

Investor Showcase

ESG



ESG reporting principles



Environmental

- Climate change & carbon emissions
- Natural resources (energy, water, waste, deforestation)
- Pollution & waste
- Biodiversity



Social

- Labour management
- Human capital development
- Employee relations and diversity
- Community relations
- Customer satisfaction
- Health & safety
- Supply chain standards
- Human rights
- Fair and reasonable pay
- Grievances and disputes



Governance

- Corporate governance
- Corruption & instability
- Executive pay
- Board diversity
- Business ethics
- Audit committee structure
- Lobbying
- Political contributions
- Whistle blowing schemes
- Tax strategy



Value proposition for Growthpoint



Corporate responsibility

- Reduction of environmental footprint
- Supply chain impact
- 'License to operate'
- Ethical approach



Future -proof assets and tenant benefits

- Utility supply continuity / operational continuity (water & electricity)
- Rising utility costs
- Regulatory standards
- Competitive advantage
- Attraction and retention of tenants
- Improved return of assets



Value beyond compliance (shared value proposition)

- Taking a leadership role
- Socio-economic benefit
- Fair and equitable labour practices
- Preferred employer
- Reputational impact



Investor requirement

- Attraction of a diversified investor base
- Growth in ESG focused investments
- ESG evaluation by investors
- Equity growth in ESG funds
- Fixed Income: Green Bonds



Legal compliance

- Carbon tax
- Energy Performance Certificates (RSA Government requirement for all buildings)
- B-BBEE
- CSI investment



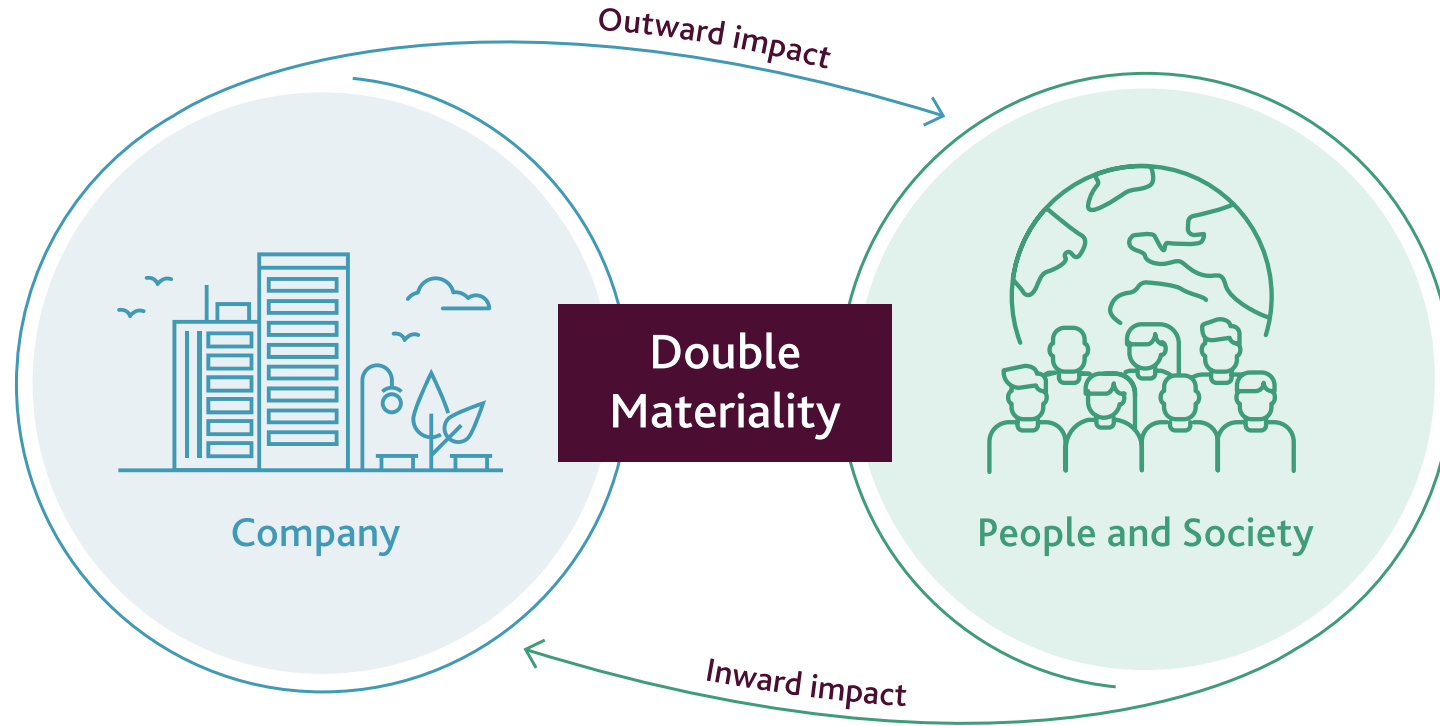
Risk Management

- Growing focus by rating agencies (Moody's & S&P) and investors on ESG issues
- Ratings agency inclusion of ESG performance
- Climate risk escalation



Growthpoint embraces reporting best practice recommendations

Double materiality refers to the interconnectivity of financial, social and environmental impacts



- Growthpoint embraces the JSE disclosure recommendations of double materiality
- We are acutely aware of its role and impact on both the environment and the communities that it interacts with












Growthpoint UN SDG focus areas

Double materiality refers to the interconnectivity of financial, social and environmental impacts

- Of the 17 UN Sustainable Development Goals, Growthpoint has chosen to focus on the following as a priority
- Increase in the number of UNSDGs impacted from 6 to 9



How do we make an impact

 <p>1 NO POVERTY</p>	Through support of educational initiatives and organisations addressing hunger alleviation. Support for social concerns, risk assessment and impact on a just transition.	 <p>2 ZERO HUNGER</p>	Through support of organisations addressing hunger alleviation. Support for social concerns, risk assessment and impact on just transition.	 <p>4 QUALITY EDUCATION</p>	Through support of educational initiatives and support.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Environmental objectives, investment in solar, focused utility management, supporting innovation, focusing on green financing.	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Support of Property Point, local economic development policy implementation.	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Environmental objectives, innovation through Greenovate Programme, focusing on green financing, green building certifications, support of Property Point.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Local economic development policy and local community engagement, focus on energy, water and waste management, climate change risk mitigation, focusing on green financing, green building certifications, support of Property Point.	 <p>13 CLIMATE ACTION</p>	Carbon neutral objectives, innovation through Greenovate Programme, focusing on green financing, green building certifications, support of Property Point, climate change risk analysis and mitigation.	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	Active role in industry bodies ensuring adherence to government requirements, strategic partnerships.



Environmental



Social

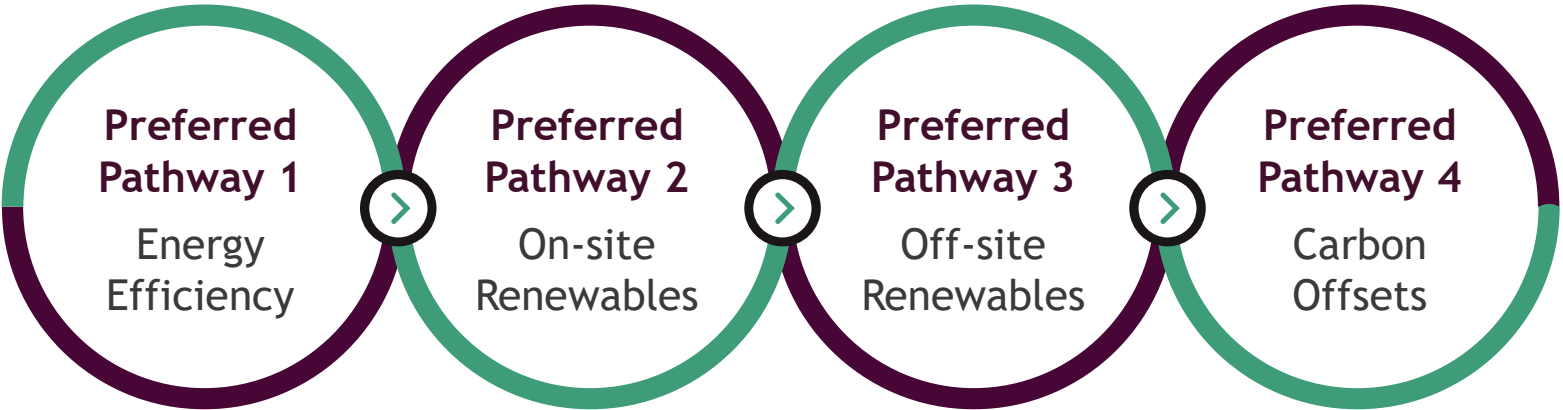


Governance

Defining carbon neutral

“A building that is highly energy-efficient, and the energy consumed after energy efficiency measures, is from renewable energy, preferably on-site but also off-site where absolutely necessary, so that there are zero net carbon emissions on an annual basis (Net Zero), or if the energy from renewable energy results in more energy being produced than what is used on site (Net Positive)”

GBCSA Net Zero Technical Manual V1.0



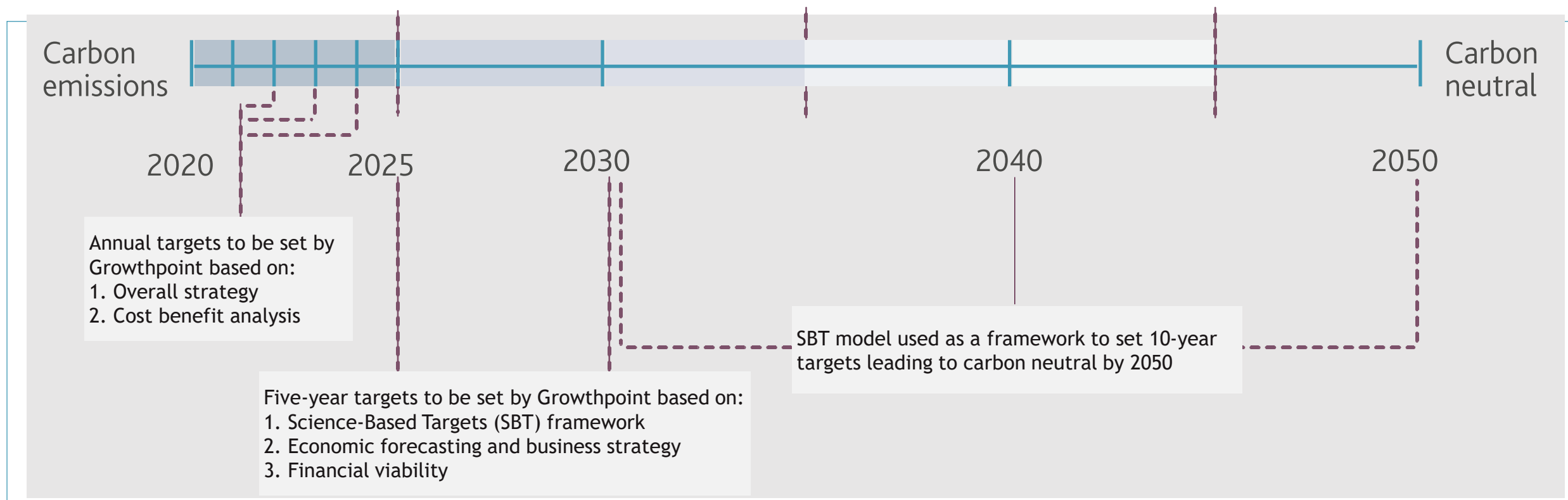


Growthpoint environmental

Carbon neutral implementation plan



- Carbon neutral roadmap: iterative process
- Milestones and targets using Science Based Targets as the framework





Growthpoint environmental

Carbon Neutral 2050 will...



Value creation
through
sustainability

+



Strategic

- Provide stakeholder value through measurable and responsible environmental and social action
- Create investment opportunity for 'green' funding and ESG linked funding
- Build on existing ESG progress and establish baselines for future targets



Utilities
management

Utilise data flow to:

- Build on current ESG performance to establish baseline, monitoring and verification reports
- Motivate incentive-based performance improvement
- Identify opportunities to improve efficiencies, returns and reduce cost of occupancy for tenants



Consumption
efficiency

+



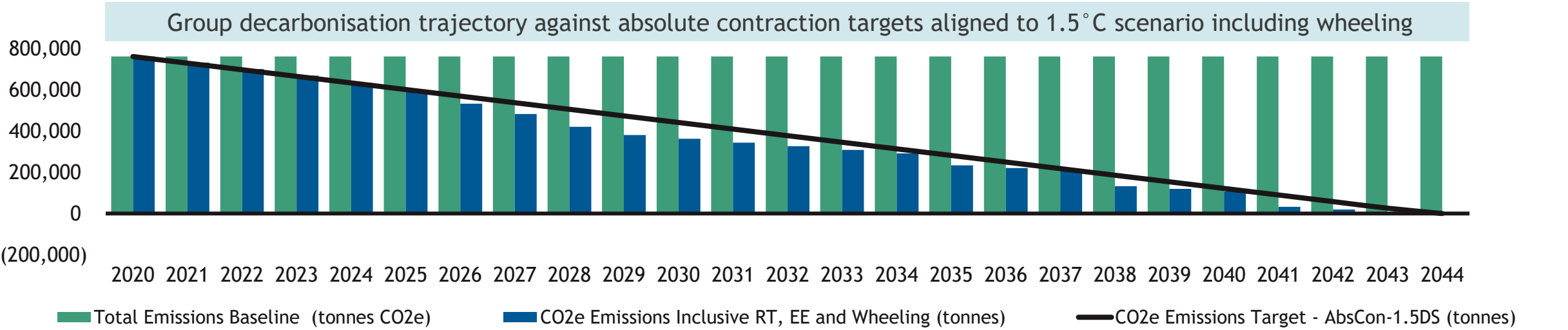
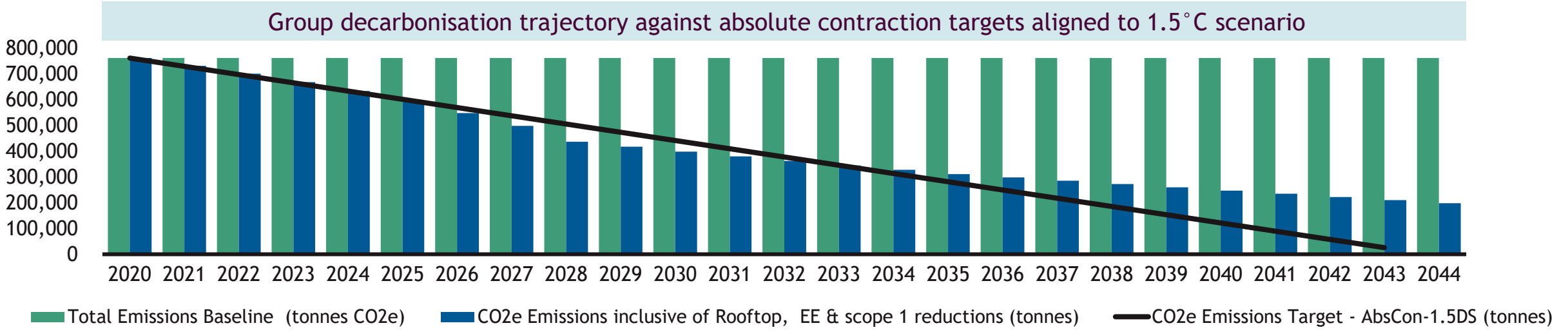
Sustainable
development

- Leverage existing energy efficiency measures and motivate additional energy efficiency projects as the first foundation step towards carbon neutrality
- Leverage green building certification benchmarked standards across the range of different rating tools



Renewable
(energy mix)

- Validate the continued establishment of renewable energy and energy storage at a small-scale embedded generation level (up to 10MW) on Growthpoint owned properties
- Benefit from the establishment of an energy fund (potentially shared ownership between Growthpoint and investors)





Growthpoint environmental

Top climate-related risks for Growthpoint



Climate related risk	Mitigation	Theme	Financial impact	Time horizon*	Financial rating impact*	
					Hot house world	Disorderly transition
Energy supply, storage, increased consumption and increased tariffs	<ul style="list-style-type: none"> 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
Carbon Tax	<ul style="list-style-type: none"> Carbon neutral strategy 	Energy security - Transitional risk	Decrease of revenue	Short term	JHB - Significant CT - Significant DBN - Significant	JHB - Significant CT - Significant DBN - Significant
Increased water stress necessitating water storage infrastructure, increased water tariffs, drought conditions leading to decreased productivity and ability to generate revenue	<ul style="list-style-type: none"> 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
Increased pressure to decarbonise	<ul style="list-style-type: none"> Carbon neutral strategy 	Infrastructure - Transitional risk	Increased costs	Short term	JHB - Significant CT - Significant DBN - Significant	JHB - Significant CT - Significant DBN - Significant
Structural damage to infrastructure and property as a result of extreme weather events and sea-level rise	<ul style="list-style-type: none"> 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
Increased building vacancy as a result of more frequently working from home as a way of decreasing operational costs and emissions	<ul style="list-style-type: none"> Continually assesses facilities 	Building vacancy - Transitional risk	Decreased revenue as a result lower tenancy	Short term	JHB - Severe CT - Severe DBN - Severe	JHB - Severe CT - Severe DBN - Severe

*refer to the glossary for detail on time horizon and financial impact



Growthpoint has a defined sustainability strategy which extends from innovative green building technologies to ESG targets and reporting in alignment with:

- Energy efficiency and Green building certification
- Renewable energy investment
- Water efficiency
- Audit on waste service providers
- Waste: Zero organic waste to landfill
- Indoor environmental quality
- Biodiversity: complex and a focus in the next 2 years
- Green building guidelines for Growthpoint and property sector

Planned initiatives

- GHG emissions baseline recalculation policy
- A second Climate Related Risk Assessment including adaptation



	2020 Base year	FY22 Current year	FY23 targets	2026 target year
GHG emissions total - tCO ₂ e	760 912	734 725	660 546	569 162
GHG emissions intensity - tCO ₂ e/m ² /pa	0.14	0.12	0.12	0.106
Energy intensity - kWh/m ² /pa	140	126	104	77
Renewal energy - MW installed	7.5	*13.5	*24.1	46.0
Water intensity - kl/m ² /pa	0.68	0.61	1	0.5
Waste			Zero organic waste to landfill	Zero organic waste to landfill

20 - 20 - 20 - 2 targets

20

20

net-zero buildings

20

20MW

of solar energy

20

R20m

worth of green lease recoveries for Growthpoint

2

2

commercially implemented Greenovate Award innovations in FY24

* The installed capacity includes co-owned properties
Note: information includes all buildings in the South African portfolio



Environmental



Social



Governance

Social is made up of two components

Labour
Employees



Community
The public





2022 BEE Certificate

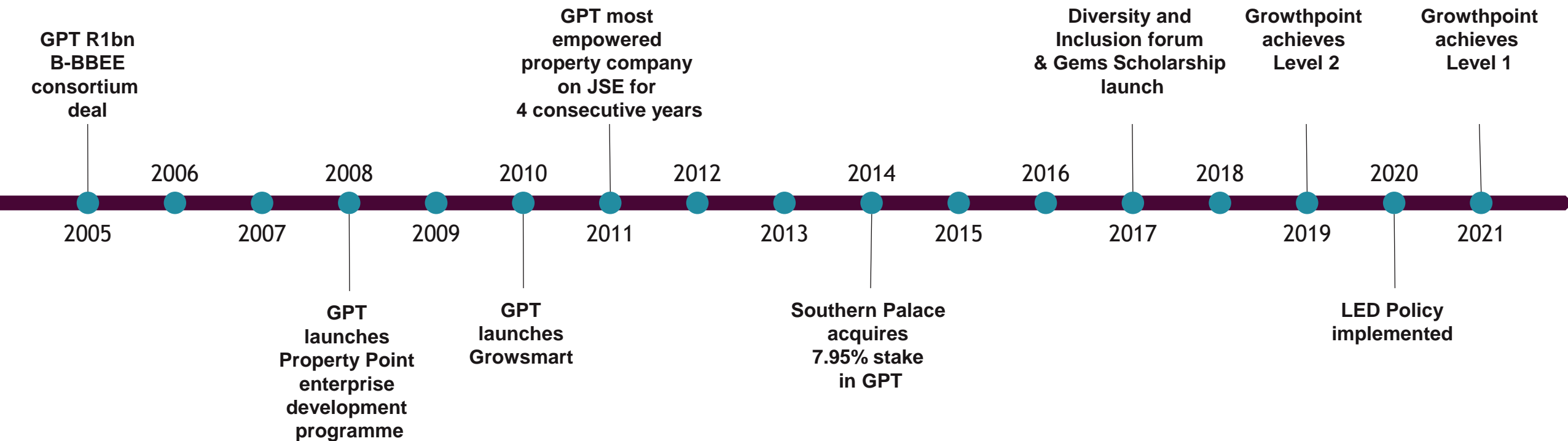
Level obtained: One (1) according to the Property Sector Codes

- Growthpoint Properties is committed to the principles of social and economic transformation and empowerment on all levels
- Transformation is driven by investing in people and skills that will grow our business, our sector and South Africa
- We are committed to the implementation of the Property Sector Charter and its implementation in our business
- Our journey of transformation supports our sustainability, and we have achieved significant milestones to attest to this
- Transformation is a non-negotiable factor, that's why we priorities Transformation beyond compliance





Our transformation journey





Environmental



Social



Governance

Labour Employees



- Our focus is managing the organisation's talent and ensuring Growthpoint's sustainability through succession planning and transformation
- We endeavour to create a positive work experience for each of our employees while protecting the interests of the organisation and ensuring that it meets its objectives



Why do it	What have we done	What are we doing	What are we planning to do
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- | | | | |
|--|---|--|--|
| <ul style="list-style-type: none">• Fair and equitable labour practices• Compliance• Responsible corporate | <ul style="list-style-type: none">• Compliance with local regulatory requirements• Participated in gender pay gap analysis• Living wage review• Review of benefits for contractors vs full time employees• Diversity & inclusion committee | <ul style="list-style-type: none">• Review of staff fit for the corporate strategy• Focus on succession• EE targets for the next 3 years• Additional efforts to meet B-BBEE requirements• A policy on freedom of association• More details on the types of nature of industrial relations cases | <ul style="list-style-type: none">• More detail on reasons for staff turnover• Disclosing additional benefits cost• Highlight our value proposition• A second gender pay gap review |
|--|---|--|--|



Why do it

- Benefits of continual staff learning
- Business sustainability
- To be an employer of preference
- Compliance
- Linked to talent management
- Link to employment equity

What have we done

- **Funding employee development (internal and external)**
- **Identifying employee developmental needs through PDPs**
- **Linking to company objectives (e.g. EE or talent management or BBBEE)**
- **More detailed disclosure on the levels of employees receiving training**
- **Review of reasons for staff turnover**
- **ESG as a KPI for Exco**

What are we doing

- Training is as per the workskills plan
- Training on mitigation of risk
- Bespoke employee training

What are we planning to do

- Various health and safety training
- Ethics training for staff
- Pre-retirement seminars
- Training of gender based violence
- Developing training on Human Rights



Why do it

- Ensure a conducive working environment
- Compliance
- Provides assurance to stakeholders that there are clear processes and procedures to guide and address issues

What have we done

- **Priority and periodic review of all HR related policies**
- **Review of serious illness insurance policy**
- **Succession policy**

What are we doing

- Updated harassment policy
- Revised travel policies
- Enhanced bursary policy
- Recruitment policy
- Disciplinary policy
- Flexible working conditions policy

What are we planning to do

- Making select policies public
- Human Rights Due Diligence
- Executive wellness policy
- Employee handbook update



Growthpoint social

Labour - Stakeholder engagement with employees



Why do it	What have we done	What are we doing	What are we planning to do
<ul style="list-style-type: none">• Want to know how employees impacted• What changes to make to impact employees• Be an employer of choice	<ul style="list-style-type: none">• Employee engagement survey• Feedback to staff on findings of the Ethics survey• Enabled a hybrid working environment	<ul style="list-style-type: none">• High level review of current culture	<ul style="list-style-type: none">• Depending on outcomes of engagement
Employee Wellness <ul style="list-style-type: none">• Are our wellness efforts effective and appropriate• Ensure we have well rounded employees	<ul style="list-style-type: none">• Accentuated wellness report to drive strategy EAP offering• EAP programme, including HIV/Aids support• Enable remote work• Wellness days• Keeping tabs on employees to ensure emotional wellness of employees - particularly mental wellness	<ul style="list-style-type: none">• Revised wellness offering• Onsite nursing for health check-ups	<ul style="list-style-type: none">• Prioritise mental wellness and enable managers to manage these issues leading to deeper understanding of these issues
Employee Health & Safety <ul style="list-style-type: none">• Employee wellbeing• Provide a safe work environment for employees• Minimise health and injury related risk within the workplace• Compliance	<ul style="list-style-type: none">• Health and safety committee chair by COO (the officer) and employee representatives• Ensuring workplaces are safe• Compliance with all regulations• Ensuring ergonomic work environment	<ul style="list-style-type: none">• Exco annual medicals	<ul style="list-style-type: none">• Link building managers data input on Worktrainer to KPIs to the extent that it is relevant to employee job• Data on a social dashboard



Why do it	What have we done	What are we doing	What are we planning to do
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<ul style="list-style-type: none">• Tenant Health & Safety• Compliance• Insurable risk mitigation	<ul style="list-style-type: none">• Health & Safety Officer responsible for reviewing insurable risk• Appointment of a Risk and Compliance Officer	<ul style="list-style-type: none">• Continued focus on insured risk compliance	<ul style="list-style-type: none">• Engaging with brokers on insured risk
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Environmental



Social



Governance

Community The public

- Growthpoint's outlook towards corporate social responsibility has always been to focus on driving sustainable impact for the communities in which we operate
- Our core focus areas have consistently been supporting education initiatives, entrepreneurship development and staff engagement





Our societal purpose is intrinsically linked to our long-term sustainable impact within the business and community Engagement - our purpose is to ensure that our corporate responsibility is based on:





Why do it

- Provide support and a pathway for quality education for underprivileged learners
- CSI focus area
- Imperative to community development

What have we done

Early childhood development

Primary GEMS

Growsmart

High school

- Christel house
- Protec
- GEMS
- Youth development through sport in previously disadvantaged areas

Tertiary

- Bursaries
- GEMS

Skills development

- Graduate programme
- External learnerships (disability and work readiness focus)

What are we doing

- Training early childhood caregivers and practitioners
- Incorporation of technology

- Providing financial support for educating the children of low-income earning staff at Growthpoint

- Maths & Literacy programme for schools in underprivileged areas
- Introducing virtual access to the programme

- Support of learners & teachers in high school in access to quality education, teacher development, sports development

- Providing access to university studies

- Internship training at Growthpoint for 1 year in the field of study
- Skills development of unemployed youth in the community

What are we planning to do

- Inclusion of technology in projects and proposals

- Supporting parents so they can support their children during online learning

- Baseline assessments which will provide guidance on the impact of the programme

- Accessing education through technology in rural areas

- Mentorship to the students
- Encourage property related studies

- Employment or sourcing other opportunities to employ the youth



Why do it	What have we done	What are we doing	What are we planning to do
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- | | | | |
|---|---|---|--|
| <ul style="list-style-type: none">• Address inequality and inequity• Development of sustainable small businesses• Diversifying our supply chain• Stimulating job creation• Address skills shortage• Compliance | <ul style="list-style-type: none">• Property Point enterprise and supplier development programmes• Collaboration within the property industry• To the Point sessions• Local economic development | <ul style="list-style-type: none">• Extend collaboration in the property industry• Stronger research lens• Expansion of Property Point with more partnerships in the industry | <ul style="list-style-type: none">• Implementation of Youth Employment Services (YES) initiative• Providing digital solution to support small businesses• Enhance community engagement |
|---|---|---|--|



Why do it	What have we done	What are we doing	What are we planning to do
<ul style="list-style-type: none">• Growthpoint Gives (G2)• Encourage employee engagement• Alignment to employee values	<ul style="list-style-type: none">• Staff given 8 hours a year to volunteer• Programme run to allow employees to choose benefactors	<ul style="list-style-type: none">• Safety at all times	<ul style="list-style-type: none">• Bi-annual staff and Exco events to speak to South Africa's social issues and internal diversity and inclusion focuses
<ul style="list-style-type: none">• Themes• Social need• Gender based violence• Vulnerable groups• Urgent disaster relieve challenges	<ul style="list-style-type: none">• Genesis SafePlace• Gift of the Givers• Provides a “run to” facility• Rise Against Hunger	<ul style="list-style-type: none">• Provides a safe place for vulnerable groups to seek help from domestic abuse and other emergency situations including rape	<ul style="list-style-type: none">• Long term and consistency with existing partners



Environmental



Social



Governance

- Growthpoint creates value by upholding the highest possible corporate governance standards
- Sound corporate governance practices are implicit in our values, culture and processes, and our internal controls promote an awareness of risk, compliance and good governance in every area of the business
- Good governance is entrenched in our day-to-day activities
- Growthpoint gives all its stakeholders confidence that it is a well-governed and well-conducted business



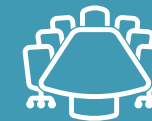
Why do it	What have we done	What are we doing	What are we planning to do
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<ul style="list-style-type: none">• Provide assurance to stakeholders that Growthpoint is a responsible company• Regulatory compliance	<ul style="list-style-type: none">• Integrated thinking approach to governance• Compliance with King IV• JSE Listings requirements• Annual review of the Board charter and each committee Terms of reference• Disclose Board responsibilities & accountability• Compliance framework	<ul style="list-style-type: none">• Updated Social & Ethics Committee Terms of reference to include ESG• Appointment of Risk & compliance officer• Increased focus on cyber and information security	<ul style="list-style-type: none">• Training on ESG and IT• Peer review
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Growthpoint governance

Governance - Board & management



Why do it

- Responsible for overall governance
- Provide assurance to stakeholders of competent leadership

What have we done

- **Annual committee self assessment**
- **Appropriate skills & experience needed on the Board**
- **Board refreshing**
- **6 new non-executives appointed in the last 2 years**
- **Addressing diversity & tenure**
- **Limited number of boards the non-executives may serve on**
- **Meeting attendance**
- **Independence review every second year (external party)**
- **Review of strategy**

What are we doing

- Appointment of 2 new non-executives
- Review of structure and skills to implement strategy
- Succession plan in line with updated structure

What are we planning to do

- Address gender and race diversity concerns
- Non-executive director with property development expertise



Why do it	What have we done	What are we doing	What are we planning to do
-----------	-------------------	-------------------	----------------------------

- | | | | |
|--|--|---|--|
| <ul style="list-style-type: none">• Doing the right thing all the time• Code of Ethics necessary for business sustainability• Provide comfort to stakeholders that Growthpoint operates in an ethical way with consequences for non-compliance | <ul style="list-style-type: none">• Disclosure policies in place that promote ethical conduct• Conducted GIBS Ethics Survey• Establish ethics structures• Established an Ethics Committee | <ul style="list-style-type: none">• Greater prominence at SET Committee• Address findings of GIBS Ethics Survey• Board approved Ethics strategy• Developed and updated ethics related policies• Whistleblowing report to SET for noting | <ul style="list-style-type: none">• Create awareness throughout GPT• Provide more detail on the nature of the issues reported on the whistle blowing hotline• Central point for monitoring and reporting• Communicated enhanced expectations to suppliers |
|--|--|---|--|



Why do it	What have we done	What are we doing	What are we planning to do
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<ul style="list-style-type: none">• Provides assurance to stakeholders that there are clear processes and procedures to guide and address issues• Compliance	<ul style="list-style-type: none">• List and summary of policies is in the ESG Report and on the website• Regular review and development of policies• Gap analysis on policies• Review relevance of policies	<ul style="list-style-type: none">• Established an Ethics Committee• Addressing gaps identified in policies• Enhanced Supplier Code of Conduct and Supplier ESG policy	<ul style="list-style-type: none">• Make key policies public
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ESG

Progress relative to identified focus areas:

Focus areas	Work undertaken	Next steps
Embed an integrated approach to ESG	<ul style="list-style-type: none">• ESG elements have been included in the KPIs of more employees at different occupational levels• These include social and environmental aspects	<ul style="list-style-type: none">• Extend this further into the business
Strengthen policies and procedures with a focus on social aspects	<ul style="list-style-type: none">• A formal review of primary policies has been undertaken to ensure alignment with local and international best practices relative to IFC performance standards	<ul style="list-style-type: none">• Incorporating recommendations
Strengthen policies and embed social due diligence	<ul style="list-style-type: none">• Recommendations from the policy review have been implemented• This ensures both cross-referencing and enhanced social and environmental considerations as part of our deal approval process• Due diligence is included	<ul style="list-style-type: none">• Ensuring that policies cross-reference where needed.
Strengthen stakeholder engagement – externally and internally	<ul style="list-style-type: none">• Extensive engagement was undertaken with internal stakeholders• In addition, 532 clients participated in a satisfaction survey• We also conducted ethics surveys with staff and suppliers	<ul style="list-style-type: none">• Communicating engagement options available to various stakeholders
Develop human rights assessment	<ul style="list-style-type: none">• We address human rights as part of ethics training	<ul style="list-style-type: none">• Incorporate in the ethics communications plan



Our 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 wellbeing of individuals and communities

Questions
Thank you

GROWTH-POINT
PROPERTIES

