

Independent Verification Statement

To the Directors and Management of Growthpoint Properties Limited

Growthpoint Properties Ltd. (“Growthpoint”) engaged Verify CO₂ to conduct an independent third-party verification of the Group’s greenhouse gas (GHG) emissions inventory for its South African property portfolio for the period 01 July 2019 to 30 June 2020 (FY2020), as calculated and presented in the GCX Analytics online dashboard.

Growthpoint is the largest South African primary JSE-listed REIT. The company’s property portfolio comprises both South African and international assets (64.8% and 35.2% respectively), including a 50% interest in the properties of the V&A Waterfront in Cape Town.

The GHG verification was carried out in accordance with the International Standard ISO14064-3 (2006) ‘*Specification with guidance for the validation and verification of greenhouse gas assertions.*’

Intended users of this information are all Growthpoint stakeholders, including internal and external interested parties and the CDP. This Verification Statement applies to the related information included within the scope of work described below.

Verification Scope

Consistent with historical GHG reporting, the organisational boundary was defined based on operational control with South Africa as the geographical boundary.

The operational boundary included all scope 1 and scope 2 GHG emissions sources, as well as the six measured scope 3 categories.

In conformance with **ISO14064-3 (2006)**, the verification process included an assessment of:

- The completeness of the reporting boundaries selected, taking into consideration any structural/other significant changes since the previous reporting period;
- The robustness of the company’s GHG data management systems, procedures and controls;
- The appropriateness of the GHG quantification methodologies (including estimation methodologies) and emission factors applied;
- The completeness and integrity of the historical activity data used;
- The accuracy and consistency of the GHG emissions calculations;
- GHG reporting to assess compliance with the requirements of the *GHG Protocol Corporate Standard*.

Verification Objectives and Performance Criteria

The objectives of the verification exercise were, by review of objective evidence, to:

1. Confirm that the historical data supporting Growthpoint’s FY2020 GHG assertion was accurate, complete, consistent, transparent and free from material error or omission, in accordance with the criteria outlined below;
2. Improve the credibility of Growthpoint’s GHG emissions disclosure in the company’s CDP2021 submission.

The criteria against which the verification was undertaken were the principles and requirements of the WRI/WBCSD *GHG Protocol Corporate Accounting Standard*, 2nd Edition, 2004 (*GHG Protocol Corporate Standard*). Where relevant, the South African *National GHG Emission Reporting Regulations (NGERs)*, DEA April 2017, were also considered.

Level of Assurance and Materiality

- The verification activities provided a **reasonable level** of assurance on the final GHG assertion. Due to the constraints imposed as a result of the COVID-19 pandemic, as well as the straightforwardness of Growthpoint’s GHG emitting activities, no site visits were done for this reporting period.
- A materiality threshold of 5% per emission source was applied.

Roles and Responsibilities

Growthpoint was responsible for the preparation and presentation of the GHG data to Verify CO₂.

Verify CO₂ was tasked to form an independent opinion on Growthpoint’s FY2020 GHG assertion 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.

Specific Exclusions from the Reporting Boundary

Whilst Growthpoint has a 50% interest in the V&A Waterfront in Cape Town, it has no operational control over these properties which therefore fall outside the reporting boundary.

The following properties/GHG emissions were **specifically excluded** from Growthpoint’s FY2020 GHG reporting:

- 26 non-consuming properties (i.e. unoccupied sites and/or sites with no GLA (e.g. land));
- GHG emissions from the construction phase of new developments due to data measurement challenges.

Data was reported for 374 of the 398 relevant¹ properties in Growthpoint’s owned and managed portfolios during FY2020. The remaining **24 properties were omitted** due to data availability.

Together these 24 sites accounted for 4.4% of Growthpoint’s operationally controlled GLA in South Africa. Their omission was therefore deemed not material and **not relevant**.

GHG Assertion

After implementation of the necessary corrective action, Growthpoint’s FY2020 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

FY2020: GHG Emissions	Tonnes CO ₂ e
Scope 1	3 869
Scope 2 (location-based) ²	42 708
Total Scopes 1 & 2 (location-based)	46 577
Scope 3 ³	653 579
Total Scopes 1, 2 & 3 (location-based)	700 156
Outside of Scopes (Product Use emissions: HCFC-22) ⁴	1 869
Total Measured GHG emissions	702 025

¹ This excludes properties that were not operationally controlled by Growthpoint (29 sites), vacant land and land under-development (26 sites) and includes 2 managed properties and 8 properties that were disposed of during FY2020.

² FY2020 and historical scope 2 emissions were calculated using the location-based method only, as Growthpoint’s reporting boundary only included its South African operations where contractual instruments are not readily available.

³ Scope 3 consisted mainly of tenant electricity consumption (616,043 MW, equivalent to 640,685 tCO₂e) and municipal water consumption (3,328,457 kl equivalent to 3,079 tCO₂e for treatment and supply).

⁴ Fugitive GHG emissions from refrigerant gases not listed under the Kyoto Protocol are reported outside of the scopes. They were included as over time HCFC-22 may be replaced by gases that are covered by the Kyoto Protocol (i.e. scope 1).

- 100% of Growthpoint's reported scope 1 and scope 2 GHG emissions were verified.
- 98.6% of measured and reported scope 3 GHG emissions were verified.

Additional Data Points Verified for CDP 2021 Climate Change:

- Purchased/acquired electricity (scope 2): 41,066 MWh (non-renewable)
- Growthpoint-consumed on-site electricity generation: 8,428 MWh (100% renewable)⁵
- Total electricity consumed in FY2020: 49,494.14 MWh

Inherent Limitations

There is an inherent limitation in providing verification of GHG data, as non-financial data is subject to greater inaccuracy than financial data, given both the nature and methods used to determine, calculate, sample and estimate such data.

The assurance engagement did not include an examination of the derivation of GWPs, default emission factors, conversion factors, or other derived third-party information.

Verify CO₂ did not conduct any work outside of the agreed scope, and our opinion was therefore restricted to the agreed subject matter.

Conclusion and Final Verifier Opinion

All material errors, omissions and non-conformances identified during the verification process were duly corrected.

On the basis of the **reasonable assurance** procedures followed according to **ISO 14064-3**, using the requirements of the *GHG Protocol Corporate Standard* as criteria, Growthpoint's FY2020 GHG assertion:

1. Is prepared in accordance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
2. Is materially correct and is a fair representation of Growthpoint's GHG emissions data and information for the FY2020 reporting period, with the following qualifications:
 - **Scope 1:** Fugitive emissions from air-conditioning equipment may be under-reported due to the possible omission of Kyoto-listed refrigerant gas losses from some Growthpoint-owned equipment. However, this may not be relevant as many sites still use R-22 refrigerant which falls outside of the scopes.
 - **Scope 3 Waste:** GHG emissions were materially under-reported (no data for 64% of Growthpoint's South African portfolio), and data accuracy could not be verified.
 - **GHG Reporting:** Aside from the FY2020 consumption data and GHG emissions calculations, no other information presented in the GCX Analytics dashboard was verified.



Signed: Kerry Evans
Lead GHG Verifier
Verify CO₂

Date: 18.09.2020

⁵ From 12 of the 15 sites with rooftop solar photovoltaic installations during FY2020.