

## 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 2022.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Ibrahim Akoon, Bradley Riley, 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 second sustainability assurance engagement conducted for Growthpoint by IBIS.

#### Assurance standard applied

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

#### Respective responsibilities and IBIS' independence

##### GROWTHPOINT

Growthpoint is responsible for preparing its 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.

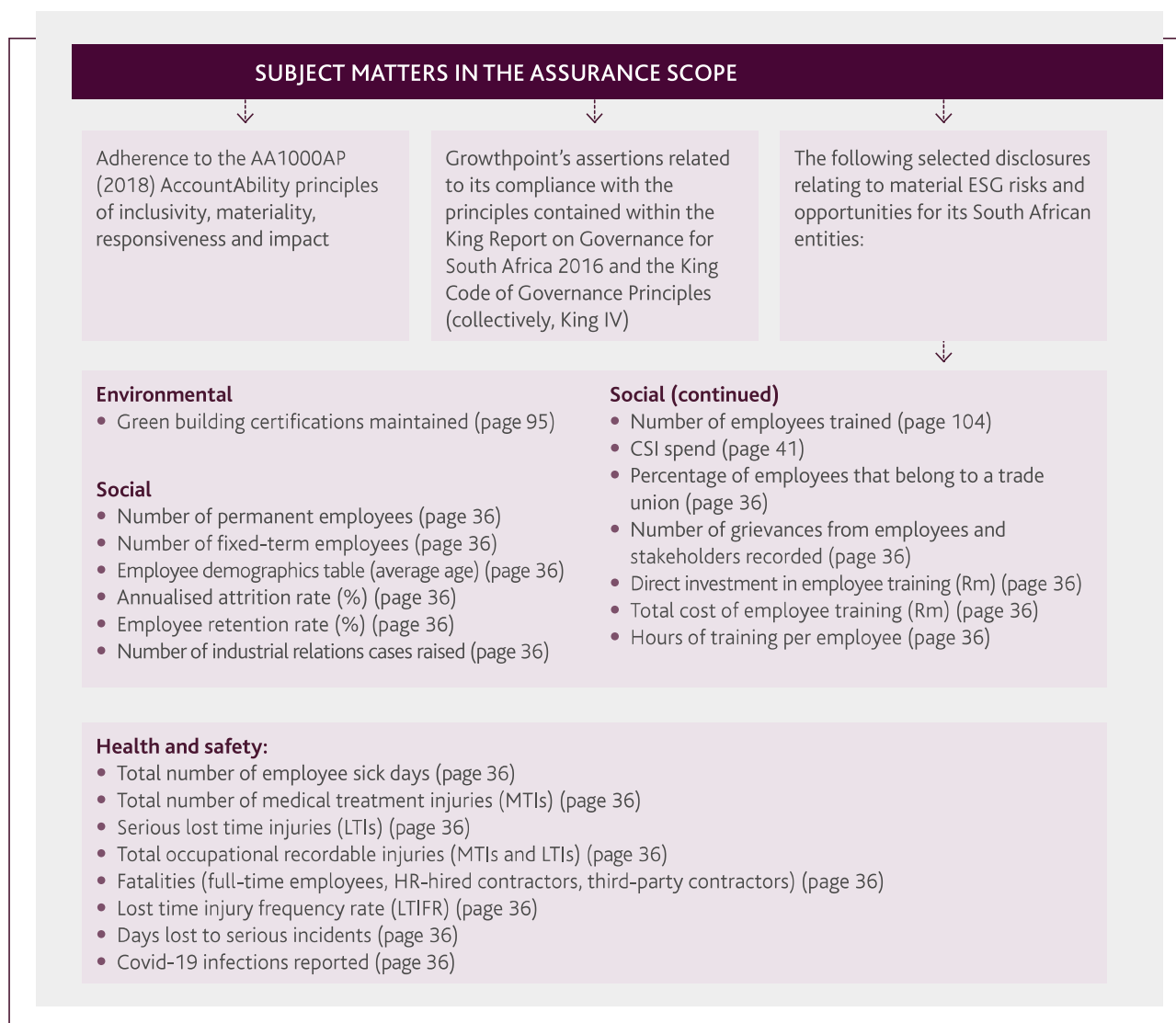
##### IBIS

IBIS' responsibility is to the management of Growthpoint alone and in accordance with the scope of work and terms of reference agreed upon 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:



## ASSURANCE STATEMENTS *continued*

The following assessment criteria were used in undertaking the work:

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

### Assurance procedures performed

Our assurance methodology included:

|  |  |  |   |   |
|--|--|--|---|---|
| <p><b>TESTING</b></p>  | <p><b>INTERVIEWS</b></p>   | <p><b>INSPECTION</b></p>   | <p><b>ASSESSING</b></p>   | <p><b>REPORTING</b></p>   |
| <p><b>Testing</b>, on a sample basis, the measurement, collection, aggregation, and reporting processes in place</p> | <p><b>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</p> | <p><b>Inspection and corroboration</b> of supporting evidence received electronically to evaluate the data generation and reporting processes against the assurance criteria</p> | <p><b>Assessing</b> the presentation of information relevant to the scope of work in the ESG report for consistency with the assurance observations</p> | <p><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</p> |

### 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 King IV**

Evidence observed via inspections of board minutes, policies, and other related documents, confirmed the continued application of King IV™ during the reporting period.

#### **In relation to AA1000AP (2018)**

**Inclusivity:** Growthpoint has clear commitments to stakeholder inclusivity across its policy documents and frameworks. These include the Terms of Reference for the Board Social, Ethics and Transformation (SET) Committee, its Local Development and Transformation Policy, and its Disclosure Policy. There is Board and executive management oversight of stakeholder engagement and processes across the organisation. In addition, a range of engagement mechanisms for responding to differing stakeholder engagement needs and capacities are in place.

**Materiality:** Evidence observed confirmed that Growthpoint engages in robust discussion on a wide range of business and sustainability topics, from a wide range of sources to evaluate, rank, and determine the key material topics relevant to the business. The process involves senior executives and Board leadership, as well as department heads across the organisation. Independent external facilitators are employed to enhance the quality of materiality discussions.

It is recommended that Growthpoint enhance its articulation of the current approach and practices for materiality determination in its policy documents and frameworks.

**Responsiveness:** Growthpoint employs a range of mechanisms to respond to stakeholder feedback. The Growthpoint disclosure policy allocates roles and responsibilities to specific staff and functions across the business to ensure that stakeholder feedback is provided in a timely and appropriate manner. In addition, it has established a Disclosure Policy Forum to update the disclosure policy that governs the dissemination of information to stakeholders, as well as to ensure that it is disseminated timeously within the Company and to directors.

**Impact:** Growthpoint has identified its impact areas and associated Sustainable Development Goals (SDG) and reports publicly on its environmental and social impacts. Processes are in place at various levels of the business to coordinate the monitoring and measurement of its impacts and contribution to the UN SDGs. Regular internal reporting on impacts is conducted to the Board and executive management.

It is recommended that Growthpoint continue to enhance measurement, monitoring, and balanced reporting on its SDG contributions.

#### **In relation to the selected disclosures**

It was found that systems and processes are in place to provide reliable source-data related to the selected disclosures assessed. However, the efficiency of these processes can be enhanced by the consistent application of KPI definitions and internal controls, such as the effective management review of reported data. Data inconsistencies identified during the assurance process were subsequently corrected and IBIS is satisfied with the accuracy of the final data in the assurance scope as presented.

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

23 September 2022