

# ASSURANCE STATEMENTS



## Independent verification statement

### To the directors and management of Growthpoint Properties Limited

Growthpoint Properties Limited (Growthpoint) engaged Verify CO<sub>2</sub> to conduct independent third-party verification of the Group's greenhouse gas (GHG) emissions for its South African (SA) property portfolio for the financial reporting period 01 July 2021 to 30 June 2022 (FY2022), as calculated and presented in the GCX Analytics online dashboard.

Growthpoint is the largest South African primary JSE-listed REIT with a significant and diversified property portfolio both in South Africa and offshore. Growthpoint exercises operational control over its South African assets only (excluding the V&A Waterfront in Cape Town), and all offshore assets are independently managed. As of 30 June 2022, Growthpoint's SA investment portfolio included **408 properties**.

The GHG verification was carried out in accordance with the International Standard ISO14064-3 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.

### Verification objectives and performance criteria

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

1. Confirm that the FY22 GHG statement met the specified criteria and is accurate, complete, consistent, transparent, and free from material error or omission.
2. Improve the credibility of Growthpoint's GHG emissions disclosure in the annual FY22 integrated report and FY23 CDP submission.

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

### Verification scope

The organisational boundary was defined based on operational control with South Africa as the geographical boundary, consistent with previous GHG reporting. 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, the verification process included an assessment of the:

- Completeness of the reporting boundaries selected, considering any structural other significant changes since the previous reporting period
- Appropriateness of the GHG quantification methodologies and emission factors applied. Completeness and integrity of the historical activity data used
- Accuracy and consistency of the GHG emissions calculations
- GHG reporting to assess compliance with the requirements of the GHG Protocol Corporate Standard.

### Level of assurance and materiality

- The verification activities provided limited assurance on the final GHG assertion.
- Where relevant, a materiality threshold of 5% per emission source was applied.

### Roles and responsibilities

Growthpoint was responsible for preparing and presenting the GHG data to Verify CO<sub>2</sub>.

Verify CO<sub>2</sub> was tasked to form an independent opinion on Growthpoint's FY22 GHG statement 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.

### Reporting Boundary<sup>1</sup>

Out of Growthpoint's 408 wholly or part-owned properties as of 30 June 2022, only 342 fell into the reporting boundary for the following reasons:

- 20 were land; land-under-development; T&D sites
- 38 were third-party managed and/or had a triple net lease (including 6 hospitals and 7 student residences (new asset class))
- 1 Heliport.

<sup>1</sup> Note: Growthpoint has no operational control over the V&A Waterfront JV or any offshore subsidiaries.

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Including 30 in-boundary disposals during FY2022 and 2 additional properties, Growthpoint's FY2022 GHG reporting boundary included a total of 374 sites.

### Specific exclusions from reporting boundary

Out of the 374 properties in Growthpoint's FY22 GHG reporting boundary, three properties were specifically excluded due to data availability. Since these three sites accounted for less than 0.5% of Growthpoint's total GLA, this omission was deemed **not relevant**.

### GHG statement

After implementation of the necessary corrective action, Growthpoint's FY22 GHG emissions statement, consolidated using the **operational control** approach, was disclosed as:

| FY22: GHG emissions   | Tonnes CO <sub>2</sub> e |
|---|--------------------------|
| Scope 1   | 4 296                    |
| Scope 2 (location-based) <sup>3</sup>                           | 48 182 <sup>4</sup>      |
| <b>Total scopes 1 and 2 (location-based)</b>                    | <b>52 478</b>            |
| Category 1 – Purchased municipal water and paper <sup>5</sup>   | 2 718                    |
| Category 5 – Waste  | 8 790                    |
| Category 13 – Downstream lease assets <sup>6</sup>              | 593 254                  |
| Other categories <sup>7</sup>                                   | 1 050                    |
| Total scope 3   | 605 811                  |
| <b>Total scopes 1, 2 and 3 (location-based)</b>                 | <b>658 289</b>           |
| Outside of scopes (Product use emissions: HCFC-22) <sup>8</sup> | 726                      |

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

<sup>2</sup> Inyanda 1,3,4 (previously out-of-boundary) was split into 3 separate sites, one of which was in-boundary; One managed-only property (Pick 'n Pay Plumstead).

<sup>3</sup> Scope 2 includes Growthpoint's own consumption and all unrecovered COS consumption (including that of vacant space). FY22 and historical scope 2 emissions were calculated using the location-based method only, as no contractual instruments were used (all 19 solar arrays are Growthpoint-owned and the RE is supplied directly without PPAs).

<sup>4</sup> At the time of closing off the audit, Eskom's FY22 emission factor had not been released and the FY21 emission factor was therefore used again as a proxy. Re-statement of Growthpoint's scope 2/3 electricity emissions may therefore be required.

<sup>5</sup> Municipal water consumption (2,923,977kl equivalent to 2,705tCO<sub>2</sub>e) and office paper (13.5tCO<sub>2</sub>e).

<sup>6</sup> Tenant electricity consumption: 569,470 MWh (559,673MWh purchased and 9,797 MWh on-site renewable generation). Unrecovered/unbilled/unallocated tenant consumption was reported in scope 3 to align with the recovered COS (as per the FY20 base year). FY21 is to be restated as this change will result in a notable decrease in scope 2 emissions.

<sup>7</sup> Includes Cat4. Courier transport (8.09tCO<sub>2</sub>e); Cat6. Business Travel (429tCO<sub>2</sub>e); Cat7. Employee Commute (613tCO<sub>2</sub>e which included 110tCO<sub>2</sub>e calculated for staff working from home in lieu of at the office).

<sup>8</sup> 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).

### 98.5% of measured and reported scope 3 GHG emissions were verified.

| Additional data points verified:                                   | Growthpoint       | Tenants           |
|--|-------------------|-------------------|
| Purchased/acquired electricity (non-renewable)                     | 45 455MWh         | 559 673MWh        |
| On-site generation (renewable – solar PV at 15 sites) <sup>9</sup> | 685MWh            | 9 797MWh          |
| <b>Total electricity consumed</b>                                  | <b>46 140MWh</b>  | <b>569 470MWh</b> |
|  | <b>615 610MWh</b> |                   |
| Total municipal water consumption                                  | 2 923 977kl       |                   |
| Waste generated in operations <sup>10</sup>                        | <b>Landfilled</b> | <b>Recycled</b>   |
|  | 6 701t            | 4 746t            |
|  |                   | 50t               |

<sup>9</sup> Excludes on-site solar generation for 4 third-party managed properties that fell outside the reporting boundary (2355MWh). Since the split of RE consumed by Growthpoint vs. tenants was unknown, it was allocated in proportion to each party's grid consumption. Consequently, unlike for FY21, most RE was allocated to tenants.

<sup>10</sup> Under-reported as data only available for +/-80% of the 172 sites where Growthpoint controlled waste management in FY22.

### Inherent limitations

There is an inherent limitation in verifying GHG data, which is subject to greater inaccuracy than financial data given the nature of 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 CO<sub>2</sub> did not conduct any work outside of the agreed scope, and our opinion is therefore restricted to the agreed subject matter.

### Conclusion and final verifier opinion

All material errors, omissions and non-conformities identified during the verification were duly corrected. Based on the **limited assurance** procedures followed according to **ISO 14064-3**, using the requirements of the GHG Protocol Corporate Standard as criteria, there is no evidence that Growthpoint's FY22 GHG statement:

1. Has not been quantified and reported in conformance with the principles and requirements of the GHG Protocol Corporate Standard; and
2. Is not materially correct and a fair, complete and accurate representation of Discovery's GHG emissions data and information for the FY22 reporting period, with the following qualifications:
  - **Scope 1 refrigerants:** Data from the RIMS/Worktrainer platform was used as the primary data source. The accuracy of the verified GHG emissions above is contingent upon the completeness and accuracy of the data uploaded to this platform.
  - **Scope 3 waste:** GHG emissions were under-reported as no data was available for +/-20% of the Growthpoint property portfolio where Growthpoint controls Waste Management.
  - **Scope 3 employee commute:** GHG emissions may be under reported as they were estimated based on an FY21 survey during which time most employees worked remotely.
  - **GHG reporting:** FY22 intensity ratios were not submitted for verification. Furthermore, this Verification Statement provides assurance specifically for Growthpoint's FY22 GHG statement above. The information presented on the GCX Analytics dashboard cannot be verified as the verifier has no control over post-audit changes that may be made on this platform.



**Signed: Kerry Evans**

*Lead GHG Verifier*

*Verify CO<sub>2</sub>*

9 September 2022