

# 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 2021.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Adam Sutton-Pryce, Sharon Kekana and Hsien Lou 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 first sustainability assurance engagement conducted for Growthpoint by IBIS.

### Assurance standard applied

This assurance engagement was performed in accordance with AccountAbility's AA1000AS v3 (2020) (AA1000AS) and was conducted to meet the AA1000AS Type II Moderate level requirements.

### Respective responsibilities and IBIS' independence



#### GROWTHPOINT

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

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.

Growthpoint's compliance with the principles contained within the King Report on Governance for South Africa 2016 and the King Code of Governance Principles (collectively, King IV)

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

#### Environmental

- Financial impacts of environmental events (page 27)
- Green building certifications maintained (page 77).

#### Social

- Number of full-time employees (page 33)
- Number of contractors (page 33)
- Employee demographics table (average age) (page 33)
- Annualised attrition rate (%) (page 33)
- Number of industrial relations cases raised (page 33)
- Direct investment in employee training (Rm) (page 33).

#### Social (continued)

- Total cost of employee training (Rm) (page 33)
- Number of employees trained (page 33)
- Hours of training per employee (page 33)
- Total number of sick days (page 33)
- Total occupational recordable injuries (page 33)
- Serious occupational recordable injuries (page 33)
- Days lost to serious incidents (page 33)
- Fatalities (full time employees, HR hired contractors, third party contractors (page 33)
- CSI spend (page 39).

The following assessment criteria were used in undertaking the work:

AA1000AP (ACCOUNTABILITY PRINCIPLES)	KING IV PRINCIPLES	GROWTHPOINT'S INTERNAL REPORTING PROCEDURES
AA1000AP (2018) AccountAbility principles of inclusivity, materiality, responsiveness and impact	King Report on Governance for South Africa and the King Code of Governance Principles	The completeness, accuracy and validity of reported data

### Assurance procedures performed

Our assurance methodology included:

TESTING	INTERVIEWS	INSPECTION	ASSESSING	REPORTING
<b>Testing</b> , on a sample basis, the measurement, collection, aggregation, and reporting processes in place	<b>Telephonic interviews</b> with relevant data owners to understand and test the processes in place for maintaining information in relation to the subject matters in the assurance scope	<b>Inspection and corroboration</b> of supporting evidence received electronically to evaluate the data generation and reporting processes against the assurance criteria	<b>Assessing</b> the presentation of information relevant to the scope of work in the ESG report for consistency with the assurance observations	<b>Reporting</b> 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.

Due to the global Covid-19 pandemic-related restrictions, all assurance work conducted was done remotely via desktop. Evidence to support information reported was obtained electronically for review and assessment to base our conclusion on. Readers of the ESG report are cautioned to understand this inherent limitation.

### 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.

# Assurance statements *continued*

## 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:** Growthpoint has a Local Development and Transformation Policy which highlights the stakeholder engagement process and was approved by the Board and the Social, Ethics and Transformation (SET) Committee. The Board takes into account key stakeholders and their concerns to develop and determine Growthpoint's purpose and values which include to satisfy its stakeholders. The SET Committee ensures that platforms, systems, and processes are in place to familiarise the Board, employees, and other stakeholders with Growthpoint's ethical standards and business activities. The means of engagement have been identified, which points to inclusive stakeholder engagement and the acknowledgement of stakeholders' interests in Growthpoint.

**Materiality:** Evidence observed confirmed that Growthpoint has maintained due process in mapping and disclosing its material matters in a transparent and balanced manner. Growthpoint's ESG strategy assisted in the annual determination process of materiality and material themes, which was performed for the financial year 2021. Growthpoint's materiality determination process and material themes were approved by the Board and the SET Committee. The ESG report presents material themes with a prioritised view of Growthpoint's material matters and explains why the identified issues are material. The ESG report also sets out stakeholder's key concerns and what Growthpoint's responses related to them are as well as what the key outcomes were.

**Responsiveness:** Growthpoint's responses to stakeholder issues observed across different stakeholder groups indicates a level of accountability to stakeholder issues raised. Growthpoint actively implemented its stakeholder engagement framework by way of developing a formal review process to monitor the implementation of stakeholder management response strategies, whereby the SET Committee is responsible for overseeing stakeholder interests and expectations. Continued implementation of the stakeholder engagement framework is recommended, with balanced levels of response to all stakeholder groups.

**Impact:** Growthpoint reports on a range of material environmental, social and governance topics based on its ongoing monitoring, measurement, and evaluation of its impacts; both qualitatively and quantitatively. Growthpoint's shared value strategy aims to enhance the quality of outcomes from its interventions that will add value and offer quantifiable commercial, social, and economic returns. The UN SDGs which Growthpoint can materially impact have been adopted and reported on since the financial year 2020. In the financial year 2021, Growthpoint carried out a formal exercise to identify and prioritise the SDGs that align with Growthpoint's strategy, and to measure Growthpoint's impact related to the relevant topics. It is recommended that Growthpoint continue to report on the progress against the selected SDGs as well as monitor and measure the social changes that result from Growthpoint's activities and the long-term impacts on its stakeholders and on Growthpoint's business itself.

### In relation to the selected disclosures

It was observed that appropriate measures are in place to provide reliable source-data related to the selected disclosures assessed yet the efficiency of these processes could be improved by additional reviews, consistent and accurate interpretation of definitions and guidance on the implementation of internal controls. Data inconsistencies were identified during the assurance process and were subsequently corrected. IBIS is satisfied with the accuracy of the final data in the assurance scope.

A comprehensive management report detailing specific 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  
29 September 2021