Commerce Project Management		1										1			1
BCOM Accounting		1										1			1
Degree in Accounting		1										1			1
Bcom in Business Management Honours		1								1					1
B-COM Project Management		1								1					1
BSc Data Science and Business Analytics		1						1							1
Certificate – Accounting Technician: AT(SA) Level 3	1										1				1
Certificate – Commerce Property Management		1								1					1
CIMA – CGMA		1						1							1
CIPS Advanced Certificate in Procurement & Supply Operations	1										1				1
Credit Management 3	1										1				1
Degree Human Resources Management	1						1								1
Diploma in Management	1								1						1
Diploma in Real Estate		2						1				1			2
Electrical Trade test	1										1				1
Facilities Manager Certificate		1										1			1
GSB Advanced Leadership		1						1							1
Higher Certificate in Business Management		1										1			1
LLB		1						1							1
Bachelor of Applied Social Science	1								1						1
Master of Science in Building	1								1						1
MBA	2	1					2	1							3
Post Grad Diploma – Property Development and Management		1								1					1
Post Graduate Diploma		1						1							1
Property Development Programme SAPOA	1						1								1
Grand Total	498	707	5	3	8		164	225	207	228	114	251			1 205

* *Includes employees who had multiple training.*

PERFORMANCE DATA (CONTINUED)

Permanent employees only – FY23

Occupational level	Male African	Male Coloured	Male Indian	Male White	Female African	Female Coloured	Female Indian	Female White	Foreign national Male	Foreign national Female	Total
Top management	3	1	0	14	1	0	1	2	1	0	**23**
Senior management	4	1	2	17	3	0	2	7	1	0	**37**
Professionally qualified and experienced specialists and mid-management	10	4	7	27	13	20	10	36	1	0	**137**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	33	15	7	27	35	20	9	41	2	0	**189**
Semi-skilled and discretionary decision making	75	24	2	4	67	39	14	22	3	0	**250**
Unskilled and defined decision making	0	0	0	0	1	0	0	0	0	0	**1**
Total	**125**	**45**	**18**	**98**	**120**	**79**	**36**	**108**	**8**	**0**	**637**

Permanent employees only – FY22

Occupational level	Male African	Male Coloured	Male Indian	Male White	Male Foreign national	Male Total males	Female African	Female Coloured	Female Indian	Female White	Female Foreign national	Female Total females	Grand total
Top management	2	1	0	12	1	**16**	1	0	0	2	1	**4**	**20**
Senior management	3	1	0	17	1	**22**	1	0	2	7	0	**10**	**32**
Professionals, specialists and middle management	6	4	10	35	1	**56**	15	20	8	38	0	**81**	**137**
Skilled workers, supervisors and junior management	32	11	5	32	2	**82**	26	17	7	38	0	**89**	**171**
Other	76	17	3	3	3	**102**	69	37	12	27	0	**145**	**247**
Total	**119**	**34**	**18**	**99**	**8**	**278**	**112**	**74**	**29**	**112**	**1**	**328**	**606**

Please note, the above tables relate to the full-time employees only. The total number of employees is 669 comprising 637 permanent employees and 32 temporary employees.

New hires

Actions taken	FY23	% change	FY22	FY21
New hires for the period	**128**	197.67	43	74

	FY23 Male	FY23 Female	FY23 Total	FY22 Male	FY22 Female	FY22 Total	FY21 Male	FY21 Female	FY21 Total
Percentage of new hires that were male and female	**42%**	**58%**	**100%**	24%	76%	100%	42%	58%	100%
Race of new hires:									
African	**25**	**38**	**63**	7	22	29	15	22	37
Coloured	**13**	**19**	**32**	1	6	7	7	11	18
White	**11**	**11**	**22**	2	4	6	5	8	13
Indian	**5**	**6**	**11**	0	1	1	4	2	6
Foreign nationals	**0**	**0**	**0**	0	0	0	0	0	0
Total new hires	**54**	**74**	**128**	10	33	43	31	43	74
Positions filled by internal candidates	**4**	**13**	**17**	5	15	20	4	13	17

labour
Department:
Labour
REPUBLIC OF SOUTH AFRICA

SUMMARY OF THE EMPLOYMENT EQUITY PROGRESS REPORT TO BE INCLUDED IN THE ANNUAL REPORT

Every designated employer is required in terms of Section 22 of the Act to publish a summary of their employment equity report in that employer's annual report. Every employer who is required to comply with Section 22 must follow the format below.

Occupational levels

Please report the total number of **employees (including employees with disabilities)** in each of the following **occupational levels**.
Note: A = Africans, C = Coloureds, I = Indians and W = Whites

	Male				Female				Foreign Nationals		Total
Occupational levels	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	1	0	14	1	0	1	2	1	0	23
Senior management	4	1	1	19	2	0	2	7	1	0	37
Professionally qualified and experienced specialists and mid-management	7	4	8	34	15	22	9	37	1	0	137
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	34	15	5	30	35	18	8	43	2	0	190
Semi-skilled and discretionary decision making	76	16	3	3	71	42	13	24	3	0	251
Unskilled and defined decision making	0	0	0	0	1	0	0	0	0	0	1
TOTAL PERMANENT	**124**	**37**	**17**	**100**	**125**	**82**	**33**	**113**	**8**	**0**	**639**
Temporary employees	10	0	2	1	13	1	1	0	0	0	28
GRAND TOTAL	**134**	**37**	**19**	**101**	**138**	**83**	**34**	**113**	**8**	**0**	**667**

Please report the total number of **employees for people with disabilities ONLY** in each of the following **occupational levels**.
Note: A = Africans, C = Coloureds, I = Indians and W = Whites

	Male				Female				Foreign Nationals		Total
Occupational levels	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	1	1	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	1	0	1	1	0	0	0	0	0	0	3
Temporary employees	8	0	0	0	8	0	0	0	0	0	16
GRAND TOTAL	9	0	2	2	8	0	0	0	0	0	21

POLICIES AND GOVERNANCE DOCUMENTS

Governance	
Anti-corruption and gift policy	Growthpoint's commitment to compliance by the Group and its officers, directors, employees and agents with local and international anti-bribery or anti-corruption laws that may be applicable.
Breach of the company's business practice	Growthpoint believes that it employs people who perform to the best of their ability and act in accordance with Growthpoint's philosophies. Any transgression of our practices will be dealt with on an individual basis, in the best interests of the company. If any of the company's standards are breached and such a breach requires formalised intervention, Growthpoint will, where appropriate and practical, intervene and act in accordance with the guidelines for fair procedure set out in the relevant policies and legislation.
Business Code of Conduct	Employees are expected to conduct all internal and external dealings with integrity, consistently and uncompromisingly displaying moral strength and behaviour which promotes trust. Integrity and confidence are critical to our reputation and sustainability.
Closed periods	When Growthpoint is in a closed period (prior to the half year and the year end results), or events as determined by the JSE Listings requirements, no director or employee may trade in Growthpoint shares or any derivative thereof. Directors are to obtain approval from the Chairman, and Executive Committee employees from the Group CEO before trading in Growthpoint shares. The rules apply to personal account dealings undertaken by any employee or any of their associates, either for their own account or for the account of an associate.
Code of Ethics	The Growthpoint Code of Ethics (Code of Ethics) applies to all employees and directors. This Code of Ethics is based on our core values and is a promise to all our Stakeholders that we will combine our entrepreneurial spirit with a commitment to responsible business practice. It stipulates morally acceptable behaviour within an organisation. It defines the moral standards or guidelines that need to be respected by all members of an organisation in their dealings with internal and external stakeholders.
Confidentiality statement	Confidentiality obligations on directors, officers and employees of Growthpoint and its subsidiaries who come into possession of material and non-public/price sensitive information concerning the company are required to safeguard the confidentiality of the information and may not intentionally or inadvertently communicate it to any person unless such a person has a need to know the information for legitimate company-related reasons. This duty of confidentiality is important to both Growthpoint's competitive position and the insider trading laws and JSE regulations applicable to Growthpoint as a public company.
Conflict of interest	Should directors, members of a Board committee, executive management or employees believe a potential transaction/activity may constitute a conflict of interest or interfere with their responsibilities to the company, such a director, committee member, executive or employee is expected to disclose this. The company maintains that disclosure and transparency mitigate against and avoid conflicts of interest.
Corporate social responsibility	Guidelines and assistance for implementing the SED elements of CSR, and the ESD elements of B-BBEE. The policy also specifies the exclusions of funding of: • Profit-making companies, unless in the case of enterprise and supplier development • Animal-related organisations or programmes • Religious organisations • Political parties or associations with political affiliations • Labour movements/Unions • Organisations that have been in existence for less than one year

Governance	
Disclosure policy	Dealing with, inter alia, price-sensitive information, in line with the JSE Limited (JSE) Listings Requirements (Listings Requirements), as well as other recognised best practices. Addresses elements such as the communication framework and authorised spokespersons, dissemination of information, fair distribution of information, price-sensitive information and profit forecasts, dealing with the media, unexpected circumstances or events, crisis management and communication.
Crisis communication policy	Applicable to all Growthpoint staff and onsite suppliers, the policy details who needs to be notified in the event of a crisis, or potential crisis situation, the role of authorised spokespersons and how to deal with media requests.
Human rights policy statement	Growthpoint acknowledges its responsibility to respect human rights in its business. Our human rights policy elaborates on the requirement within our Business Code of Conduct and Ethics to treat everyone whom we encounter with fairness, respect and dignity.
Risk management	The Board has overall responsibility for the adoption, oversight and reporting of Growthpoint's risk management framework.
Treasury policy	The purpose of this policy is to set up a framework for managing financial risks across the Growthpoint group. The policy: • Defines the financial risks to be managed • Specifies the objectives in managing these risks • Delegates responsibilities to those managing the risk.
Whistle-blowing and protected disclosure	Encourages Growthpoint employees to raise concerns about workplace malpractice without fear of victimisation or reprisal. Growthpoint seeks to protect all employees who disclose unlawful or irregular conduct by the company, its employees or other stakeholders. All stakeholders can use our whistle-blowing hotline: 0800 167 463.
POPIA policy	This policy is in line with the Protection of Personal Information Act which aims to: • Promote and protect the right of privacy for all persons and companies • Identify, control, monitor, report and maintain information privacy. **Privacy policy** This policy provides direction and guidance to Growthpoint employees by providing minimum requirements for Growthpoint employees to identify, control, monitor, report, and maintain information privacy across Growthpoint's business. This policy prescribes the scope, minimum privacy standards and roles and responsibilities which must be implemented and adhered to in order for Growthpoint to meet its legislative obligations to process personal information in a manner that is lawful and fair and mitigate its other information privacy risks.

POLICIES AND GOVERNANCE DOCUMENTS (CONTINUED)

Operations	
Business rescue strategy	Highlights Growthpoint's business rescue strategy in line with Chapter 6 of the Companies Act No 71 of 2008, as amended (Companies Act). This legislation was mainly introduced to reduce the number of liquidations in the industry, to save employment and to replace the old "Compromise of creditors" in terms of section 155 of the Companies Act.
Credit policy and processes	Provides guidance on leasing facilities to our clients with the minimum of risk and the ongoing improvement in processes and service to enable a secure and sustainable return to our shareholders.
Environmental policy	Growthpoint's commitment to responsible environmental conduct. Areas of consideration include climate change and carbon emissions, energy, water, waste, renewable energy and biodiversity.
Health and safety policy	Our policy is prepared in line with the Occupational Health and Safety Act No 85 of 1993, which provides for the health and safety of people at work and when using plant and machinery, as well as the protection of people other than those at work against hazards to health and safety arising out of or in connection with the activities of people at work. **Incident (I) and Accident (A) investigation** This policy clearly highlights the procedure of incident and accident investigation in a three-step process: 1. Emergency phase: Take immediate action, secure scene, report incident. 2. Investigation phase: Collect evidence, ID and interview witnesses, analyse evidence and compile report, I/A investigation meeting – report to government/chief inspector. 3. Closure phase: Follow-up, compensation commissioner. **Evacuation** This policy ensures that regular emergency evacuation drills are practised (at least twice a year), so that in the event of an emergency the entire workforce is well prepared. With regular practice all staff should be able to reach their assembly points, unhurt and safe (the injury procedure is also outlined) within 15 minutes, with the help of evacuation marshals, zone marshals, firefighter, first aider, and security personnel. **Emergency medical procedures** This highlights the medical protocol that first aiders should follow. It ensures that first aiders are competent and able to treat fellow employees in the workplace and that they ensure the first aid boxes in the department/work area are regularly checked, sealed, and stocked as per the Department of Labour's requirements. **Smoking** Growthpoint is committed to compliance with all relevant employment legislation, such as legislation on smoking by the South Africa Government. Smoking at the workplace is regulated by the Tobacco Products Control Act No 83 of 1993. This policy is applicable to all Growthpoint employees, visitors, and any other person who assist in the carrying on of all aspects of the day-to-day functioning. **Alcohol and drug misuse at work** This policy aims to promote greater awareness of how alcohol and drug dependency can be prevented, encourage support and self-referral or intervention at an early stage of dependency, and to manage dependency so that there is an efficient and supportive working environment. **Road safety** This policy statement clearly outlines the responsibilities of the company and its employees who drive a vehicle on company business. It relates to training, mobile phones, alcohol and controlled drugs, hours of driving/work and breaks, accident investigation, accident classification, accident procedure, reporting the accident, vehicle maintenance and disciplinary action.

Operations

Local economic development and transformation policy and procedure	This policy document is intended to outline the principles and procedures to be adhered to when engaging with businesses in local communities within which Growthpoint operates.
Local economic development and local participation policy	This highlights that all established contractors appointed on Growthpoint's projects are required to partner with emerging local enterprises (contractors and suppliers) for developmental purposes, with a clear empowerment strategy with targets.
Managing of Covid-19 policy	This policy sets out: Growthpoint's approach to Covid-19 and how the business, its employees and its stakeholders are to act in order to decrease the spread of this illness and lower its impact in the workplace The related measures and controls which have been implemented within Growthpoint's operations, workplaces and facilities, in order to address and manage the risks and hazards posed by the coronavirus.
Procurement policy	This policy supports the basic principles associated with procurement, ie value for money, open and effective communication, ethical and fair dealing, accountability and reporting within the ambit of superior service delivery. The policy is committed to: • A fair and transparent process • Contributing to economic empowerment as per the B-BBEE Code of Good Practice • Management and monitoring progress against procurement objectives • Holding individuals accountable for purchasing decisions meeting full requirements.
Sponsorship policy and procedure	Sets out the procedure for considering and approving proposals as and when suitable opportunities present themselves. Additionally, it highlights sponsorship criteria and guidelines.
Supplier code of conduct	Growthpoint is strongly committed to full compliance with global human rights, labour standards, environmental laws and ethical business practices as related to goods or services provided to Growthpoint, or to any activity undertaken as a licensee, distributor, representative or as one having similar rights. Growthpoint further conducts business strictly in accordance with its Code of Business Conduct, and expects all parties involved to strictly comply with such Code of Conduct and will further and without limiting the foregoing comply with the following principles: • Legal requirements • Health and safety • Employment practices • Environmental practices • Ethical conduct • Compliance.
Valuation policy	To ensure that Growthpoint's valuations represent the fair value of its property portfolio as at interim and full year reporting periods.
Supplier ESG policy	This Supply Chain ESG Policy outlines the scope, roles, responsibilities, commitments, and practical implications for Growthpoint and its staff concerning Growthpoint's supplier code of conduct. In addition, it sets out Growthpoint's position and approach in a procurement context concerning ESG values and commitments. The intention is to enable positive collaboration with suppliers, improve ESG performance, and protect Growthpoint from reputational, legal, business, and physical risks associated with poor ESG performance in its supply chain.

POLICIES AND GOVERNANCE DOCUMENTS (CONTINUED)

The Board	
Audit Committee terms of reference	Assists the Board in ensuring adequate processes are implemented and maintained, adequate accounting records are maintained and managed, design-effectiveness of internal financial controls, and the integrity of the AFS and IAR.
Board Charter	Provides the overall purpose and objectives of the Board, membership and responsibilities, accountability and self-assessment.
Board gender diversification statement	Growthpoint's commitment to gender diversification on the Board. In the event that the size of the Board is increased and/or any of the current Non-executive Directors retires or steps down, preference will be given to women with the necessary skills, experience, independence and knowledge, taking into account Growthpoint's circumstances and needs. Growthpoint's aim is that at least 30% of the Board should comprise women.
Board racial diversity statement	Growthpoint's commitment to racial diversification on the Board. The Board shall at all times and to the extent practically possible, strive to meet the legislated and/or regulated Employment Equity targets applicable from time to time at Board level.
Governance and Nominations Committee terms of reference	Responsible for the establishment, reviewing, and monitoring of the adequacy, efficiency and appropriateness of the corporate governance structure and practices and ensuring compliance with the King IV Report on Corporate Governance for South Africa, 2016 (King IV), the Listings Requirements of the JSE, the Companies Act No 71 of 2008, as amended (Companies Act) and the Companies Regulations, 2011 (Regulations), the Growthpoint Memorandum of Incorporation (MOI), Environmental, Social and Governance (ESG) criteria, and any other applicable laws and regulatory provisions. Guides the Nomination Committee in the appointment of Board members and ensures consideration is given to the knowledge, skill, experience, diversity and independence of appointees. The policy also refers to gender diversity targets, the issue of multiple directorships and tenure.
Nomination policy	The policy guides the Nomination Committee in the appointment of Board members and ensures consideration is given to the knowledge, skill, experience, diversity and independence of appointees. The policy also refers to gender diversity targets, the issue of multiple directorships and tenure.
Property and Investment Committee terms of reference	This committee will assist in the consideration of proposed acquisitions and disposals of investments, annual budgets including capital expenditure and refurbishments, and reviewing annual investment valuations. Recommendations are provided to the Board.
Risk Management Committee terms of reference	Ensures that the Board is assisted in the discharge of its duties relating to corporate accountability and the associated risks in terms of management, assurance and reporting.
Social Ethics and Transformation Committee terms of reference	The Committee acts for the company and its subsidiaries, other than subsidiaries or controlled entities that are not managed by the company or any of its subsidiaries. Considerations, evaluations and monitoring are continuously done on broad-based economic empowerment, enterprise development, social and economic development, oversight of values and the ethical framework, good corporate citizenship, the environment, climate change, procurement, consumer relations, transformations charter, employment equity, and the stakeholder-inclusive approach.
Human Resources and Remuneration Committee terms of reference	Facilitate the determination of all the essential components of remuneration and the criteria for the review of performance of Executive Directors and senior management in discharging their functions and responsibilities.

Human resources

Cell phone policy	Determines eligibility and outlines the reimbursement process as well as income tax legislation and SA Revenue Services (SARS) practice.
Conditions of employment statement	The information contained in this document is intended as a guide to understanding the principles that underline the "way of life" at Growthpoint. It will include policies and procedures to guide employees' conduct as well as indicate the legislative compliance from Growthpoint.
Confidentiality of employee information agreement	The confidentiality of employee information will be maintained at all times: • The employee's right to privacy will be upheld and always respected • All employee information will be maintained in alignment with the POPI Act No 4 of 2013 • Checks will be conducted only where there is a reasonable and justifiable business requirement.
Disability policy	This policy serves as a guideline to promote equal opportunities and fair treatment for people with disabilities or those suffering from ill-health as prescribed by the Employment Equity Act (the Act). The objective is to assist the employer and employees to understand their rights, obligations, and the process to ensure fairness and consistency.
Disciplinary policy	This policy is intended to provide a guideline to employees in terms of what is deemed as unacceptable behaviour. This policy outlines a fair and equitable disciplinary code and procedure for all employees in compliance with current employment legislation. There is a documented level of offences used in alignment with this policy. **Breach of the company's business practice** Growthpoint believes that it employs people who perform to the best of their ability and act in accordance with Growthpoint's philosophies. Any transgression of our practices will be dealt with on an individual basis, in the best interests of the company. If any of the company's standards are breached and such a breach requires formalised intervention, Growthpoint will, where appropriate and practical, intervene and act in accordance with the guidelines for fair procedure set out in the relevant policies and legislation.
Diversity and Inclusion Forum constitution	The Diversity and Inclusion Forum has been established to represent employees in matters which relate to Employment Equity and Skills Development. The purpose of the forum is to: • Facilitate the achievement of the Employment Equity and Growthpoint's transformation agenda • Create awareness and support the organisation's initiatives in relation to transformation • Promote the empowerment and advancement of designated groups • Consult on matters related to Skills Development and Employment Equity in line with legislation.
Education bursary policy	The focused educational opportunities available to employees to enable them to obtain qualifications necessary for career advancement within Growthpoint.
Employment Equity (EE) statement	Growthpoint is committed to creating a diverse and transformed working environment, which will provide equal opportunity to all its employees, whilst giving special consideration to employees from designated groups. Growthpoint will take steps to: • Promote equal opportunities in the workplace by eliminating unfair discrimination in all its employment policies and or practices; and • Implement Affirmative Action (AA) measures, to redress imbalances in employment experienced by designated groups, to ensure their equitable representation in the workplace.
Employee risk management statement	People are our most important asset and in order to comply properly with acceptable standards of corporate governance and international best practice, we continuously review our practices and ensure that employees comply with the required standards. Where necessary from a business perspective, the following checks will be conducted from time to time: • Verification of qualifications and experience • Credit checks • Criminal record checks • Potential conflict of interest • Other checks as may be required

POLICIES AND GOVERNANCE DOCUMENTS (CONTINUED)

Human resources	
Financial assistance	Sets out the conditions under which Growthpoint may provide financial assistance to employees, which include undue personal hardships. Situations of undue personal hardships are those that are unforeseen/unanticipated (emergency situations), which the employee could not have provided for and no other institution will provide for.
Flexible working policy	Provide employees with the flexibility to work at their most productive time and to give balance to all aspects of employees' lives. This policy will apply to employees who are eligible by the nature of their role. This means that their day-to-day job will not be affected negatively by the flexible working options.
Grievance policy	Growthpoint is committed to promoting effective working relationships and an environment in which employees feel comfortable to raise work-related grievances, without prejudice or victimisation. A grievance can be raised in the following instances: • When an employee has a matter affecting them as individuals in the course of their employment where they have concerns, problems or complaints; or • When an employee has matters affecting their personal dealings or relationships with colleagues (junior or senior) which affect their work.
Remuneration policy	Growthpoint is committed to ensuring that its remuneration policy and philosophy is fair, responsible and aligned with all South African legislation as well as the "Equal Pay for Work of Equal Value" code of good practice. **Job grading and payscale guideline and process** The Paterson Grading System which is used by Growthpoint to evaluate positions and classify them according to their relative significance. **Benefits statement** We reward employees for the value they add through payment of an industry-competitive remuneration package, a variable performance reward and employee ownership in the form of share incentive scheme participation. Any additional benefits are granted in line with the Income Tax Act of 1962. These benefits include rewards for exceptional performance gifts, ongoing service awards, professional memberships and clothing allowances. **Medical aid** The requirement for all permanent employees to become a member of one of the company's medical aid schemes, unless an employee is entitled to medical benefits in terms of another scheme as a dependent and proof of such membership is provided annually.
Insider information	From time to time, employees may be privy to price-sensitive and unpublished information relating to the company and its clients. Trading on the basis of such information is prohibited.
Leave policy	Leave provisions for employees. The objective is to ensure that all staff are clearly informed of the procedures regarding eligibility for leave and the leave application process. Leave types specified are annual leave, sick leave, family responsibility leave, bereavement leave, maternity leave, adoption leave, paternity leave, study leave, religious leave, special leave, unpaid leave and disability leave.
Personal relationship policy	This policy is intended to provide guidance in cases where personal relationships may exist or form between employees in the professional working environment. Boundaries between personal and business interactions are necessary to achieve a productive, comfortable and professional work environment. Growthpoint would like to encourage fair treatment and the avoidance of actual, potential or perceived favouritism, conflict of interest and opportunities for collusion in the event of personal relationships in the work environment. It is not the intention of Growthpoint to infringe on personal freedoms nor to intrude on the privacy of individuals.
Recruitment policy	Gives guidance to management on attracting the most suitable candidates to fill vacant positions. In addition, the policy aims to provide guidance on the recruitment of candidates so as to comply with the provisions of the Labour Relations Act No 66 of 1995 (as amended) and the requirements of the Employment Equity Act No 55 of 1998 (as amended).

Human resources

Representing the company	All employees are required to represent the company to external persons and/or clients, and are expected to ensure that all information shared is not confidential and is factually correct.
Retirement policy	This policy provides guidance on the Group's retirement (provident and pension) fund, early retirement benefits, the low-risk portfolio option, the staff incentive scheme, retirement counselling and financial planning in the event of retirement.
Serious illness insurance policy	Growthpoint provides cover to employees with serious illnesses such as cancer, kidney failure, and heart attacks. The policy lays out the terms and conditions of this benefit.
Sexual harassment policy	Highlight whether the conduct reported is sexual harassment using the definition set out in the Code of Good Practice on the handling of sexual harassment cases. Notice 1 367 of 1998 in terms of Section 203(2) of the Labour Relations Act 66 of 1995. It further highlights the investigation process (in a confidential manner) and how a formal grievance can be laid.
Share dealings policy	Governs share dealings by Directors and executive members and the imposition of closed periods. Prior clearance to deal is required from the Board Chairman and/or Group CEO. Deal disclosure is dealt with in terms of the Listing Requirements of the JSE Limited.
Social media policy	Governs the use of social media by Growthpoint Properties Limited, its subsidiaries, and the company's employees, associates and contractors in both a personal and professional capacity.
Substance abuse policy	Stipulates behaviour that constitutes a breach of company policy and a breach of an employee's duty to act in good faith towards Growthpoint.
Travel policies	**International travel policy** This policy sets out the travel and accommodation arrangements for Growthpoint employees or other authorised persons while away on international business travel. **Local travel policy** This policy sets out the travel and accommodation arrangements for Growthpoint employees or other authorised persons while away on local business travel.

POLICIES AND GOVERNANCE DOCUMENTS (CONTINUED)

Information technology

Information technology	Employees are required to comply with the company's practice on issues relating to the legitimate use of computers, software, electronic information and networks. In the interests of supporting the availability, integrity and confidentiality of information systems and associated data, the company has established controls to protect its computing resources.
IT governance policy	IT governance for stakeholders and its principles, practices, processes and governance structures. The purpose of this policy is to embed IT governance as a subset of corporate governance within Growthpoint, to outline the scope, required effort and responsibility with regards to developing, implementing, and maintaining Growthpoint IT governance and to identify the commitment to the development and maintenance of Growthpoint IT governance.
IT demand management policy	Outline areas of responsibility for the management of IT demand. It supports King IV requirements to oversee the adequacy and effectiveness of technology and information management with specific reference to assessing return on investment. It further ensures IT investment selection is aligned with business priorities and that all IT programmes and projects undertaken will deliver value to the business.
Information management policy	The purpose of this policy is to provide a foundation for, and allocate responsibility for information management within Growthpoint. Additionally, this policy aims to: • Outline the benefits of effective and efficient information management • Provide principles to assist with managing information • Provide guidance and policy for information management within Growthpoint • Define roles and responsibilities with regards to information management.
Information security policy	The purpose of this policy is to outline Growthpoint principles regarding information security management and ensure all parties are aware of their responsibilities with regards information security management within Growthpoint. This policy applies to all employees, functions and departments within Growthpoint, including third parties acting on behalf of Growthpoint. The policy serves to govern information security as part of responsible internal asset use and good governance within Growthpoint.
Acceptable usage policy	This policy applies to all users, IT staff and third parties who have physical access to Growthpoint's information system and/or are utilising their applications and computer systems.
Computer usage	Sets out employees' obligations to safeguard Growthpoint's competitive advantage, business continuity, and to ensure the ongoing confidentiality, integrity and availability of all Growthpoint's computer resources.
Information security incident response policy	This policy ensures that information security incidents are appropriately and consistently responded to. When information security incidents (including cybersecurity incidents) are imminent or do occur, it is imperative to ensure they are dealt with in an effective and efficient manner, to limit and reduce their impact, whether financial, reputational, regulatory, legal or otherwise.
Cybersecurity policy	This policy ensures that Growthpoint IoT network is secured on various levels.
Business continuity management policy	The purpose of this policy is to formalise the Business Continuity Management (BCM) programme for Growthpoint and to provide guidelines for developing, maintaining, and exercising the Business Continuity Plans (BCPs) for all divisions/departments at Head Office and the Regional Management Offices. It further ensures the establishment of basic principles and framework necessary to ensure emergency response, resumption and recovery, restoration and permanent recovery of the operations and business activities during a business interruption event.

Information technology

Enterprise architecture policy	The purpose of this policy is to embed enterprise architecture as a subset of IT governance within Growthpoint. It outlines the scope, required effort and responsibility with regards to developing, implementing and maintaining an enterprise architecture within Growthpoint. Additionally, this policy: • Ensures that the enterprise architecture process in Growthpoint is adopted and deployed • Defines the roles and responsibilities of enterprise architecture in Growthpoint • Ensures that the enterprise architecture is optimised such that it meets Growthpoint's business requirements • Provides a set of enterprise architecture principles for enterprise architecture decisions • Ensure compliance to Growthpoint Enterprise Architecture • Reduce the risk profile of Growthpoint Enterprise Architecture.
Data governance policy	The purpose of this policy is to provide a foundation for data governance within Growthpoint. Additionally, this policy aims to: • Outline the benefits of effective and efficient data governance • Provide principles to assist with making data governance decisions • Provide guidance and policy for data governance within Growthpoint • Stipulate the required processes and procedures for data governance within Growthpoint • Maintain the quality of data such that it supports Growthpoint's business requirements • Allocate responsibility for data governance within Growthpoint.

ABBREVIATIONS

AFF0	Adjusted funds from operations
ABET	Adult basic education and training
ACTSA	Association of Corporate Treasurers of Southern Africa
Acucap	Acucap Properties Limited
AdmedGap	Hospitalisation gap cover
AFS	Annual financial statements
AGM	Annual general meeting
AI	Artificial intelligence
AIM	Alternative investment market of the London Stock Exchange
Alsi 40	JSE/Actuaries All Share Top 40 Companies Index
ADI	APN Industria Reit
ASIB	Automatic Sprinkler Insurance Bureau
ASISA	Association for savings and investment South Africa
ASX	Australian Stock Exchange
B-BBEE	Broad-based black economic empowerment
BCi	RMB/BER Business Confidence Index
BER	Bureau for Economic Research
BOE	Bank of England
BCM	Business Continuity Management
BPO	Business process outsourcing
BPR	Best practice recommendations
bps	Basis points
c.	circa
CAGR	Compound annual growth rate
CCI	Consumer Confidence Index
CCIRS	Cross-currency interest rate swap
CDP	Carbon Disclosure Project
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CGU	Cash-generating unit
CIPC	Companies and Intellectual Property Commission
COBIT	Framework for the governance and management of IT
CO_2	Carbon dioxide
COO	Chief Operating Officer
COE	Centre of Excellence

CPI	Consumer price index
CRAR	Commercial rent arrears recovery
CRISA	Code for Responsible Investment in South Africa
CRM	Customer relations management
CSI	Corporate social investment
CSOS	Community Schemes Ombud Service Act
CSR	Corporate social responsibility
CSSA	Chartered Secretaries South Africa
C&R	Capital & Regional
CVA	Company voluntary agreements
DFI	Development finance institutions
DIA	Debts Issuers Association
DIPS	Distributable income per share
DJSI	Dow Jones Sustainability World Index
DPS	Distribution per share
DRIP	Distribution reinvestment plan
dtic	Department of Trade, Industry and Competition
EAAB	Estate Agency Affairs Board
EAP	Employee assistance programme
EBIT	Earnings before interest and tax
EBP	Existing building performance
ECD	Early childhood development
EE	Eastern Europe
EMTN	Euro Medium-Term Note
EPC	Energy performance certificate
EPRA	European Public Real Estate Association
ERM	Enterprise risk management
ERS	Executive retention scheme
ESG	Environmental, social and governance
EUR	Euro
EVP	Employer value proposition
EWP	Energy and water performance
FCTR	Foreign currency translation reserve
FECs	Forward exchange contracts
FTSE/JSE RI	FTSE/JSE Responsible Investment Index
FF0	Funds from operations
FY	Financial year
G2	Growthpoint gives

GAI	Governance assessment instrument
GAV	Gross asset value
GBCSA	Green Building Council of South Africa
GBP Sterling	Pounds Sterling
GCTC	Guaranteed cost to company
GDP	Gross domestic product
GEPF	Government Employees Pension Fund
GFA	Gross floor area
GHPH	Growthpoint healthcare property holdings
GLA	Gross lettable area
GOZ	Growthpoint Properties Australia Limited
GPRE	Globalworth Poland Real Estate N.V.
GWI	Globalworth Real Estate Investments
Group Exco	Group Executive Management Committee
Growthpoint	Growthpoint Properties Limited
GRESB	Global Real Estate Sustainability Benchmark
GSIS	Growthpoint Staff Incentive Scheme
GSAH	Growthpoint Student Accommodation Holdings
HHTS	Healthy heads in truck & sheds
HR	Human Resources
IAR	Integrated annual report
IAS	Investment Analysts Society
IASB	International Accounting Standards Board
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
Income Tax Act	Income Tax Act, No 58 of 1962
IoD	Institute of Directors
IoT	Internet of things
IRM	Installation repair and maintenance
ISO	International Organisation of Standards
ITO	IT outsourcing
IT	Information technology
IT&C	Information technology and communications
ITS	Integrated transformation strategy
JCCI	Johannesburg Chamber of Commerce and Industry
JIBAR	Johannesburg Interbank average rate

JSE	Johannesburg Stock Exchange
JSE Listings Requirements	Listings Requirements of the JSE Limited
JV	Joint venture
King IV™	King IV Report on corporate Governance for South Africa 2016
KPA	Key performance area
KPI	Key performance indicator
kWh	Kilowatt hours
LEED	Leadership in Energy and Environmental Design
Lango	Lango Real Estate Limited
LTI	Long-term incentive
LTV	Loan to value ratio
Manco	Management Committee
MOI	Memorandum of Incorporation
Moody's	Moody's Investor Services
MSCI	Morgan Stanley Capital International
MWP	Megawatt peak
MWth	Megawatt thermal
NABERS	National Australian Built Environment Rating System
NAV	Net asset value
NBI	National Business Initiative
NDP	National Development Plan
NDR	Non-distributable reserve
NFA	Net floor area
NGO	Non-government organisation
NPAT	Net profit after tax
NPI	Net property income
NRV	Net reinstatement value
NTA	Net tangible assets
OCI	Other comprehensive income
OHSA	Occupational Health and Safety Act No 85 of 1993
pa	Per annum
PI	Property Investment Group
PFI	Property Industry Foundation
PIC	Public Investment Corporation (SOC) Limited
pm	per month

ABBREVIATIONS (CONTINUED)

PMS	Performance Management System
PoPIA	Protection of Personal Information Act
PV	Photovoltaic
QLFS	Quarterly labour force survey
RBA	Reserve Bank Australia
REIT	Real Estate Investment Trust
Remco	HR and Remuneration Committee
RFP	Request for proposal
RIMS	Risk information management system
SA	Republic of South Africa
SA Exco	SA Executive Management Committee
SABS	South African Bureau of Standards
SARB	South African Reserve Bank
SA REIT	South African Real Estate Investment Trust
SAFMA	South African Facilities Management Association
SAIBPP	South African Institute of Black Property Practitioners
SANS	South African National Standards
SAPOA	South African Property Owners Association
SAPY	South African listed property index
SASRIA	South African Special Risk Insurance Association
SBTs	Science-based targets
SENS	Securities Exchange News Service
SLA	Service level agreement
SME	Small medium enterprises
SOP	Standard operating procedure
STI	Short-term incentive
Sycom	Sycom Property Fund

tCO_2e	Tonnes of carbon dioxide emissions
The Act	Companies Act, No 71 of 2008
TCFD	Task Force Climate-related Financial Disclosure
TFR	Total fixed remuneration
TR	Total return
TRem	Total remuneration
The Board	The Board of Directors of Growthpoint Properties Limited
The company	Growthpoint Properties Limited
The Group	Growthpoint Properties Limited Group
TSR	Total shareholder return
TVET	Technical and vocational education and training
UN SDG	United Nations Sustainable Development Goals
USD	United States Dollar
US	United States
V&A	V&A Waterfront
VAT	Value added tax
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WALE	Weighted average lease expiry
WAN	Wide area network
WCDE	Western Cape Department of Education
WHO	World Health Organisation
WTTC	World Travel and Tourism Council
WULA	Water user licence application

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GROWTHPOINT PROPERTIES

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