

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022



GROWTH-POINT
PROPERTIES



HOW TO NAVIGATE THIS REPORT

About these reports

In preparing these reports we have endeavoured to present a holistic and integrated representation of the Group's performance in terms of both its profitability and its long-term sustainability. This report aims to inform our stakeholders about the objectives and strategies of the South African business and its performance. This report must be read as part of the suite of reports listed below.



Integrated annual report (IAR)

The information presented in the report is determined by an analysis of our business context, our operating environment and the six integrated reporting capitals that influence our business operations. This report aims to inform our stakeholders about the objectives and strategies of the Group and its performance.



Group annual financial statements (AFS)

The statutory AFS prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the Companies Act 2008, as amended.



Environmental, social and governance (ESG) report

The report was prepared with reference to the JSE Sustainability Disclosure Guidance, the JSE Climate Disclosure Guidance, and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have aligned our report with the Integrated Thinking Principles as per the Value Reporting Foundation.

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@growthpoint



<https://www.youtube.com/c/GrowthPointBroadcast>

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Send us your feedback

To ensure that we report on issues that matter to our stakeholders, please provide any feedback and questions to: info@growthpoint.co.za

Scan the QR code to gain quick access to our website.

www.growthpoint.co.za



SOUTH AFRICA AT A GLANCE

408

High quality physical
property assets

R68.8bn

Directly owned properties
in South Africa (SA)
(excluding V&A)

5 194 379

Square metres of space

B-BBEE

Level 1

13th year

Inclusion in the FTSE/JSE
Responsible Index

DIVERSIFIED

Sectors

Retail, office, industrial, healthcare,
student accommodation, trading
and development

Geographies

South Africa, the rest of Africa, Australia,
Poland, Romania and United Kingdom

Income streams

Property income, funds management
fees, distributions from investments,
trading profits and third-party
development fees

FY22 ESG FOCUS

- 16.4MWp solar installed, approved or under construction
- Commitment to be carbon neutral by 2050
- 458 employees trained
- 74 full-time jobs created with 848 jobs sustained
- Board-approved Code of Ethics and ethics strategy
- Ethics Committee established.

OUR PURPOSE

Ensuring we create value for all stakeholders, we provide space to thrive in sustainable buildings, while improving the social and material wellbeing of individuals and communities.

OUR VISION

To be a leading international property company, providing space to thrive.

OUR MISSION

We create value for all our stakeholders through innovative and sustainable property solutions.

ABOUT THIS REPORT

Report scope and boundary

This report covers the period from 1 July 2021 to 30 June 2022 (FY22) for the financial reporting entity Growthpoint Properties Limited.

The report provides an overview of the operations and performance of all businesses, which encompass the South African operations, excluding the V&A Waterfront (V&A) which is independently managed.

In preparing this report, we have identified and prioritised issues that may have a potential impact on our operating environment relating to performance and long-term sustainability of our company.

The report was prepared with reference to the JSE Sustainability Disclosure Guidance, the JSE Climate Disclosure Guidance and recommendations of the Task Force on Climate-related Financial

Disclosures (TCFD). We have aligned our report with the Integrated Thinking Principles as per the Value Reporting Foundation. Core elements of the recommended climate-related financial disclosures include Governance, Strategy, Risk Management and Metrics and Targets.

This report aims to inform our stakeholders about the objectives and strategies of the South African business operations, as well as its performance regarding financial, social, environmental and governance issues that could have a material impact on the long-term success and sustainability of the business which are considered important by key stakeholders.

Growthpoint has undertaken a moderate independent assurance engagement in respect of selected environmental, social and governance information represented in this report for FY22. This engagement was conducted by a multi-disciplinary team including social, environmental and assurance specialists with relevant experience in sustainability and reporting. As part of the assurance engagement, the assurers determined whether Growthpoint adheres, in all material respects, to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact. The review of the annual carbon footprint was externally verified by a third party, under the international standard ISO 14064-3 (2006) specification with guidance for validation and verification of greenhouse gas assertions.

The following lines of assurance have been identified:

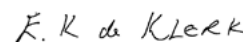
- 1 First line of assurance** Line functions that own and manage risk and opportunity.
- 2 Second line of assurance** Specialist functions that facilitate and oversee risk and opportunity.
- 3 Third line of assurance** Internal assurance providers that provide objective assurance.
- 4 Fourth line of assurance** External assurance providers.
- 5 Fifth line of assurance** Board committees and Board.

For the information that has not been assured externally, the Social, Ethics and Transformation (SET) Committee has obtained assurance with regard thereto by reviewing information from first-line providers of assurance that has been checked by second and third-line assurance providers, and by interacting with persons acting in an ex officio capacity who attended the special SET meeting convened to discuss the ESG report.

This report was approved by the SET Committee on 27 September 2022 and signed by:



A Sangqu
Chairman of Social Ethics and Transformation Committee



EK de Klerk
CEO: SA

Forward-looking statements

The ESG report contains certain statements that are forward looking. By their very nature, such statements cannot be considered guarantees of future outcomes as they are dependent on events and circumstances, the predictability of which is uncertain and not necessarily within the organisation's control.

WHAT DIFFERENTIATES US



Why us

- The largest and most liquid South African, Johannesburg Stock Exchange, primary listed REIT with an average monthly value and volume traded of R3.1bn and 220m shares, respectively
- A FTSE/JSE Top 40 company with a R42.4bn market capitalisation
- Underpinned by high-quality, physical property assets, diversified across sectors (retail, office, industrial, student residential accommodation and healthcare) and income streams
- (property income, funds management fees, distributions from investments, trading profits and third-party development fees)
- Fast-growing diversified funds management business (Growthpoint Investment Partners)
- Dynamic and proven management track record
- Experienced in-house development capability.

An average monthly
R3.1bn/220m
shares traded in FY22



Solid financial metrics

- REIT committed to paying out a minimum of 75% of distributable earnings annually to shareholders
- Sustainable quality of earnings that can be predicted with a high level of accuracy
- Uninterrupted track record of paying dividends
- Attractive dividend yield
- Interest cover ratio of 3.1 times for FY22
- Strong balance sheet with a South African REIT SA LTV ratio of 37.9%
- Policy to hedge a minimum of 75% of our interest rate exposure
- Fitch global scale rating of BB+ and national scale rating of AAA.za.
- Moody's global scale rating of Ba2 and national scale rating of Aa1.za.

28.4%
of EBIT from offshore



ESG focus

- Alignment of ESG and business strategy
- Best practice corporate governance
- Majority of the Non-executive Directors are independent
- Transparent reporting
- Recipient of multiple reporting awards
- Commitment to be carbon neutral by 2050
- 71 Green Star rated buildings in South Africa
- Included in the FTSE/JSE Responsible Investment Index, FTSE4Good Emerging Index and a member of GRESB
- Level 1 Broad-based Black Economic Empowerment (B-BBEE) contributor
- Active contribution to job creation via Property Point
- Enhanced community stakeholder engagement reducing social risk.

71
Green Star
rated buildings
in South Africa

HIGHLIGHTS

SOUTH AFRICAN SA REIT LTV

2022: 32.0%

2021: 35.1%

SA INTEREST COVER

2022: 3.4x

2021: 3.2x

RENEWAL GROWTH

2022: (12.8%)

2021: (14.9%)

VACANCIES

2022: 10.3%

2021: 11.6%

FINANCIAL

CSR impact
collective investment in CSR

2022: R51.0m

2021: R47.9m

HUMAN

CSR impact
total number of beneficiaries

2022: 6 566

2021: 9 749

Adding value

OUR VALUES

RESPECT



Ethics

The Growthpoint ethics strategy and code of ethics has been approved by the Board of Directors (the Board). This is binding on every employee, officer, director, contractor and supplier of Growthpoint.

The core values articulated in this code provide a firm and unshakeable foundation on which our organisational culture is built. Nonetheless, the code is a dynamic document which is constantly evolving as we strive for even higher standards.

Growthpoint is committed to upholding and enforcing the standards articulated in this code and we will reconsider our dealings with individuals or entities not demonstrating the same level of commitment to organisational integrity.

Every employee, officer and director of Growthpoint accepts that any breach of the code of ethics exposes them to the possibility of disciplinary action, which could result in the termination of employment or office on the basis set out in the disciplinary codes. These procedures are available upon request.

VALUE ADDED STATEMENT RSA

	FY22 Rm
Turnover	8 480
Property and other operating expenses	(1 222)
Value added	7 258
Finance, investment income and other adjustments	2 156
Wealth created	9 414
Attributed to:	
Shareholders	4 405
Providers of debt	2 328
Government and regulatory bodies	1 238
Employees	552
Minority interest holders	127
Reinvested in the Group	764
Wealth allocation	9 414

REIT DISTRIBUTION

Growthpoint has operated as a Real Estate Investment Trust (REIT) since 1 July 2013. The REIT structure is a tax regime that provides “flow through” on a pre-tax basis of the net property income to investors in the form of a taxable dividend.

It is the most common structure for investment in property in international jurisdictions. As investment in listed property continues to globalise, the REIT structure has become a recognised international standard.

In terms of the dividend and dividend withholding tax provisions of the South African Income Tax Act (the Income Tax Act), read in conjunction with section 25BB of the Income Tax Act, dividends received from a REIT will be taxed in the hands of the shareholder as follows:

Resident shareholders

Dividends received by resident shareholders are taxed as income in the hands of the recipient, but are exempt from dividend withholding tax.

Non-resident shareholders

Dividends received by non-resident shareholders are exempt from tax in terms of the usual dividend exemptions, but are however, subject to dividend withholding tax.

Shareholders are encouraged to consult their professional tax advisers if they are in any doubt about the tax implications for distributions received from Growthpoint.



GROUP STRATEGY

Our strategy, which we regularly review with our Board of Directors to evaluate opportunities and risks for our business, remains rooted in our commitment to serving our stakeholders over the long term.

With integrity, ethics and our values guiding our governance, we provide space to thrive in environmentally sustainable buildings, while improving the social and material wellbeing of individuals and communities in line with our vision to be a leading international property company providing space to thrive.

Optimising the SA portfolio

Our business is rooted in South Africa and our sectorally and geographically diverse SA portfolio is the foundation from which we grow and execute our other strategic focuses and deliver our environmental initiatives including our carbon neutral 2050 commitment and social commitments using our increasingly diverse workforce.

This is a strategic priority because:

Refining our domestic portfolio rotates capital out of non-core assets and into strategic investments, including our co-investment and international expansion strategies. It rebalances our SA portfolio away from risk and towards outperformance while improving our positive effects on society and the environment.

Growthpoint will:

Keep optimising the domestic portfolio's size, quality, composition, independent green certifications and water security and continue to substitute more of the fossil-fuelled energy it consumes with power from renewable resources, ensuring that it can perform sustainably for the long term. Keep investing in educational initiatives and local economic development. Continue developing our people and attracting talent.

Growing income streams from Growthpoint Investment Partners (GIP)

We identify, create and grow co-investment and co-management opportunities in scalable alternative property classes that enable us to create positive socio-economic and environmental impacts through Growthpoint Investment Partners.

This is a strategic priority because:

This defensive, capital-light growth strategy protects our balance sheet while enabling growth in the low-growth, capital-constrained South African real estate market and adds depth to that market for the broader investment community, specifically impacting investors and development finance institutions (DFIs). It leverages the skills, resources, capacity and experience of Growthpoint's core business and diversifies our risk across more property subsectors.

Growthpoint will:

Continue to be a leading investment partner in alternative real estate markets by scaling the opportunities we have already created and harnessing new ones in order to generate shared value for our investors and our partners, deepen real estate investment markets in South Africa and produce positive socio-economic and environmental impacts.

International expansion

We are internationally diversified with investments in Australia, Poland, Romania and the UK. We support the responsible growth of these investments while remaining open to new offshore investment opportunities.

This is a strategic priority because:

Our strategic international expansion responds to opportunities to recycle capital into more resilient lower risk and higher return economies and markets. It addresses the risks of the weak economic growth outlook for South Africa through increased international diversification in businesses that share our commitment to good governance and positive social and environmental action.

Growthpoint will:

Stay supportive of the growth, good governance and positive impacts of our current international investments and remain open to considering appropriate new opportunities for responsible international expansion, while prioritising a strong balance sheet that supports offshore growth.

To preserve our leadership in sustainable property investment

Successful execution of our strategy will enable us to generate value for all of our stakeholders over the long term.

ESG STRATEGY

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 well-being of individuals and communities.

Value proposition

- Corporate responsibility
- Future proof assets and tenant benefit
- Value beyond compliance
- Investor requirements
- Legal compliance
- Risk management



Environmental

All buildings within direct control of the organisation to operate at net zero carbon by 2030 and all buildings by 2050.



Energy **efficiency** and green building **certification**



Water efficiency



Social

Labour

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.

Community

Driving sustainable impact for the communities in which we operate. Our core-focus areas have been supporting education initiatives, entrepreneurship development and staff engagement.



Employee **training and development**



Employee **health and safety**



Meeting **B-BBEE** requirements



Property Point enterprise and supplier development programmes



Early childhood development
Training early childhood caregivers and practitioners



Governance

To give all stakeholders confidence that Growthpoint is a well-governed and well-conducted business.



Appropriate **skills and experience** on the Board



Succession plan in line with updated structure



Create awareness throughout Growthpoint

- 20:20:20:2 targets
- Renewable energy investment
- Waste: Zero organic waste to landfill
- Feasibility of waste management study
- Energy investment feasibility study
- Carbon neutral pathway.

- Good indoor environmental quality
- Biodiversity: a focus in the next two years
- Green building guidelines for Growthpoint and property sector.

Impact

- Reduced GHG emissions
- Utility efficiencies
- Cost savings
- Asset future proofing
- Tenant lower cost of rental
- Reduced impact on natural resources.

Labour

- Employment equity targets for the next three years
- Pay a living wage
- Review of benefits for contractors versus full-time employees
- Diversity and inclusion committee
- Review of staff fit for the corporate strategy
- Focus on succession planning
- Policy review and development
- Conducting employee engagement surveys
- Accentuated wellness report to drive strategy for EAP offering
- Improved wellness offering especially emotional wellness
- Prioritise mental wellness and enable managers to have a deeper understanding of these issues.

Impact

- Benefits of continual staff learning
- Business sustainability
- Employer of preference
- Employee wellbeing
- A safe work environment for employees

- Minimise health and injury-related risk within the workplace
- Talent management
- Meet employment equity objectives

Community Education

Inclusion of technology in projects and proposals.

Primary

- GEMS – Providing financial support for educating the children of low income earning staff at Growthpoint
- Growsmart – Maths and literacy programme for schools in underprivileged areas
- Introducing virtual access to the programme.

Tertiary

- Bursaries
- GEMS.

Skills development

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

Enterprise and supplier development

- Collaboration within the property industry
- To the Point sessions
- Local economic development.

Pertinent societal issues

- Staff engagement projects
- Gender-based violence
- Assisting vulnerable groups
- Urgent disaster relief challenges.

Impact

- Providing support to parents to enable them to assist their children with online learning
- Address inequality and inequity
- Development of sustainable small businesses
- Diversifying our supply chain
- Stimulating job creation
- Address skills shortage
- Enhanced local community engagement
- Provides a safe place for vulnerable groups to seek help from domestic abuse
- Provided disaster relief during KZN floods.

- Integrated thinking approach to governance
- Compliance with King IV
- JSE Listings Requirements
- Annual review of the Board charter and each committee's terms of reference
- Disclose Board responsibilities and accountability
- Board independence assessment
- Board rejuvenation
- Limited number of boards the non-executives can serve on

- Optimal meeting attendance
- Updated social and ethics committee terms of reference now includes ESG
- Increased focus on cyber and information security
- Review of structure and skills to implement strategy
- Regular review and development of policies
- Revised ethics strategy
- Establishment of a formal ethics committee.

Impact

- Provide assurance to stakeholders that Growthpoint is a responsible company with sound leadership
- Adhering to regulatory compliance.

SET COMMITTEE CHAIRMAN'S REVIEW

For Growthpoint, ESG is a journey, a way of life, and a new philosophy of good and responsible stewardship.

ESG is also about the culture we want for our organisation and we believe our Board has set the right tone and direction for our organisation.

ESG is a business imperative and a journey, and Growthpoint is committed to implementing this strategy within the broader context of the company's business strategy. We have clear strategies for transitioning to a low-carbon environment by achieving the carbon net-zero targets approved by the Board. Our labour and community intentions, and continual governance improvement shape our ambitions in this regard.

Governance

This robust and dynamic strategy takes both a bottom-up and top-down approach because it considers the efficient operation of the business while simultaneously incorporating global best practices for ESG. This approach serves as a good start and a solid foundation for developing sustainable business practices, conduct and behaviour by Growthpoint with regard to ESG.

Our efforts have also been strengthened by the SET Committee's revised terms of reference, which are more detailed about our environmental focus areas. This is in line with our overall ESG strategy, which continues to be a driver in the business.

The implementation of our ESG strategy requires a shift in mindset and behaviour, unlearning old ways of doing things while embracing and adapting to new approaches. Transformational change is faster and more feasible in a buoyant economic setting, whereas in the current environment, with many financial and economic constraints, effecting change at the required scale is a task that requires diligence, great effort, innovation and patience. Any new endeavour comes with risks and opportunities, and first attempts do not always succeed; however, through our unwavering commitment we will succeed in our ESG ambitions. With a growing body of knowledge and the sharing of experiences both locally and globally, Growthpoint expects to ramp up ESG goals and objectives steadily and resolutely in the medium to long term.

For Growthpoint, ESG is a journey, a way of life, and a new philosophy of good and responsible stewardship. As the Board, we have committed ourselves to conducting our business operations in an ecologically responsible manner and leaving behind a good, clean environment for future generations to live in and to do business.

Robust oversight measures within our governance structures include periodic reporting on progress in achieving our ESG targets to the SET Committee and the Board. ESG performance is measured against several predetermined performance metrics, highlighting where there are gaps. Corrective measures are implemented to ensure that ESG performance is on track and within strategy targets.

ESG is one of the main agenda items in SET Committee meetings, where reports are presented, discussed and appropriate decisions are made.

B-BBEE

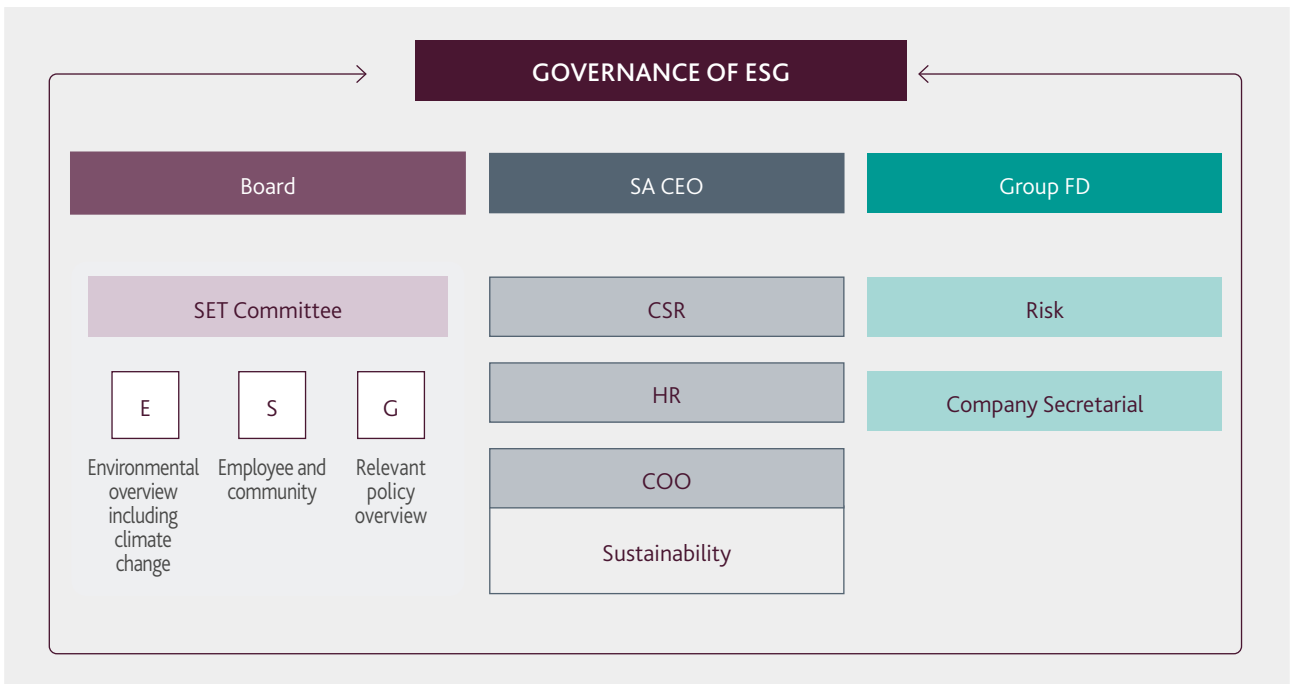
Level 1

93.7%

of procurement
spent on B-BBEE-
compliant suppliers

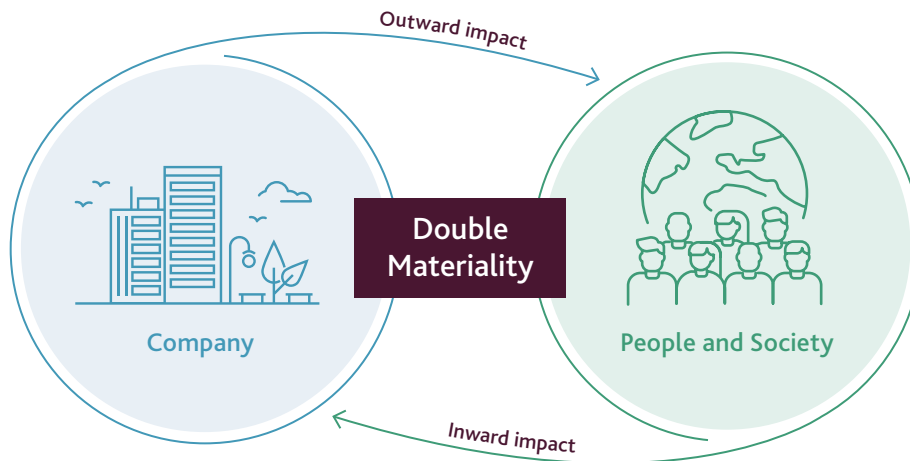


Andile Sangqu, Chairman: Social, Ethics and Transformation Committee



2022 report

The SET Chairman presents a report at each Board meeting on ESG strategy implementation progress and how the company is performing against ESG targets. Management is invited to join ESG discussions, and the Board makes the final determination by affirming the company's strategic direction for ESG. This is a matter that warrants the attention of the Board and is given priority and due focus at each of its meetings.



SET COMMITTEE CHAIRMAN'S STATEMENT *continued*

The SET Committee and the Board both take a dual approach when viewing ESG:

- (i) Firstly, assessing risk mitigation to avoid doing harm to the environment by reducing our carbon footprint, which can result in cost reduction.
- (ii) Secondly, looking at improving efficiencies with capital commitments for investment in, for example, renewable energy initiatives, which in the medium to long term will reduce costs and improve efficiencies that will enhance Growthpoint's cost competitiveness.

Harnessing this dual method to ESG strategy approach and application is receiving ongoing focus.

Growthpoint has achieved several important milestones. We have started developing an ESG reporting template, which, while still in its nascent stages, is the subject of discussion with the Board to define and approve the reporting model and performance indicators. The organisation has commenced setting ESG-related incentive targets linked to the key performance areas of everyone in the business, including executives.

Our environmental focus areas continue to be carbon reduction, energy, investment in renewable energy, waste, water, biodiversity and green building certification.

We are committed to transformation and empowerment as Growthpoint. Our CSR focus is still geared towards education as we believe it will create lasting social transformation.

We are particularly proud of our efforts relating to our new local economic development policy. By setting clear targets for local economic inclusion, we challenge ourselves to effect true economic empowerment for local businesses. We are mindful that this process needs to be managed delicately and responsibly and believe it is possible to make a difference and create more opportunities for empowering previously disadvantaged groups. Additional detail can be found in our CSR section on page 38 and in the stakeholder engagement and operations section on page 44. It is our aim to create more opportunities for our local communities to actively and meaningfully participate in the supply chain of Growthpoint.

B-BBEE remains a critical focal point for the business. We have made great strides in the last few years in ensuring that our local suppliers are appropriately credited for B-BBEE. In FY22, 90.9% of our procurement spend was on companies with a B-BBEE level of 4 or better and 93.7% on B-BBEE-compliant suppliers. As a company, we are against fronting in all its forms and should suppliers be found guilty of fronting, their contracts are terminated.

In the year under review, the Board approved an ethics strategy which articulates and embodies the vision of ethical culture at Growthpoint internally and in its external dealings with all stakeholders. For Growthpoint, the ethics strategy is a continuation of our ethics journey through modelling our

in-force policies and practices into a strategy for objective measurement, continuous assessment and improvement. The ethics strategy, which is currently being rolled out, is value-based and includes clearly determined measures for evaluating success.

Human rights are an ever-present consideration when engaging with our supply chain. Over the past year, we have grappled with how our business can have a broader positive influence on upholding human rights. We anticipate approving revised policies with clearer stipulations and expectations for our suppliers regarding their ethical practices and human rights. We have policies that affirm our stances against child labour and abuse of those who are vulnerable members of our society and will be educating staff about human rights as part of our ethics training planned for FY23.

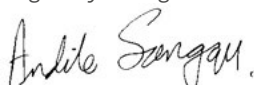
Summary

We have every intention to capitalise on ESG opportunities, but this is taking time as targets were recently set and performance indicators have only just been finalised and still need to be embedded. This is an industry effort that is still being developed and Growthpoint is part of this ecosystem, helping to identify and incubate ESG growth opportunities. Some stakeholder requirements, including those of investors and lenders, help to drive a conducive environment for capitalising and implementing ESG opportunities.

The biggest challenge the company faces is the absence of economic growth as creating job opportunities is difficult without it. Growthpoint's investments in education, social transformation and eradicating the past legacies of the country and its people are stunted without economic growth. It is an absolute and urgent imperative to create and nurture the appropriate environment where businesses can prosper and flourish, as only when that happens will inclusive and shared prosperity ensue and become a reality.

For Growthpoint, ESG is also about the culture we want for our organisation, and we believe our Board has set the right tone and direction for our organisation. As our approach is not prescriptive, we co-create the vision of where we want to go as Growthpoint with management and the necessary resources, effort and capabilities are mobilised to achieve the vision. We actively invite and are receptive to continuous engagements with our suppliers, investors, financiers and employees to identify areas where we can improve or enhance collaboration, focus and unlock opportunities for cooperation.

The view of the SET Committee and Board on ESG performance at Growthpoint is an optimistic one, and is underpinned by the steadfast commitment and significant strides made in this regard by management.



Andile Sangqu

Chairman: Social, Ethics and Transformation Committee

CEO: SA OVERVIEW

The allocation of financial resources to achieve a full rollout of ESG strategy implementation gives credence and demonstrates a clear and unambiguous commitment by Growthpoint towards ESG.

We are participating in a project run by SA REIT to produce ESG best practice recommendations for the sector and are optimistic that this will assist those analysing data.

**SOUTH AFRICAN SA
REIT LTV RATIO**

32.0%

Growthpoint South Africa has a diversified portfolio of retail, office, industrial, healthcare and purpose-built student accommodation assets. The business focuses on investment, property funds management, development and property administration services. Our income streams are from property income, funds management, fees, distributions from investments, trading profits, and third-party development fees.

Growthpoint operates with an awareness of ESG and the impact of the various components on our business. This is for the benefit of Growthpoint, investors, providers of finance, our communities, broader society, our employees and other stakeholders.

The Board has focused on ESG, appreciating it as a risk, and the objective of addressing ESG-related matters is a means to mitigate risk. Efforts over the last year to ensure we reduce ESG-related risks are ongoing and we are encouraged by our progress in improving our processes and systems to do this.

Our efforts have also been strengthened by the SET Committee's revision to its terms of reference to be more specific on the span of our environmental focus areas. This is in line with our overall ESG strategy, which continues to be a driver in the business.

In the interest of continual improvement, we had a workshop to help determine if what we were reporting on was still material in the context of our primary stakeholders reading our reports. This was to ensure that we continue to communicate appropriately, understanding that we will not be able to meet the expectations of every stakeholder group. We remain open to engagement. We also accept that to have a significant impact, we need to deliberate on our objectives.

The workshop included senior management of our South African business and representatives from key business areas. The outcome of this exercise indicated that investors were our key stakeholders, with assessors of ESG a close second. We have looked to provide information that affords insight into our business to these stakeholders. This does not preclude other stakeholder groups and we try to ensure that we address the material issues.

It was reassuring to know that, overall, there was alignment regarding what our current or potential challenges are. The major issues include municipal service delivery, energy and water security, climate change, socio-economic aspects, skills shortage and development, access to finance, tenant retention and employment.

The workshop entailed a review of the United Nations Sustainable Development Goals (UN SDGs) and prompted us to undertake an internal review of our impact on the UN SDGs. We have realised that our impact is broader than we previously appreciated, and instead of six goals we have an effect on nine of the 17 goals. For each of these goals, we impact at least 50% of the targets in each UN SDG indicator.

Several initiatives to enhance the understanding of ESG by management have been undertaken this year. This includes an assessment of our stakeholder engagement that is ongoing work. We continued our efforts to further integrate our ESG strategy by putting in place processes that ensure sufficient consideration is given to social and environmental concerns as part of our deal approval process. Policy assessment, enhancement and alignment have been a critical focus.

The allocation of financial resources to achieve a full rollout of ESG strategy implementation gives credence and demonstrates a clear and unambiguous commitment by Growthpoint towards ESG.

CEO: SA
OVERVIEW *continued*



Estienne de Klerk, CEO: SA

The Board has approved an ethics strategy which aims to achieve the following:

- Creating an ethical culture in the organisation
- Improving performance and increasing the value created
- Ensuring there are adequate and effective controls in place
- Building trust between all stakeholders
- Ensuring the organisation has a good reputation
- Ensuring legitimacy.

Growthpoint prides itself on its strong values that are integral to our corporate culture, which are expressed through enhanced accountability, a transparent and ethical culture, sound risk management, a focus on effective business control, legitimacy and robust performance. We believe that the financial performance of Growthpoint in the year under review is evidence that governance processes and structures are resilient and robust.

As the focus on ESG considerations intensified, we have felt the pressure of disclosure with many requests for data. Considering this, we welcome the disclosure recommendations published by the JSE.

We continue to work to align our ESG approach with recommended best practices, including ESG management aligned with International Finance Corporation (IFC) expectations and similar requests from other investors.

We have worked to meet the growing need for data disclosure and have made much of this information available on our website. The supplementary information in this report on page 82 is a response to meet the increasing appetite for

information. This disclosure is done in appreciation that the information increasingly factors into investment decisions.

South Africa's Green Finance Taxonomy document produced by National Treasury is in line with international trends. Through the SA REIT Association, we engaged with National Treasury and provided them with insight into the challenges and opportunities for our business associated with this move. It is early days, but we will work to ensure we are well placed to adjust to the ever increasing expectations on the business. We have also engaged with the National Business Initiative (NBI) on the obstacles we face in a move to a just transition in line with the Green Finance Taxonomy objectives.

In the year under review, we received our first social loan of R550m. Growthpoint was the first corporate to list a Green Bond in 2018 in the Green Segment of the Interest Rate Market on the JSE. We continually explore opportunities for sustainable funding. Engaging on ESG with financiers and investors is becoming standard practice for us. We welcome the engagement with all stakeholders but would appreciate it if there would be a standardisation of disclosure and an appreciation that most of the information requested can be found in this report. We are participating in a project run by SA REIT to produce ESG best practice recommendations for the sector and are optimistic that this will assist those analysing data.

SDGs	How do we make an impact	SDGs	How do we make an impact	SDGs	How do we make an impact
	Support of educational initiatives and organisations addressing hunger alleviation. Support for social concerns, risk assessment and impact on a just transition.		Investment in solar, focused utility management, supporting innovation and focusing on green financing.		Local economic development policy and local community engagement. A focus on energy, water and waste management and climate change risk mitigation. Focusing on green financing, green building certifications, social empowerment and support of Property Point.
	Support of organisations addressing hunger alleviation. Support for social concerns, risk assessment and impact on a just transition.		Support of Property Point, local economic development policy implementation.		Carbon-neutral objectives, innovation through Greenovate Programme, focusing on green financing, green building certifications. Support of Property Point, climate change risk analysis and mitigation.
	Support of educational initiatives.		Innovation through the Greenovate Programme. Focusing on green financing and green building certifications. Social empowerment and support of Property Point.		Active role in industry bodies ensuring adherence to government requirements. Collaboration with strategic partnerships.

Energy security remains a priority, particularly in the South African context. We expect our already aggressive rollout of solar plant installations to continue. Solar energy also plays a key role in our goal of carbon neutrality. Meeting net-zero requirements for our assets is a complex process, and we need to accept this is taking longer than we would like. Albeit that the limits for power production have recently been lifted, there remains multiple regulations that present obstacles for us to accelerate our progress in respect of green power production and utilisation.

Biodiversity is an area that requires additional focus. It has been challenging for us, particularly linking back to ecosystem services, but we acknowledge its importance. Other areas we intend to focus on more include waste service procurement and landscaping on our properties.

We monitor and verify our processes to facilitate deeper integration of our strategy into the business. Our environmental dashboard has enabled data analysis to target the most pressing matters and determine feasible objectives. We have invested significant time and effort in continually improving our data and believe we are starting to reap the benefits of these valuable insights.

Our team is well positioned to execute the objectives we have set this year. We believe we are able to streamline decision making and focus on delivery, and we have a better response to the challenges we have experienced in the past.

The management of utilities, a key component in our environmental efforts, is pivotal. This already complex task has been compounded by municipal failures and questionable service delivery. In our efforts to correctly bill our tenants, we would like to roll out individual tenant meters, but this is constrained by the range, type and age of equipment in some of our buildings.

Each of our buildings has a management system that provides alerts to issues within the building, allowing us to address these timeously. We have good data relating to billing, and consumption data is filtered through to a dashboard for our buildings. There is no overarching system for the entire portfolio providing insight into consumption patterns.

A key achievement in the year under review is implementing our carbon-neutral strategy in real terms. For relevant employees, environmental elements have been integrated into their key performance indicators, and we look forward to the day when we can report that these KPAs apply to all staff.

The company's environmental performance and related sustainability information are provided to the Board and SET Committee on a quarterly basis. Environmental issues and their business and social impacts form part of the SET Committee's responsibilities.

The Sustainability and Utilities team's primary stakeholders are internal staff, including asset managers, the Trading and Development team, and the municipalities. We provide innovative solutions, project management and support services to these groups.

We have developed a plan to roll out a communications campaign on our resource management in FY23 using digital communication channels such as our website, social media and internal communication campaigns. The aim is to educate and drive awareness, and we appreciate that the most important element of this campaign is influencing behavioural change. We are very active in industry engagement and use various platforms to engage with our audience.

The manufacturing sector of our economy is under strain, and properties serving industries such as construction and eventing are more exposed to difficulty. South Africa is significantly impacted by global demand-supply and geopolitical factors, with the steel industry particularly vulnerable. The possible impacts of the Russia-Ukraine war on this local sector will only become more apparent in future.

Considering increased consciousness regarding the impact of the supply chain, we are working with our Procurement department to enhance a supplier code of conduct that will include specific environmental considerations. We are working closely with Property Point, our enterprise development initiative, to develop a framework for their incubation projects, providing technical advice to attendees and introducing them to green economy elements.

We are starting to see our blue-chip clients developing their own ESG strategies and requiring us to work with them to help to achieve their aspirations. We expect to see focused collaboration on ESG increase.

We are currently enhancing risk mitigation processes in relation to environmental and social impacts. Our rigorous approach to minimising our insurable risk is performed with continuous monitoring using our Risk Information Management System (RIMS).

CEO: SA OVERVIEW *continued*

We appreciate the need to review our social impact at a building level. We see an opportunity for our CSR team to work closely with other departments on environmental and social aspects that impact our stakeholders.

Our engagement with our staff is ongoing, taking the form of presentations, emails, texts and online communication. We have undertaken a number of employee engagement surveys this year. Details can be found on page 34 of this report.

In the South African context, we are keenly aware that skills are a challenge for our industry and strive to be a preferred employer. The health and safety of our employees remain top of mind, and we provide various platforms of support. In the aftermath of Covid-19, we have increased our focus on mental health concerns.

We are proud of our local economic development (LED) and transformation policy and the work undertaken to roll it out within the business. The policy outlines the principles and procedures to be adhered to when engaging with business in local communities within which Growthpoint operates. This policy aligns with our socio-economic objectives with clear targets, which can be viewed in this report on page 17.

Transformation is essential, and we are committed to working toward a fully inclusive South Africa. We have achieved a level 1 B-BBEE rating. Per our transformation strategy, we continue to identify the gaps within the scorecard and implement necessary mitigating actions to maintain an optimal score. We intend to disclose an updated transformation strategy when the new property sector charter codes have been gazetted. We are awaiting feedback from the Property Sector Council on when this will happen. We, however, remain concerned with the increasing level of legislation and regulations that potentially will have a negative impact on the business and its ability to meet its objectives.

Our CSR activities focus on providing social and economic value to Growthpoint and our stakeholders. Our community engagement via Property Point has continued to add value, and we are looking to extend our efforts. In FY22 our investment in Property Point resulted in an additional 74 full-time jobs, and 848 jobs were sustained.

Education is the key to liberating our society from many of the social ills our communities face, and our efforts are steadfast in this regard. We have invested in projects from early childhood development through to the tertiary level. We work with partners such as SAPOA in providing bursaries for sector-relevant skills investment. The Growthpoint GEMS programme is in place to

assist with the educational needs of employees' children providing several avenues of support across various needs.

For Growthpoint, the issue of gender-based violence (GBV) is of great concern, and we are working with our partners to provide support for GBV victims. We have also condemned xenophobic behaviour within South African society.

Growthpoint is an active member of associations and takes leadership roles at many of these associations. We are engaged in the SA REIT Association, SA Property Owners Association (SAPOA), South African Council of Shopping Centres (SACSC), the Property Industry Group and the Green Building Council South Africa (GBCSA) working towards common goals relating to tax, addressing transformation, municipal challenges, ESG challenges including sustainable financing and a just transition. We are a member of the National Business Initiative, a voluntary coalition of South African and multinational companies working towards sustainable growth and development in South Africa.

For the last 13 years, Growthpoint has been included in the FTSE/JSE Responsible Investment Index. Our ESG rating by Sustainalytics is 12.2, which is low risk. We participate in the Global Real Estate Sustainability Benchmark. We provided the annual submission of our carbon emissions data to the CDP, where we received a rating of B, which is a good rating.

We have had several ESG indicators independently assured for the year under review. The verification statements can be found in the performance data section of this report.

We aim to achieve the following in FY23:

- Further roll out of our ethics strategy and educate stakeholders on ethics
- Gender pay gap assessment
- Climate change risk review assessment and adaptation exercise
- Human rights review and related employee and supplier education.

Growthpoint works to extend our impact through our ESG ecosystem in an interlinked world and we look to deliver data that informs assessors of the value of our business and the positive impact we have on society, the economy within our immediate environment and beyond.

E. K de Klerk

EK de Klerk
CEO: SA

2022 TRANSFORMATION PROGRESS

Growthpoint has achieved a B-BBEE level 1 rating. We are currently anticipating changes to the property sector charter and, as a result, will be doing a transformation strategy refresh at that point in time.

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Ownership						
B-BBEE ownership	<ul style="list-style-type: none"> Broad-based black economic empowerment (B-BBEE) deal with 10% of Growthpoint shares 	June 2018	No B-BBEE deals were concluded. We have 48.4% exercisable voting rights in the hands of black people and 27.2% economic interest of black people in Growthpoint	No B-BBEE deals were concluded. We have increased ownership with 50.3% black exercisable voting rights in the hands of black people and 27.9% economic interest of black people in Growthpoint	No B-BBEE deals were concluded. We have a slight decline in ownership with 29.0% voting rights in the hands of black people and 17.5% economic interests of black people in Growthpoint	No B-BBEE deals were concluded. We have, however, achieved 33.8% voting rights in the hands of black people and 21.1% economic interests of black people in Growthpoint
Structure net equity value	<ul style="list-style-type: none"> Realise a minimum of 40% of the annual targets 	June 2020	27.2%	27.9%	19.3%	20.6%
Disposal of assets to black-owned entities	<ul style="list-style-type: none"> 35% disposal to: <ul style="list-style-type: none"> 50% black-owned entities over a five-year period A minimum of 20% of the 35% must be achieved in each year 	June 2018	Not achieved during this period. There has been no disposal to >50% black-owned entities	10.5% through the sale of the old Exxaro building to a 100% black-owned entity	Not achieved during the period. There has been no disposal to >50% black-owned entities	Not achieved during the period. There has been no disposal to >50% black-owned entities

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Management control						
Diversify the Growthpoint Properties Board	<ul style="list-style-type: none"> 40% black Board members At least 25% black female appointees 	June 2019	50.0% black Board members 21.4% black female Board members	46.1% black Board members 23.1% black female Board members	42.9% black Board members 14.3% black female Board members	45.0% black Board members 21.0% black female Board members
Diversify Executive Directors	<ul style="list-style-type: none"> 25% black Executive Directors 	June 2019	25.0% black Executive Directors	25.0% black Executive Directors	25.0% black Executive Directors	25.0% black Executive Directors
Diversify Executive management	<ul style="list-style-type: none"> 27% black Executive management with at least 50% being black female 	June 2019	25.0% black Executive management 10.0% black female executives	21.4% black Executive management 10.0% black female executives	25.0% black Executive management 10.0% black female executives	25.0% black Executive management 10.0% black female executives

2022 TRANSFORMATION PROGRESS *continued*

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Employment equity						
Diversify senior management	<ul style="list-style-type: none"> Increase black senior management from 15% to 28% 	June 2020	23.0%	20.8%	21.5%	31.6%
Diversify middle management	<ul style="list-style-type: none"> Increase black middle management from 32% to 45% 	June 2020	40.8%	48.8%	46.9%	66.5%
Diversify junior management	<ul style="list-style-type: none"> Increase black junior management from 69% to 77% 	June 2020	51.7%	60.1%	70.2%	85.7%

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Skills development						
Alignment of skills programmes with business needs	<ul style="list-style-type: none"> 80% of training offerings within category B, C, D of the skills matrix 	June 2018	49.5%	49.0%	47.0%	Achieved
Training plan aligned to succession plan	<ul style="list-style-type: none"> 5% of leviab amount spent on black people (targets based on employee assistance programme (EAP) stats) 	June 2018	3.2%	3.0%	3.1%	Achieved
Implement a disability learnership programme	<ul style="list-style-type: none"> 0.3% of leviab amount is spent on disabled people 	June 2018	0.5%	0.3%	0.5%	Achieved

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Preferential procurement						
Segmentation of procurement spend*	<ul style="list-style-type: none"> 40% procurement spent with companies who are at least 51% black-owned 100% of all suppliers must be B-BBEE rated with 80% of suppliers on a minimum of a level 4 12% procurement spend on companies who are at least 30% black women-owned 	Ongoing	36.2%	46.3%	37.8%	22.6%
		Ongoing	99.0% with 87.2% of suppliers on a minimum of level 3	88% with 58% of suppliers on a minimum of level 4	66.7% with 45.4% of suppliers on a minimum of level 4	48.5%
		Ongoing	21.7%	32.9%	11.9%	10.3%
Continued support and funding of Property Point	<ul style="list-style-type: none"> 1% net profit after tax (NPAT) towards enterprise development 2% NPAT towards supplier development 	Ongoing	1.1%	2.3%	1.8%	5.6%
		Ongoing	2.2%	3.8%	3.8%	11.5%

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Socio-economic development						
Annual value of all SED contributions of Growthpoint	<ul style="list-style-type: none"> 1% NPAT towards beneficiaries that are black** 	Ongoing	2.6%	1.2%	4.7%	9.6%

* Changes in legislation on the Property Sector Charter in the financial year 2022 audit were based on levels 1 – 3.

** Black refers to African, Coloured and Indian of South African origin.

ENVIRONMENTAL

Our environmental objectives are linked to Growthpoint's overall business strategy and we have seen even greater alignment between the two over the past year.

Our ESG strategy, which remains centred around value creation, is crucial, and we are committed to our role in its execution.

The year has been one of change and challenge, and the goals we set were ambitious yet we were still successful in reaching several of them. Although we have faced a number of obstacles in achieving others, we are not deterred and will continue to navigate a pathway to carbon neutrality by 2050.

Our focus areas for FY22 included our carbon-neutral pathway, renewable energy and solar projects, and reducing energy intensity.






Value creation through sustainability


We continue to create value through sustainability and use the five focus areas which include:

- Utility management
- Consumption efficiency
- Renewable energy mix
- Sustainable development
- Our strategic approach.


Our approach


Protecting the environment is a key consideration for Growthpoint, and collaborating with key stakeholders including our tenants, employees and the communities we work in is crucial in ensuring that we are able to do so.

Utility management 	Consumption efficiency 	Renewable energy mix 	Sustainable development 	Strategic initiatives 
<p>Managing utility costs from a municipal point of view to ensure our tenants are not exposed to higher-than-expected energy costs. This is done through smart meter installation and data validation.</p>	<p>Metrics are in place that identify poor performing buildings related to energy consumption.</p>	<p>As part of our ongoing solar installation strategy, buildings with high-energy use as well as high-electricity tariffs were identified and selected for solar installations. We continue to drive alternative energy sources as part of a balanced energy mix.</p>	<p>Developing green buildings using international sustainable best practices. This is done to ensure an optimal environment for the occupants while ensuring the building operates efficiently, sustainably and with minimal impact on the environment.</p>	<p>The identification of innovative solutions to current climate challenges. The solutions are sought via either the Greenovate student competition or by partnering with technology firms to develop new products.</p>




TRAILBLAZERS IN BUILDING PERFORMANCE



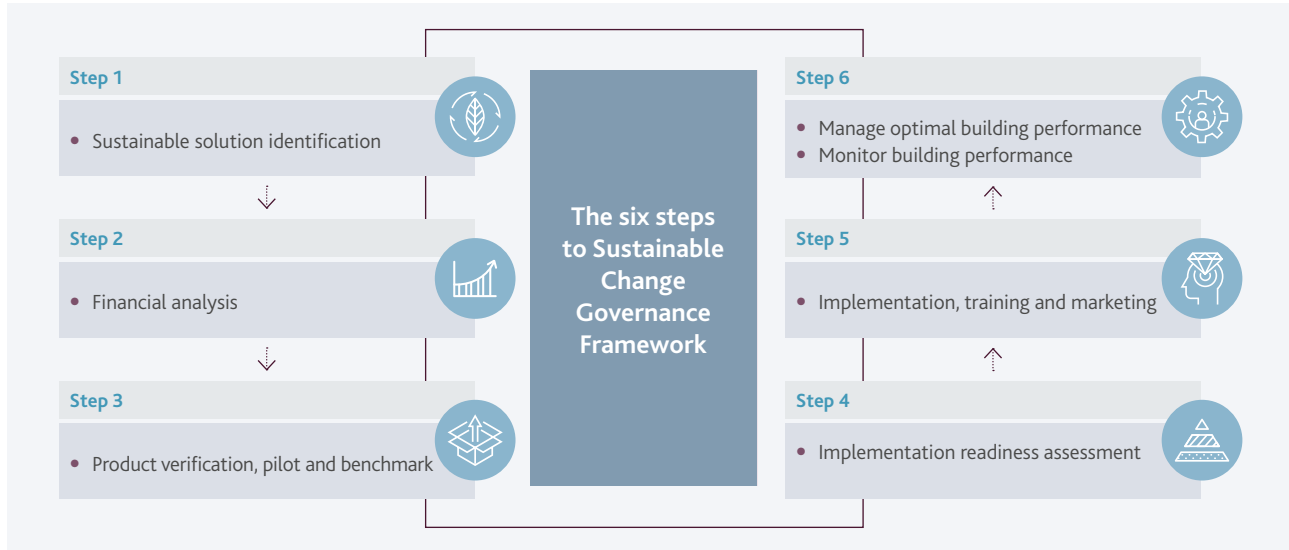


ENERGY WATER PERFORMANCE



To create value, we follow a six-step framework.

Sustainable change governance framework



Utility management

This is an important function of our business and our sustainability efforts. The teams are persistent, despite the continued challenges with local municipal service delivery.

There is a general disconnect between municipal capacity to deliver services and the rate at which the fees increase, and this affects our ability to bill our tenants effectively, resulting in substantial accruals. The utility management companies' ability to deliver on their Service Level Agreements (SLAs) is under pressure and is motivating the installation of tenant meters. Implementation of this strategy is, however, being affected by the range, type and age of equipment in some of our buildings.

Growthpoint continues to engage with our clients to ensure we are aware of their needs and can make the appropriate recommendations to limit their utility expenses. This is a key component of our service delivery.

We believe our environmental and utility efforts help us to focus on UNSDG 7 (clean energy) and UNSDG 11 (sustainable cities and communities), and there is an opportunity for us to undertake research and development to increase our impacts in this regard.

Our current waste management approach needs to be adjusted as we now understand the importance of procuring waste management service providers with the right level of monitoring, verification and reporting tools. We also understand the importance of supply chain resilience in relation to waste recycling, composting and waste-to-energy technologies.

20:20:20:2 targets

A key component of our strategy is our 20:20:20:2 targets that aim to achieve 20 net-zero buildings, 20MW of solar energy, R20m worth of green lease recoveries and two commercially implemented Greenovate Awards ideas.

While we continue to work towards meeting these targets, the economic climate both before and since the pandemic has made it difficult to do so.

	20	20	20	2
Targets	20 net-zero buildings	20MW of solar energy	R20m worth of green lease recoveries for Growthpoint	2 commercially implemented Greenovate Award innovations
Timeline	FY25	FY22	FY25	FY22
Progress	0	13.5MW of solar energy installed across 19 sites	R5m (Growthpoint only for FY22)	1
Revised timelines	FY25	FY23	FY25	FY24

Two buildings achieved net-zero ratings, but these certifications were not retained, partly due to a change in the certification which was based on a modelled approach and delays in registering an installed solar system for one building. In the case of The District’s net-zero water rating, the operational and licensing costs of keeping the water recycling plant in place are currently not feasible.

Achieving a net-zero certification is a complex process and this is not taking place as fast as we would like. However, we have identified two buildings for energy net-zero, one of which has renewable energy, and another that will soon have solar capacity. We are optimistic that these certifications will be confirmed in the next reporting period.

We are disappointed to have not met our solar energy production target for FY22, but this is a result of timing. The solar projects currently installed, approved or under construction is 16.04MW. We will exceed our target in the next year.

The green lease target is a cumulative one that is reported annually. We have reviewed the structure of the leases and are in the process of implementing a new approach.

To date, we have one Greenovate project implemented in our buildings. These ideas are award winning but proving difficult to implement due to technical and commercial viability considerations.

Climate change

The most ambitious challenge we have set ourselves is to be carbon neutral by 2050. This is in line with UNSDG 13 (climate action). Although we are committed to the pathway, we acknowledge that the journey ahead is not straightforward. In setting our targets last year, we had yet to determine the cost implications of this objective and have subsequently come to appreciate that achieving our FY26 targets could have a substantial cost implication for the investment in energy efficiency initiatives and renewable energy.

Priorities and targets

In FY21, Growthpoint set several priorities and goals that stretched well beyond any we had set before. We accept that we have not achieved as many as we would have liked, but believe that these targets are still appropriate. Key priorities have, however, been identified.

Focus area	Priority level	Progress
Energy efficiency	High	In progress
Green building certification	High	In progress
Renewable energy investment	High	In progress
Net-zero carbon buildings carbon neutral pathway	High	Delayed
Waste: Zero organic waste to landfill	Medium	Delayed
Waste: Audit waste service providers	Medium	Delayed
Refrigerant management	Medium	In progress
Water efficiency	High	In progress
Water: Borehole registration	Medium	Achieved
Biodiversity	Low	Delayed
Green building guidelines for Growthpoint and the property sector	Low	In progress

■ In progress ■ Delayed ■ Achieved

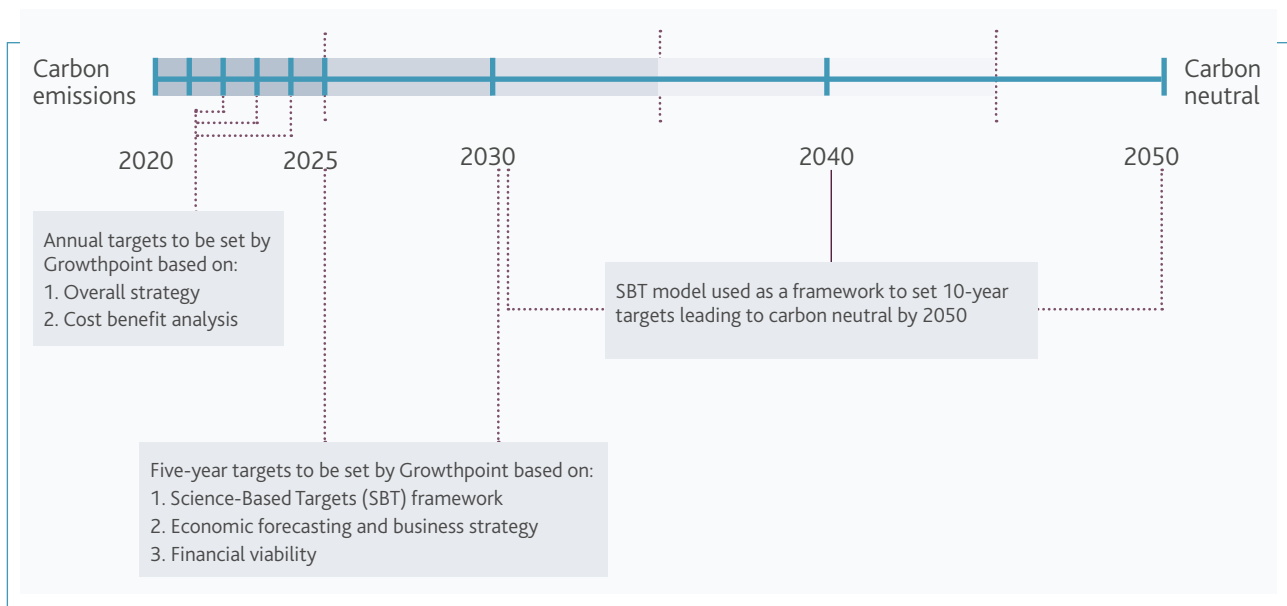
These elements will be the primary contributors to our carbon neutral pathway

ENVIRONMENTAL *continued*

Five-year targets were set using a science-based target methodology with FY20 as the base year. The aim is to be carbon neutral by the year 2050, and we plan to achieve this by creating value through a sustainable approach and implementing the six steps to sustainable change governance framework and meeting the 20:20:20:2 targets.

Tracking our progress

While accepting that the annual targets will change depending on our progress from one year to the next, we also have five-year targets to measure our progress against. This will help us determine the intensity value of the annual targets.



The targets were based on data from our assets. The greenhouse gas (GHG) emissions reported on page 25 are in line with the scope and boundary set within the parameters of what we own and manage. The latter excludes single tenanted buildings and triple net leased buildings.

	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
Renewable energy – MW installed	7.5	13.5*	27.1*	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

* The installed capacity includes co-owned properties.

Note: Information includes all buildings in the South African portfolio.

During the first year, we learnt a great deal and aim to improve our performance in FY23. A base year recalculation policy is currently under development. As a result of a shift in boundary for the GHG emissions calculation in FY21, this was deemed necessary and is likely to impact our current targets when the policy is approved.

GHG emissions

Source	FY22 total metric tCO ₂ e	% Change	FY21 total metric tCO ₂ e
Scope 1	4 296	97	2 181
Mobile fuels (company cars)	30	(1)	30
Stationary fuels (generators)	2 733*	110	1 300
Product use: refrigerant gas (Kyoto Protocol)	1 534	80	851
Scope 2	48 182	0	48 014
Purchased electricity (location-based)	48 182	0	48 014
Total Scope 1 and 2	52 478	5	50 195
Scope 3	605 811	(5)	634 379
Category 1 – Purchased goods and services: water	2 705	(4)	2 803
Category 1 – Purchased goods and services: paper	13	4	13
Category 4 – Upstream transportation and distribution: courier	8	35	6
Category 5 – Waste generated in operations	8 790	22	7 177
Category 6 – Business travel	429	264	118
Category 7 – Employee commuting	613	(2)	627
Category 13 – Downstream leased assets: purchased electricity	593 254	(5)	623 635
Total Scope 1, 2 and 3	658 289	(4)	684 574
Out of scope – non-Kyoto refrigerants (R-22)	726		1 611

* FY22 reporting was more complete.

Note: For FY21 all electricity that was allocated to tenants was moved from scope 3 to scope 2. For FY22 reporting was reconciled against recovered consumption instead (as per the FY20 base year), thereby overcoming the issue – overall electricity consumption and emissions decreased.

For FY 22, the GLA assessed accounts for 88% (FY21: 98%) of the South African portfolio excluding the V&A (excludes 32 buildings).

Climate change risk and opportunity

In FY21, Growthpoint reported on our climate risk assessment findings. This can be found on page 94 of this report. This exercise will be undertaken again in FY23 to align with a 1.5-degree increase on temperature change.

There is still an opportunity for wheeling: a transfer of electrical power via a distribution system such as Eskom's grid. Eskom supplied buildings currently offer the best opportunity for wheeling as the entity has the administrative capabilities in place. However, significant barriers exist regarding the size of electrical supply connections required to qualify for wheeling agreements. This relates to buildings connected to the Eskom distribution networks. Most of Growthpoint's buildings connected to the Eskom grid fall below the voltage connection limit of 1MVA. Most of the buildings are supplied with electricity via municipal connections, which limits the overall opportunity.

An energy wheeling issue we encounter is the lack of municipal administrative capabilities. Furthermore, the perceived threat of reduced revenue from electricity sales has led to some municipalities choosing to either not offer wheeling tariffs or offer tariff structures that are financially unattractive.

The cities of Cape Town, Tshwane and Johannesburg have indicated that they plan to enter into PPAs (Power Purchase Agreements) with IPPs (Independent Power Producers) and that wheeling agreements will form a part of this process.

Growthpoint also believes there is an opportunity to obtain green finance via Green Bonds and Sustainability Linked Bonds,

but increasing vacancy rates and reductions in commercial property valuations have made motivating capital upgrades to buildings more difficult.

With loadshedding set to continue, there is a risk to our carbon-neutral target due to the need to run diesel generators. At the same time, this does give us an additional incentive to look at renewable power supply solutions and battery energy storage.

Our efforts to limit the risk of climate change are detailed in the explanation of our solar and insurable risk efforts on pages 26 and 70 respectively.

Carbon tax

In the past year, it was announced that the review of the Carbon Tax Act will now take place in 2025 as opposed to 2023. Growthpoint partakes in listed activities that make the requirements for carbon tax applicable and has been actively trying to register with the appropriate SARS department for a few years to ensure we comply with the requirements. This has not proven to be easy, but we will persevere.

We support the intention of the tax, which is to encourage less use of fossil fuels, and as a responsible corporate, appreciate the benefits that carbon reduction will bring. Our investment in renewable energy will benefit Growthpoint by reducing the potential impact of this tax.

In FY22, one tonne of carbon cost us an average of R2 241 (FY21: R1 934).

ENVIRONMENTAL continued

In the year under review, we submitted information on backup generator capacity to the Department of Forestry, Fisheries and the Environment. As required, we had our submission externally verified.

Calendar year	2021	2020
Number of generators/ fire pumps	374	371
MW generation potential	332MWth	377MWth

Note: Decrease due to conversion factor adjustment.

We expect a further increase in the use of fuels considering the extensive loadshedding we have experienced which we expect to continue for the foreseeable future.

Energy

The energy crisis in South Africa has worsened, with energy security a primary risk faced by many businesses. The inability of Eskom, South Africa's primary energy supplier, to provide

a continuous power supply has resulted in a focus on alternative energy supplies, particularly renewable energy. Regrettably, there are limited opportunities to invest in a large energy plant, so we have explored partnership options.

This situation has prompted us to undertake a feasibility study on wheeling and power purchase agreements at utility scale. While we have explored the possibility of engaging in power purchase agreements to supply a portion of our portfolio, there are numerous factors to consider, such as the limitations placed on which buildings we can procure energy for.

Battery storage backup is an option that Growthpoint continues to explore, and we are pleased to announce a pilot battery backup project for our retail sector. This will be piloted in FY23 and if it proves viable, we will look to replicate it elsewhere. The project was motivated by escalating tariffs and a review that found that it is cheaper to run generators during peak cycles than purchased electricity. Until there is clarity on wheeling, we see this as an interim solution.

	FY22	FY21	FY26 target
Energy intensity for all sources of energy	125.95kWh/m ² /pa	126.8kWh/m ² /pa	77kWh/m ² /pa

* Includes all properties in the South African boundary excluding the V&A.

Solar

Investment in renewable energy in South Africa is a necessity, not only from a carbon emissions reduction perspective, but for business continuity. The rapidly escalating price of purchased energy is also a motivator for investment in solar power.

A review of current legislation may facilitate our current efforts, with solar projects getting easier for us to implement. The challenge, though, is finding reliable service providers.

There are many players in the market with many options, but establishing reliable, responsible and socially conscious providers can be difficult.

The supply chain for solar is well developed, and because supplies are procured internationally, these remain subject to exchange rate fluctuations. This makes financial planning more difficult. The return on investment is approximately four to five years. This could fluctuate from site to site with the annual cost for maintenance of our existing solar plants sitting at R1.42m.

Solar power produced	FY22	% Δ	FY21
Number of solar plants	19	18.8	16
Energy produced by solar (MWh)	12 837	38.7	9 252
Emission saved (tCO ₂ e)	13 607	38.8	9 806
Annual savings (R)	21 977 674	24.0	17 723 381
Annual investment in new solar plants (Rm)	18.1	(3.2)	18.7
Investment in solar to date (Rm)	167.7		
Annual maintenance cost (Rm)	1.4	(16.7)	1.4
Growthpoint direct benefits by consumption (%)	5*	(1.1)	6
Growthpoint tenant benefits by consumption (%)	95*	1.1	94

* Significant difference due to allocation methodology adjustment.

Solar and battery projects approved for FY23

Building	Capacity	Region	Estimated investment	
			R	ROI – years
Paarl Mall battery project	4.5MWh	Western Cape	R25m	6
Paarl Mall solar generation	2.5MWp	Western Cape	R23m	5

This large commercial battery installation will be partly charged by Paarl Mall's new rooftop solar PV plant. The facility is expected to generate 3 601MWh per annum with a carbon emissions saving of 3 817.59 tCO₂e per annum. The ROI for the solar plant is calculated with a conservative tariff escalation of 8% in year 1 and 6% after that.

Water

Water is important to our operations. We have committed to prioritising this scarce resource even further in the coming year and will assess supply management and catchment as part of our water review process.

FY20 is our base year, with an intensity of 1.14kl/m²/pa for the full portfolio and we have proposed a water intensity reduction target to 0.5kl/m²/pa by FY26.

	FY22	FY21	FY26 target
Water intensity of total portfolio	0.61kl/m²/pa	0.61kl/m ² /pa	0.5kl/m ² /pa
GLA of total portfolio (m ²)	5 194 379	5 473 034	
GLA verified (m ²)	4 577 680	4 850 693	
Number of buildings verified	342	369	

Note: in FY22, the GLA assessed accounts for 88% (FY21: 89%) of the South African portfolio excluding the V&A.

Further detail on water usage per sector within our portfolio can be found on page 100 of this report.

The business case for water-saving initiatives remains a challenge as pricing is still relatively low. This weakens the return on investment, and the motivation for projects with low yields is difficult. However, water security often drives the need for water projects. The average ROI period for water supply projects is between 15 and 20 years, depending on the scale of the project. To address this, Growthpoint has employed a tactical approach that includes aspects of water savings when doing the feasibility of solar investment in parts of our portfolio. This integrated approach to resource consumption will provide better data.

As a result, we have increased the number of water projects. This is an overall target as we understand that different sectors have different needs and challenges relating to water.

The legislative pressures we have experienced relate mainly to borehole registrations and, in some cases, water intermediary user licences. We have therefore put together a programme to help property management obtain all required licences, and this has been well received. The majority of our boreholes in the commercial and retail sector have now been registered.

Borehole registration and licensing	FY22	FY21
Investment in boreholes	R2.3m	R1.8m
Number of boreholes registered	16	16
Number of boreholes drilled	16	

We monitor the water usage of our buildings and continue to be opportunistic in implementing water efficiencies and exploring the application of technology to reduce usage.

In the Western Cape a number of water projects have been implemented, including grey water harvesting, boreholes and emergency water storage on site. Additional details can be found on page 99.

Waste

Waste removal from our buildings is mostly handled by local municipalities, which has made it difficult to attain data and develop steps to achieve a zero organic waste to landfill target. We have 165 properties with waste removal service providers, and this excludes any arrangements made by our tenants for waste removal.

Growthpoint is committed to ensuring that all buildings with contracted waste service providers in FY22 will achieve zero organic waste to landfill by FY26.

When engaging waste service providers in FY20, we did not include the recording of organic waste as part of their service level agreements. The service providers are currently not required to separate and sort the landfill waste, but we have learnt that recycling should be included for all appointed external waste service providers at all the targeted buildings.

We are working with our current contractors to improve data recording and reporting.

There has been increasing pressure concerning the management of e-waste. Vendors of electronic and electrical products, lighting and lighting equipment had until November 2021 to sign a commitment to comply with new regulations pertaining to this. The new rules stipulate that those manufacturers and producers are responsible for the end-of-life management of their products. Growthpoint's e-waste is minimal, and the disposal is handled through a private service provider.

As part of our FY23 waste objectives, we have engaged with a waste specialist to facilitate the development of a strategy that is appropriate for our tenants and ourselves. The target is to divert recyclable waste away from landfill in 50% of the Growthpoint portfolio of core buildings by FY26.

ENVIRONMENTAL continued

	FY22	FY21	FY26 target
Waste generated in operations (tonnes)	11 497	8 975	Zero organic waste to landfill
GLA verified (m ²)	2 729 905	2 308 380	
Number of buildings verified	148	128	

Note: in FY22, the GLA assessed accounts for 52.5% (FY21: 29.6%) of the South African portfolio excluding the V&A.

Further detail on waste usage per sector within our portfolio can be found on page 100 of this report.

Biodiversity

Biodiversity remains relevant. Determining our impact and working out how we can ensure a positive impact on the natural environment is an issue we are grappling with and we are optimistic that more information on our approach will be given in the next reporting period.

At minimum, we adhere to the South African National Building Standards relating to environmental issues. As our operations are mostly in urban areas, there is little likelihood they will affect any species on the International Union for Conservation of Nature (IUCN) Red List of Threatened Species.

Our property development activity is the most likely to impact biodiversity, but we believe our current impact is relatively low. Still, we have increased our focus on ensuring that all our processes and procedures sustain biodiversity, and an environmental and social review has been developed to help mitigate our risk in this regard. All projects are subject to the environmental impact assessments that are deemed necessary in relation to their scale, scope and area in which they are to be implemented.

It is important to note that many biodiversity concerns are encompassed in the green building certifications, and we continue with our efforts to include biodiversity in our portfolio. However, we know there is still work to be done.

Projects

Energy Performance Certificates (EPCs)

The regulatory requirement is to have an energy performance certificate for our office buildings, with third-party verification by an inspection body accredited by the South African National Accreditation System (SANAS). This has been a major project for us over the past year as the criterion is that all privately-owned buildings larger than 2 000m² must display their energy performance ratings. These certifications must be issued by the Department of Mineral Resources and Energy.

Although this appears to be a simple regulatory standard, we have discovered that the implementation is complex as there are a small number of approved service providers available. We have appointed more than 65% of the approved suppliers to help us achieve this objective. Despite the resourcing obstacles, our current plan is to ensure that all eligible buildings are EPC accredited by the December 2022 deadline.

EPC certification

Number of buildings applicable per size	FY22 Cost	FY23 Budget	Total estimated cost
88	R265 000	R1 103 726	R6 968 726

Green leases

The Growthpoint Green Lease/Green Addendum is a partnership programme with tenants, with the financial savings made through the decreased usage of water and/or electricity as a result of sustainability initiatives installed or implemented in tenants' premises benefiting both Growthpoint and the tenants.

To continue creating value through sustainability initiatives, we have had to re-assess our current targets and objectives as well as the mechanisms used to achieve them. This process included a detailed review of the current format of the Green Lease and resulted in the decision to phase out this initiative, largely due to the pandemic and some tenants spending less time in the office. We are introducing Green Lease V.2, which will have a similar format to the original lease but will be bespoke for each of our tenants. The objective of this new format will be to refine dates and other elements that need to be addressed following an audit, and will also depend on the length of the lease. The longer the lease, the more the tenant will benefit. We want to ensure that leases cater specifically to our tenants' needs.

The purpose of the audit will be to determine a baseline against which we can measure future performance. We are working with our IT department and service providers to develop a platform to record monthly cost allocations over a certain period of time. The objective is to have this revised form of the Green Lease in place by the end of FY23, and a few buildings have been identified as prototypes for this initiative.

	FY22	% change	FY21
Number of tenants	53	(75)	209
GLA m ²	9 949	(31)	14 353
Growthpoint's annual savings (Rm)	5.0	(55)	11.1
Collective savings since inception (FY14) (Rm)	130.0	4	125.0

Green building certifications

In the last year, our primary focus on certifications has been attaining energy and water performance ratings. These will allow us to have a greater impact on our portfolio as it is significantly more economical and less time consuming to address these pertinent issues.

Being the leader in green building certifications is fundamental to achieving our carbon neutral goals and Growthpoint remains committed to a minimum four-star Green Star SA rating for new office developments.

Unfortunately, in the year under review, our net zero building certificates expired. We have subsequently identified a few buildings we believe would be contenders for net zero certification and the feasibility review for this is underway.

Growthpoint endeavours to make changes at an asset level, with the intent to reduce carbon emissions. There is an ongoing analysis of the viability of entering the carbon market, but we appreciate the complexity and costs of setting this up. Nevertheless, we remain optimistic that we will engage in this activity by FY26.

Our investment in certification and re-certifications for FY22 was R2.1m (FY21: R2.1m), but we have anticipated a budget significantly higher for FY23 due to the large number of building certifications expiring and requiring re-certification.

We are working with the GBCSA to develop green building guidelines to help our internal stakeholders understand what is needed to attain and maintain the various green certifications. These will be available publicly and benefit the local property sector once completed. In addition, we worked with GBCSA on developing an industrial rating tool that was launched in June 2022. Five industrial buildings have been identified for certification as part of the pilot version of this EBP certification.

Greenovate Awards

We are proud of how this initiative has evolved, particularly over the past couple of years. The objective is to encourage innovation with regard to the sustainability-related elements of the built environment, and the programme continues to take into account the hybrid work approach established during the past two years.

We have been engaging with the engineering faculties at universities in this programme, and at the end of 2021 there were 22 participants from five universities. In FY23, we hope to launch a new stream in construction management and engineering. This will introduce property technology for postgraduate students as well as small start-up companies supported by university hubs.

In the property category, students from the University of Cape Town took first and third places in the most recent awards, with The University of the Witwatersrand taking second place. In the engineering category, the top three were from the University of Cape Town, North West University and the University of Stellenbosch, respectively. In FY22, prize money of R30 000 was awarded to the winning student/s in each category, while the runners-up received R15 000, and the third-place finishers, R10 000.

The success of the awards is a result of our partnership with the likes of GBCSA, and in the year under review, we invested more than R1.1m. The prize money has been increased to R34 500 for first place, R17 250 for second place and R11 500 for third place for the forthcoming awards in both the engineering and property streams.

Lighting

The table below represents the investment in lighting projects for FY22.

Energy efficiency initiatives	FY22 Amount invested R	FY22 Estimated kWh saving	FY22 Emissions saved (tCO ₂ e) if applicable
Lighting upgrades	83 500	1 304	1.3

Feasibility study and due diligence projects

Consultants were appointed to establish the financial costs of improving energy and water efficiencies and reducing waste to landfill to meet 2026 targets. The procurement of renewable energy will contribute towards our emissions reduction efforts and so we also need to clarify the financial impact of achieving these. The approximate cost for this project, which was undertaken in two parts, was R900 000.

Part 1 involved a PPA for wheeled power from independent producers of renewable energy, with such power to be used by Growthpoint-owned properties. Part 2 is a consideration of an investment partnership in the two solar PV plants identified as the power producers for the PPA noted in Part 1.

Sub-meter rollout

We have identified the retail sector as the most financially attractive prospect for the implementation of sub-metering in relation to utility recoveries, particularly for water and electricity. Priority will be given to assets with more tenants, making the exercise more viable. The estimated cost for the initial phase is unclear at this stage due to the complexity of metering tenant and landlord spaces in retail properties, but it will be rolled out over 18 months, starting in FY23. The industrial and office sectors will be addressed at a later stage.

ENVIRONMENTAL continued

Research and development initiatives

Growthpoint is involved with research and development through our support of the Greenovate programme, but we are continually approached to participate in other R&D. We have been selective of our involvement but will evaluate reasonable proposals that are likely to benefit Growthpoint and/or the property sector.

Electric Vehicle (EV) charge stations

A few years ago, we installed EV charging stations at selected properties but they were not utilised. Recently we have been requested to include this facility at some of our properties for privately-owned vehicles.

A rollout of 20 EV charge stations at several of our retail and commercial properties is currently being planned with a market-leading service provider. This rollout will be used to complete a cost/benefit analysis focused on key impact areas:

- Business case (foot traffic, electricity recoveries, advertising revenues)
- Emissions reduction potential
- Technical feasibility (EV charger installation procedure, power supply, impact on building electricity demand, serviceability)
- Identification of appropriate buildings for EV charge stations based on client and stakeholder needs.

To date, four EV charge stations have been installed, with Brooklyn Mall and Constantia Village, having two each.

The financial impact of environmental events

Growthpoint uses insurance claims data to gauge the financial impact of environmental events on our assets. This data is obtained from our insurer to inform our future planning and maintenance objectives for adaptation efforts and limit future costs.

We undertook a climate risk review which identified potential risks to damage to infrastructure and property due to extreme weather events in the eThekweni municipality as a severe risk under both the Hothouse Earth and disorderly transition scenarios. This was evident during the floods in KwaZulu-Natal that cost our insurers R12m and Growthpoint R1.5m. These costs are being finalised with our insurers and will be reflected in the FY23 report.

The table reflects the costs of weather-related damage to our properties, with data based on when the event took place. As some claims may have only been concluded after the FY21 ESG report was published, we have restated the financial impact for FY21.

Insurance claims arising from climate-related events

Sector

	FY22					FY21				
	Office	Retail	Industrial	Healthcare	Total	Office	Retail	Industrial	Healthcare	Total
Earthquakes/sinkholes	-	-	-	-	-	-	-	-	-	-
Rain/flood	-	214 410	-	-	214 410	1 825 050	766 582	-	-	2 591 632
Hail	-	-	-	-	-	-	266 001	883 047	-	1 149 048
Wind	-	-	134 449	-	134 449	1 529 835	43 000	-	-	1 572 835
Total	-	214 410	134 449	-	348 859	3 354 885	1 075 583	883 047	-	5 313 515

Region

	FY22				FY21			
	Gauteng	KZN	Western Cape	Total	Gauteng	KZN	Western Cape	Total
Earthquakes/sinkholes	-	-	-	-	-	-	-	-
Rain/flood	214 410	-	-	214 410	592 565	-	1 999 067	2 591 632
Hail	-	-	-	-	1 149 048	-	-	1 149 048
Wind	134 449	-	-	134 449	-	150 000	1 422 835	1 572 835
Total	348 859	-	-	348 859	1 741 613	150 000	3 421 902	5 313 515

SOCIAL

A man with glasses and a beard, wearing a green blazer over a light-colored shirt, is shaking hands with a woman with long dark hair, wearing a dark blazer over a white and black striped blouse. They are standing in front of a large banner. The banner features the BMF logo, which is a stylized triangle with a gear-like base, and the text 'BMF DEVELOPING MANAGERIAL LEADERSHIP'. The background of the banner is white and green. The overall scene is set against a dark, gradient background.

DEVELOPING MANAGERIAL
LEADERSHIP

Our employee value proposition makes Growthpoint a preferred employer and includes great rewards, developmental opportunities, a caring and supportive staff environment and an inclusive team culture without rigid hierarchy. This value proposition proved to be of paramount importance during the challenging period of the pandemic.

OUR PEOPLE

Our employee value proposition makes Growthpoint a preferred employer and includes competitive rewards, developmental opportunities, a caring and supportive staff environment and an inclusive team culture without rigid hierarchy. This value proposition proved to be of significant importance during the challenging period of the pandemic.

Employment equity (EE) and transformation

Growthpoint remains dedicated to transforming our business, economy and society, and has made progress towards achieving a diverse, transformed and inclusive work environment where all employees feel a sense of belonging.

In terms of meeting our EE numerical goals, a challenge remains at Exco level due to minimal employee turnover during the past five years, which is likely to remain low. However, the Board has resolved to fill positions that become available with EE candidates going forward. Six of our recent senior appointments have been EE candidates.

Ensuring fair and equitable employment policies and practices allows us to promote equal opportunities in the workplace. Our affirmative action (AA) measures enable us to redress employment barriers to transformation as experienced by our employees, and ensure equitable representation of employees from designated groups.

Growthpoint's transformation strategy has fared well in achieving its objectives. We are working towards achieving the transformation targets and tracking our progress against them quarterly. Transformation targets enable the organisation to demonstrate diversity and integration within the workforce, which remain an imperative for Growthpoint as a good corporate citizen.

While targets are important, we are realistic about those we set for our organisation. Consideration is given to business growth, availability of skills, projected employee retirements and employee turnover at all the various occupational levels – a process we believe will ensure sustainable transformation. Our progress in achieving transformation objectives is monitored and evaluated by our dedicated Diversity and Inclusion Forum, which feeds back to our Social, Ethics and Transformation Committee. Our EE plan is a critical part of our transformation strategy, and we monitor and report on progress against the EE plan annually.

Skills shortages at all occupational levels remain a challenge for transformation, especially in the property sector where all businesses are competing for the same skills. Our employee value proposition supports our competitiveness and, in many cases, we see people who have left Growthpoint's employment seeking to return.

Other diversity indicators

Besides race, Growthpoint also strives for workforce diversity in terms of age and gender. The collaboration of people of different ages, work experience and backgrounds inspires greater respect for others, fosters new perspectives and solutions, and makes our business more innovative.

During the reporting period our gender split was 54% female and 46% male. Our average employee age was 45.

Growthpoint endeavours to foster a supportive environment of, and is respectful of individual identities. There is increased pressure for organisations to disclose various indicators of diversity, and this includes information on LGBTQIA+. We do not require employees to disclose their sexual orientations but welcome voluntary disclosure of gender identity. All employees are treated with respect and receive the same benefits regardless of sexual orientation. For this reason, we do not collect data on this indicator. Should it become necessary, we would consider a gender sensitivity policy in consultation with our employees.

Covid-19 impact

The Covid-19 pandemic has continued to impact our employees, especially financially and emotionally. In addition, our people were affected by the reported civil unrest, natural disasters and the rising cost of living in South Africa, and they are also not immune to events on a global scale, such as Russia's war on Ukraine. They continue to express great anxiety over job and financial security, especially as many are currently supporting others in their families and communities more than ever before. Growthpoint has not retrenched employees or restructured remuneration and/or benefits in the past two financial years. We have continued to support employees during this unprecedented time.

This year, we worked with our wellness partners, learnt from subject matter experts and listened to our people in formulating our approach towards a Covid-19 vaccination policy. Growthpoint conducted a staff survey to gauge our employees' views and concerns about vaccinations, and these revealed that 84% of our staff members were fully vaccinated as at June 2022. The high vaccination status of our employees in relation to the national numbers, a steadily declining number of cases in the country, insight from our employees and our desire to avoid a blanket

approach to staff vaccination, led to us deferring our Covid-19 vaccination policy.

While we do not force our employees to vaccinate, we encourage them to do so.

Hybrid working

In line with best practice and a survey conducted among our employees, we have introduced a 60/40 hybrid working model, which requires employees to work at least 60% of their time in the office and 40% remotely to promote a healthy work-life balance. Indications are that many employees are eager to return to the office, which is unsurprising considering studies show that people thrive on human interaction, rather than in a completely virtual environment. Some employees are also not able to work from home and are accommodated at the office.

Our Johannesburg offices are being renovated and most employees there are working remotely unless their jobs require them to be in the office. Extensive staff communication regarding our hybrid policy will take place in early FY23, once the renovation is complete.

Employee value proposition (EVP)

With the exception of the addition of hybrid working, our employee value proposition remained unchanged this year. It is based on total rewards and development opportunities, which include some of the following:

- Retirement benefits
- Medical aid
- Gap cover to ensure that employees are not out of pocket should their medical costs not be fully covered by their medical aid
- Group risk cover
- Accidental death cover
- Educational assistance for qualifying employees' children (GEMS)
- Work-life balance, which is crucial and supported by our flexible working hours
- Employee wellness programme
- Share options for all our employees
- Disability cover
- Career and personal advancement opportunities.

Living wage and pay gaps

Our remuneration is competitive and equitable, with internal and external parity. Given the vital role it plays in retaining valuable skills, our approach to remuneration is always evolving and improving. We are particularly mindful of the gap between our highest and lowest earners.



Reach for a Dream, Port Elizabeth.

OUR PEOPLE

continued

Our current living wage is R12 500 per month. Growthpoint's definition of a living wage differs from the generally accepted level in South Africa. We believe a living wage should enable employees to afford five fundamentals: decent accommodation, food, healthcare, transport and education for dependants. We are comfortable that our employees are remunerated in line with this definition.

We performed favourably in a gender pay-gap analysis that was conducted in FY21. Using several measures to track our performance in this area, including those set by the Department of Labour, we intend to ensure that our remuneration practices continue to exclude arbitrary biases, and will conduct an updated pay-gap analysis in FY23 to gauge whether there have been any changes.

Staff communication

We continue to communicate with staff regularly through a variety of channels in order to reach them effectively, and we conduct monthly check-ins randomly while focusing on those employees who require additional support.

Employee surveys

We take a consultative approach to our way of working, and value employee feedback. In addition to our internal survey on Covid-19-related matters, we conducted two external staff surveys during the year. One of these was the completely anonymous employee engagement survey by Deloitte, in which more than 75% of employees reported being fully engaged. This resulted in Growthpoint receiving a Platinum Award and being ranked among the top 150 engaged employers in South Africa.

We continue to find ways to educate, inform and deepen the ethical behaviour in the company. In FY22 we followed up on our first Gordon Institute of Business Science (GIBS) Ethics Barometer survey, which was carried out in 2019 to establish a baseline of ethical conduct in our business, with a second survey to assess our progress. We also established an Ethics Committee with broad representation to evaluate, guide and drive our progress. Our new formal ethics strategy, based on the survey results, was approved by the Board in June 2022. Ethics are important to us, and we believe that such conduct warrants a special focus in the context of a general ethical deterioration in South Africa and globally.

Health and safety

Our dedicated Health and Safety Forum proactively monitors and reports concerns to ensure that our work environment remains incident free as far as possible. We comply with the Occupational Health and Safety Act (OHSA) and all elements of the national health and safety regulations and requirements. Besides the minimum requirements, we have a clear vision to achieve a zero rate of workplace-related incidents.

It is our duty to keep the workplace safe and our Covid-19 safety protocols were aligned with the stipulations of the National Department of Health. We also have additional safeguards in place to meet our own needs.

Employee wellness and the employee assistance programme (EAP)

We value our employees and their wellbeing. We are also proud to offer a wellness programme that not only supports their wellbeing but optimises their contribution to the business.

Our confidential and voluntary employee assistance programme helps our employees and their families navigate through various life challenges that may adversely affect their work performance. We are cognisant of the negative impact mental health has on our employees' and we ensure they are supported in managing this challenge. Aspects which contribute to our employees' ill health include financial and legal stress, family problems, work overload and personal relationships.

These challenges often result in the deterioration of work performance and substance abuse. We are mindful that supporting employees' mental health is a necessity for growing our business, our market position and protecting our human capital.

Our EAP offers employees with personal and/or work-related concerns the opportunity to be assessed, counselled and referred for additional services either at management or employee request.

In the past year there has been an increase in the online and face to face support provided, and we have also seen increased attendance at the lunch time talks that address a variety of subjects. We are confident that our EAP is among the best available, and we tailor its support to the needs of our people.

Our wellness programme highlights the main health concerns that guide our employee wellness initiatives. Our programme shows that the current environment has created increased social and home pressures that are impacting the mental wellness of our staff.

HIV/AIDS, infectious diseases and chronic conditions

Employee confidentiality is important, and we do not expect our employees to disclose their HIV/AIDS status or subject them to HIV/AIDS testing. We respect the constitutional rights of all our employees and do not discriminate nor allow discrimination in the workplace on the basis of their HIV status. We believe that HIV is a manageable condition and not a threat to our business. The condition of any employees who are infected is confidentially managed and supported by our extensive employee wellness programme. Based on information provided by our largest medical aid provider, the HIV prevalence rate within our organisation is estimated to be between 4% and 6%. We do not have an HIV/AIDS policy as we do not want to reinforce stigma and discrimination against people living with HIV and AIDS. Should it become necessary, we would consider developing a policy for all chronic conditions, including cancer. We do, however, have an infectious disease management policy. Tuberculosis and malaria continue to be of concern globally, but do not have a direct impact on Growthpoint and are not considered to be material.

Policies and procedures

Much work has been done on our succession management policy to ensure a more purposeful approach to our ongoing talent management process. It is our aim to make this a "real-time" plan rather than a static document. We have reviewed our method of identifying successors to ensure readiness. This includes rigorous assessments, feedback, tailor-made development plans and assignments that will stretch their capacity and competencies. This method also gives us the added benefit of risk mitigation.

We are developing an executive wellness policy and a harassment policy, which is different from the sexual harassment policy already in place.

Several policies were reviewed during the year, including those concerning our employee bursary scheme, recruitment, disciplinary processes and travel.

Grievance procedure

Our grievance procedure policy was updated last year, and remains relevant and appropriate. Employees have a variety of avenues available to raise grievances, and can consult with our HR team to receive advice on the best one to follow.

Labour and human rights concerns can also be addressed through our independently monitored whistleblowing hotline. We encourage employees to raise concerns about workplace malpractices without fear of victimisation or reprisal.

Employees are also welcome to raise matters with representatives of the Diversity and Inclusion Forum or the Ethics Committee to the extent that their concern falls within the mandate of these bodies.

Industrial relations

Many of our actions revolve around performance management and fair disciplinary procedures because employee morale is improved by good industrial relations. Productivity increases and employees work with passion when they feel that their interests and those of their employer are aligned.

Poor performance was a greater challenge this past year than before. Economic hardship drove an increase in the number of cases of abuse of company property, and while we act consistently within the law, we also consider these offences holistically.

Staff turnover

The global "Great Resignation" phenomenon began in 2021 in response to changing working trends and personal priorities triggered by pandemic lockdowns and forced work-from-home, and Growthpoint has also experienced higher staff turnover. We monitor our staff turnover, which this year was 8.3%, down from 8.7% last year. We have commissioned an external consultant to get anonymous, independent insights into why people leave.



GEMS awards, Johannesburg, South Africa.

OUR PEOPLE

continued

Employee statistics	FY22	% change	FY21
Total number of employees	640	(0.50)	643
• Full-time employees	606	(0.82)	611
• Number of contractors/fixed-term employees and graduates	34	(6.25)	32
Number of disabled employees	21	–	21
Number of recordable employees in trade unions	–	–	–
Net property income per full-time employee (South Africa) (R)	10 034 653	0.53	9 981 997
Total number of hours worked	1 333 485		Not disclosed
Average tenure of employees (years)	8	–	8
Annualised attrition rate of full-time employees (%)	8.3% of which 1.2% was voluntary and 7.1% was involuntary	(4.60)	8.7% of which 6.9% was voluntary and 1.8% was involuntary
Annualised retention rate (%)	92	–	Not disclosed
Number of industrial relations cases	20	(4.76)	21
Number of industrial relations actions taken	20	(4.76)	21
Number of grievances from employees and stakeholders through independent hotline	3	–	Not disclosed
Average age of employees (years)	45	0.0	45
Lowest earner cost to company (CTC) (R p.a.)*	135 000	(5.66)	143 100
Highest earner CTC (R p.a.)***	7 645 177	4.59	7 304 850
Average income of top 10% earners***	2 119 257	–	Not disclosed
Average income of bottom 10% earners***	146 086	–	Not disclosed
Direct investment in employee training (Rm)	6.8	(78.95)	3.8
Total cost of employee training (Rm)	8.4	(78.72)	4.7
Number of employees trained**	458	(15.03)	539
Hours of training per employee	9.8	127.91	4.3
Total number of sick days	1 905	29.59	1 470
Number of employees with Covid-19	67	–	Comparable data not available
Rate of number of sick days per full-time employees	1.25	31.58	0.95
Number of physical injuries	–	(100.00)	2
Rate of physical injuries	–	–	–
Days lost to incidents for serious occupational injuries	–	(100.00)	29
Serious occupational recordable injuries (LTIs)	–	–	–
Total number of medical treatment cases (MTIs)	–	–	–
Total occupational recordable injuries (LTIs and MTIs)	–	–	–
Lost time injury rate	–	–	–
Fatalities	–	–	–
• Full-time employees	–	–	–
• Contractors hired by HR	–	–	–
• Third party contractors	–	–	–

* New employees – where external benchmark was used to determine the salary. Going forward the benchmark will only be applied if the new employee salary is below minimum of R12 500.

** Covid-19 environment which limited in-person training.

*** New indicator as per JSE disclosure recommendation guidelines.

A number of new indicators have been included and therefore there is no comparable data for FY21. The number of employees infected with Covid-19 from the start of the pandemic to FY21 was 117.

Talent and succession management

We have a four-pronged strategy to attract talent, with the foremost being word of mouth from our employees. The strength of our brand also attracts talent, and we use social media platforms such as LinkedIn that link directly to our recruitment portal. In addition, Growthpoint has initiated a young talent and graduate programme at university level, and we are especially pleased that we have managed to retain 95% of these graduate candidates in our business.

We ensure that new employees are aligned to our culture and values to optimise shared success. The same applies to career development for existing employees.

Given its importance as part of our succession policy, our new succession plan is a living document. Our middle management and levels below them are contributing positively to our succession programme, with mentorship and talent management going hand in hand with this planning. To further career advancement within Growthpoint, we were able to promote 18 existing employees in FY22.

Training and leadership development

We want to develop the best, brightest and most innovative teams, so we invest considerable time, effort and resources in training and development to support and advance our employees' careers. This year, the training environment led us to focus on areas of priority and necessity and, in this way, our staff members were still able to advance their skills and expand their knowledge. We invested R6.8m in training 458 staff members in a wide range of skills from first aid, firefighting and courses offered by SAPOA in leadership and management development, computer skills and specialist masterclasses, among others.

Labour and employment practices

We comply with various labour laws, including the Basic Conditions of Employment Act, the Labour Relations Act, the Employment Equity Act, the Skills Development Act

and the OHSA. Over and above legislation, we strive to be a good corporate citizen and have policies and processes in place to ensure that we offer equal or more favourable employment conditions than those required by law. Although not unionised, Growthpoint does not restrict employees' freedom of association. This is well communicated as a position in our employee handbook, which is given to each new employee and available to all employees on our intranet.

Growthpoint stands firmly against child labour, forced labour, slave labour and bonded labour. All our employees are aged 18 years or above, and the average age is 45.

Human rights

Growthpoint has entrenched, in policy, its commitment to uphold human rights, including the right to freedom from discrimination of any kind. In line with the country's constitution, we do not tolerate any form of hate speech and we believe every individual has the right to live the way they choose. Our commitment to human rights includes indigenous rights.

This has reinforced our commitment to creating a diverse and inclusive workspace, where every employee feels safe and heard, and has equal opportunity to succeed. We deal with incidents of discrimination swiftly and any form of racist conduct is a dismissible offence. We did not have any such cases this year. Even so, we have identified the opportunity to educate people on unconscious bias, which we will roll out in FY23.

Growthpoint GEMS

Our GEMS programme assists qualifying employees with funding for their children's tuition fees, stationery and uniforms. This programme contributes positively to staff morale by reducing the financial burden that would otherwise be felt. The long-term benefits of the GEMS programme, including the positive contribution to the participants, their family and society, are as important as the immediate benefit.

CORPORATE SOCIAL RESPONSIBILITY

Growthpoint's corporate social responsibility (CSR) initiatives are aligned with the objectives and needs of the communities in which we operate and are therefore not based on a one-size-fits-all approach.

A key pillar of our strategy is understanding the extent of the themes we aim to address and then constantly monitoring and evaluating our responses to ensure we add maximum value to the people whose lives we touch. We have also ensured that our corporate social investment (CSI) initiatives are aligned with the UN SDGs and our own ESG strategies.

Our focus has always been to facilitate real change in the communities we work with and ensure a positive reputation for the company. We aim to address key social needs and challenges, including education, entrepreneurship and development.

In the period under review, other critical areas addressed included the impact of natural disasters, gender-based violence and wellness, and particularly mental health. From the riots and recent floods in KwaZulu-Natal to the fires in Cape Town, we have been very proactive in terms of meeting the immediate needs of our staff. Through our enterprise development initiative Property Point, we provided food parcels and support to local small businesses that were negatively affected by these events.

In addition to our flagship projects Growsmart and GEMS, our educational initiatives included the continuation of our early childhood development (ECD) practitioners' training programmes, as well as the ongoing support of beneficiaries of the holistic education programme at Christel House and funding of the Protec maths and science programme in Limpopo.

We are pleased with the impact our partnership with the Genesis Trust has had through its SafePlace safety pods in Port Shepstone, because we see this as a critical action in the fight against gender-based violence.

In the coming year, we will be allocating more resources to the monitoring and reporting of all our programmes to better track the impact they are making and to inform our future targets.

Local community engagement continues to be a priority for Property Point as many of the businesses participating in the programme and alumni network are still faced with the negative economic impacts of the Covid-19 pandemic.

Property Point's initiatives have a strong link to our sustainability goals in terms of making a positive environmental impact and developing the small business economy.

With the view that our shopping centres are often at the heart of a community, we have also put measures in place to ensure that their outreach efforts are aligned with our overall CSR strategy.

Our five-year transformation strategy remains in place and we continue to work on improving our B-BBEE impact on all levels.

National education programmes

Eastern Cape	Growsmart
	iSchool Africa (Gqeberha)
KwaZulu-Natal	Midlands ECD Community College (Nottingham Road)
	Alladin ECD programme (Pietermaritzburg)
Limpopo	Protec Teacher Development programme
Mpumalanga	Ntataise Lowveld Trust ECD programme
Western Cape	Growsmart
	Christel House
	React24 Artisan Training programme
	NBI Installation Repair and Maintenance (IRM) General Repairer programme
National	GEMS, Growthpoint bursary programme

CSI projects

Genesis SafePlace

Gender-based violence is a systemic problem in South Africa that was made worse by the Covid-19 lockdown measures. The World Health Organization states that we rank fourth out of 183 countries for the worst levels of violence against women and girls. Genesis SafePlace aims to address this crisis in Port Shepstone, KwaZulu-Natal.

SafePlace offers immediate places of safety for vulnerable people, including victims of abuse, gender-based violence, rape and sexual assault. From the project's inception in 2019 to the end of 2021, more than 400 cases were reported in six of the SafePlace pods. For this reason, social workers are also available throughout the week to provide counselling, family support, or assist in navigating government systems for additional social, emotional and spiritual care.

From the start of our partnership with Genesis SafePlace in 2019, Growthpoint has funded the establishment of five safety pods, with the construction of the last unit completed in 2021. During our site visit in December 2021, we identified the need for continued maintenance of the pods.

In FY22, 191 crimes were reported through the pods, 40 of which were gender-based violence. This led to 12 cases being opened by the South African Police Service and two convictions being secured.

Early childhood development (ECD)

ECD is a critical component of the education value chain, and because we understand how important it is, Growthpoint has committed to funding several training programmes for ECD practitioners. These programmes ensure formal training for practitioners in rural areas and provide career opportunities for unemployed volunteers who have a passion for working with young children. The pandemic continued to affect participants

in 2021, and mental health support was still needed. Something to celebrate is the fact that the 14 ECD students from Alladin that Growthpoint sponsored in FY21 are due to graduate later this year.

Name	Total ECD practitioners
Ntataise Lowveld ECD	10
Midlands Community ECD	10
Alladin ECD	10

Case study – Ntataise Lowveld ECD

Testimony from an ECD practitioner

"Level 4 training has done a lot for me as I was unemployed when I started the training. I worked as a volunteer at IK Makuse, where I was given an opportunity to assist in child stimulation. I learned a lot during the training and am now aware of the different challenges involved when working with children. I have learned how to handle children with special needs as well as how to involve parents in ECD. I can plan and implement activities that will holistically develop a child, and manage my own playroom. The level 4 training has resulted in me now being a professional ECD practitioner. I also now get a salary that will help me further my studies. Thank you so much, Growthpoint. I really appreciate the support as this training took me from nowhere to somewhere."

Testimony from a parent

"My name is Lungile Khoza. Ever since my daughter started going to the ECD centre, her development has really improved. She used to be very slow when doing things and did not like playing with other children, but has become more independent. She now bathes herself and does not want anyone to help her; she wants to do everything for herself. She loves to choose the colours of clothes she wants to wear and even attempts to tie her own shoes and button her shirts. She has learned about hygiene and always insists on washing her hands before meals and after using the toilet. She loves to pray before meals, as her teacher has taught her."

"The ECD centre is very organised, and the physical environment is warm and inviting. The school is still new, but the practitioners are well trained and very active. My daughter speaks highly about her teachers when she is home. I would like to thank the sponsors who gave our practitioners the right training so that our children can be like those in town schools and not miss anything because they are in a rural area."

Christel House

Our partnership with Christel House continues to produce excellent results. Launched as an educational scholarship programme, Christel House aims to holistically improve the lives of children from some of Cape Town's most impoverished neighbourhoods. Growthpoint sponsored 20 learners for the FY22 period.

Given the many disruptions to the academic calendar due to Covid-19, learning loss remained a very real challenge for these learners. To ease this pressure, additional tutors were employed to assist with remedial teaching, specifically focusing on languages, mathematics and science.

The tutoring programme has been continued in the 2022 academic year, and the junior school has reported academic performance on par with pre-Covid-19 results. Although high school students are still struggling with mathematics and science, a comprehensive plan has been implemented to bolster revision and mentoring support.

In March 2022, the school hosted its fourth annual Speed Interview event, where HR professionals conducted mock job interviews with grade 12 students. The event helps to prepare the students for the world of work by creating real-world interview scenarios with experienced professionals. Growthpoint was privileged to participate in the school's innovative career development programme to help students find employment.

CORPORATE SOCIAL RESPONSIBILITY *continued*

We are proud to support the school's Build our Boys (BOB) programme which offers young boys the opportunity to develop leadership and character through engagement with positive male role models.

In 2023 we will continue to support the 20 learners who will be in grade 12. Our aim will be to ensure that they have the necessary support to complete their final year of schooling and are fully prepared for their tertiary studies.

Protec

Protec is a mathematics and science programme in Limpopo's Vhembe district that caters for learners from four schools. The area has experienced several difficulties due to the pandemic, and the programme has identified a need for additional support for educators from each school. We have invested in the Vhembe district for the past six years through our work with Protec and achieved good results for the learners and teachers. We have come to the end of our funding support and wish the learners of the district well.

Growsmart

The Growsmart educational programme is a Growthpoint Properties initiative that is endorsed by the Department of Education in the Western Cape, Eastern Cape and Limpopo. The programme seeks to improve educational outcomes in a fun, competitive format. Since its launch in 2010, Growsmart has reached more than 500 000 learners in grades 4 to 6.

Growsmart's goal was always to work closely with teachers to help learners focus on their abilities to read with comprehension but has since evolved to include empowering learners through access to a quality and fun educational programme. Growsmart aims to impact young people and make tangible differences in their lives by bringing about educational change in a relevant and innovative way.

Understanding the many difficulties Covid-19 has caused for students and teachers, Growsmart has facilitated the first steps towards creating a digital platform for educators and school management that will expedite their journey into the fourth industrial revolution in an exciting and less daunting way.

The fundamentals of Growsmart have not changed, although the programme has been realigned to meet the current needs of the education system. In taking this approach, the Growsmart team has looked for new ways to support all learners. One example is its online tutorials. More than 200 engaging and educational videos were produced over the past year.

In keeping with its mission to remain relevant and engaging, Growsmart has also recently introduced three new resource booklets for creative writing (story writing), literacy and

mathematics, and entrepreneurship. These have been carefully compiled and are endorsed by the Western Cape Education Department.

Growsmart is also currently exploring an online reading platform that will offer a fun way to measure learners' reading levels. The objectives are to assist them to increase their reading speed and stamina, comprehension and critical thinking to a level on par with what is prescribed. Furthermore, the results will be reported in a way that allows teachers to identify where intervention is needed.

Future projects include coding and robotics, and public speaking.

Since its inception, Growsmart has contributed to schools and learners through school upgrades and by providing educational material, school fees and school uniforms. It has also facilitated successful bursary applications for 25 learners from high schools in the Western Cape, eight of whom are currently attending university.

Growthpoint GEMS

Growthpoint GEMS assists qualifying employees with funding for their children's tuition fees, stationery and uniforms. The programme is anchored on three pillars, the first of which is academic intervention, which provides access to an educational psychologist and year-long tutoring assistance. We also provide psychosocial support for both parents and learners. GEMS has a full bouquet of professionals on board, including psychologists and financial advisors. The third focus area is personal and leadership development through workshops, seminars and webinars.

The programme has enrolled 103 students for FY22, and we are pleased with their academic performance so far, particularly our primary school learners who have seen an 8% increase in their overall results. A recurring trend is a need for learners to attend schools that offer boarding facilities to ensure a conducive environment for learning, including access to digital devices, Wi-Fi and peer support.

Since the start of the pandemic, both GEMS parents and learners have experienced significant challenges that have affected their mental health, including, but not limited to, family bereavements, loss of income by a spouse and isolation due to home schooling. In some circumstances, these obstacles have resulted in poor academic performance, especially in mathematics, where educational psychologists state that a significant drop is often linked to emotional distress.

Our parent workshops allowed people facing similar life events to share their experiences in safe spaces. In 2021 we referred 61 individuals to our wellness partners, Maureen Kark & Associates, for therapy sessions, indicating the need for consistent psychosocial support.

Many beneficiaries are not first-language English speakers and we have started to engage with them in the language they are most comfortable with to ensure that they receive the most appropriate intervention for their situations.

Our psychosocial support has revealed the extent of language and cultural barriers and we have therefore had to conduct an educational campaign to de-stigmatise psychosocial support and position it with the right language to make it accessible to all levels of educational understanding.

A key takeaway from the 2021/2 GEMS application process was the low literacy levels among candidates who were either applying for the first time or reapplying to the programme. The consequence is that learners suffer academically in later years because they are unable to read and engage with the content at the required pace for their grades.

We are also in the process of launching a literacy programme with age-appropriate books for all grades to promote a culture of reading.

G-squared

G-squared (G²) is another flagship initiative that actively encourages staff to participate in community development through volunteering. Growthpoint employees continue to live our values and we are pleased to report that we reached a total of 364 hours for the period under review.

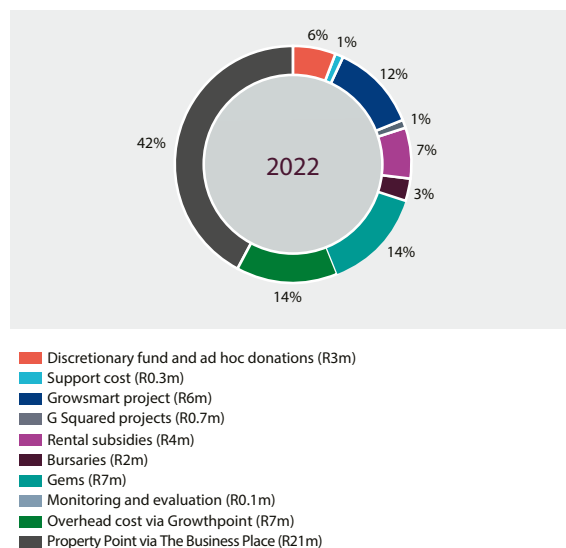
Project	Hours volunteered
947 Ride JHB	9
Reach for a Dream (Exco Christmas)	6
Reach for a Dream (Slipper Day)	77
Christel House (Build our Boys programme)	16
Eye2Eye Foundation	34
2021 graduate CSI project (Siyahqhuba recycling project)	93
KZN disaster relief	21
Mandela Day Career Day	108
Total	364

Rental subsidiaries

Our rental subsidy recipients are:

- Rise Against Hunger
- Scatterlings
- Education Africa
- Fieldband

CSI spend breakdown FY22 (R51m)



Enterprise and supplier development

With the aim of helping to build South Africa's economy, Property Point helps entrepreneurs grow their businesses and successfully take advantage of existing and new market opportunities. The two-year programme teaches necessary skills and offers business and personal development support.

Over the past few years, Growthpoint has made a concerted effort to advance women-owned businesses and promote gender equality. In 2021, we launched an all-women programme. The current representation of women-owned businesses across Growthpoint programmes is 69%. During FY22, we also partnered with the Black Management Forum to fund a cohort of businesses through the two-year incubation programme.

Property Point is also well positioned to act as a facilitator between Growthpoint and local communities, where we identify potential suppliers, assist with the procurement process, and provide stakeholder engagement.

As part of the National Business Initiative's (NBI) Installation Repair and Maintenance (IRM) General Repairer programme and the React24 Artisan programme, we are funding a group of students placed in Property Point businesses who will gain valuable work experience as part of their journey to become employable.

The Green Economy has been identified as an opportunity space for small businesses, and Property Point continues to create awareness around this and the benefits of developing businesses with green value propositions. We also see an opportunity to extend this project to NBI's General Repairer Programme.

CORPORATE SOCIAL RESPONSIBILITY *continued*

Local economic development

In partnership with Growthpoint's Procurement and HR departments, Property Point continues to focus on stakeholder engagement and implementing our local economic development policy. This includes establishing a database of local SMMEs to work on our properties and to assist Growthpoint in achieving its local economic development strategy and targets. In the past year, Property Point and Growthpoint's Procurement department have engaged in widespread training within the company to ensure the policy is understood and applied in a manner that helps us meet the identified targets:

- Retail, office and industrial sectors:
 - Target is 20% of procurement spend

- Trading and development:
 - Year 1: 10% aggregated threshold will be applicable for all development procurement
 - Year 2: 12% aggregated threshold will be applicable for all development procurement
 - Year 3: 15% aggregated threshold will be applicable for all development procurement.

Property Point and Growthpoint Procurement have been working tirelessly to ensure that capable businesses are identified in communities adjacent to Growthpoint's operations. The progress made includes engaging with 22 local economic development businesses, 10 of which are Growthpoint suppliers. These businesses are based in the East Rand, Vaal, Johannesburg, and Rustenburg, partnering with eight retail properties.

Case study – local economic development

Zamafuna Trading and Projects continues to be the shining star of local economic development at Festival Mall. Its story commenced with developmental interventions aimed to ensure compliance and growth of the business. Property Point facilitated basic financial management training, a compliance audit, health and safety training, and Promac Paint basic blue applicator training for Zamafuna as part of its growth journey.

The company has been registered as a Growthpoint vendor and provides minor maintenance works to Festival Mall. In addition, a purchase order has been issued by Growthpoint Properties for phase 2 of repainting some sections of the shopping centre, following the completion of phase 1.

Zecks Zamafuna of Zamafuna Trading and Projects continues to be a good ambassador for Growthpoint Properties in his local community of Thembisa township. This was evident during the July unrest when he mobilised community members to defend both Festival and Lakeside malls against the social conflict. This is a testament to the excellent working relationships formed between Growthpoint and the communities it serves in the East Rand area.

National Business Initiative (NBI)

Property Point has collaborated with the NBI on its IRM General Repairer programme and embarked on the employability journey by piloting two groups with the NBI at the end of 2020. The first intake was completed in October 2021.

This skills programme teaches students to operate as commercial repairers who replace, repair and maintain minor failures related to carpentry, plumbing, painting, electricity, flooring, windows and gardening in commercial buildings. In addition, the programme enriches the Property Point enterprise and supplier development programme by placing the students in Property Point businesses for six to nine months to gain work experience and graduate with their certification.

Growthpoint started its own programme in June 2021 by funding 15 students in the IRM programme. This took place at the Northlink College in Cape Town and the students are currently placed with Property Point business beneficiaries in the city.

The programme's main objectives were:

- To ensure that students are getting a quality workplace experience
- To address workplace readiness
- To ensure the relevant skills are transferred to the students.

The Property Point businesses were very excited to host the students, with some even saying that, if all went well in the nine months, they would be happy to employ them.

Through the funding provided by Growthpoint, the NBI has expanded the IRM footprint into the Western Cape for the first time, and this has provided a stepping stone for discussions with the provincial government and other stakeholders in the ecosystem. This mammoth step has also enabled NBI to strengthen its partnerships and deepen our shared vision of stimulating the entrepreneurial spirit among the IRM trainees.

The NBI has also been able to engage at various levels with other colleges in the Western Cape, with plans for a further roll-out of the IRM programme. Township economy work is also in the pipeline in collaboration with these colleges. These relationships have been cultivated by demonstrating the IRM model at Northlink College through the funding provided by Growthpoint.

Project performance

Student placements in the NBI programme	74
Students hosted at Property Point beneficiary companies	44
Students placed within companies identified by Property Point and NBI (with the workplace component managed by NBI)	30
Drop-offs (absconded or resigned to go to another programme)	7
Students who deferred the completion of the programme	6
Students absorbed by host companies	15
Companies participating in the NBI programme for all 74 placements	20

Property Point green programme

Property Point developed a green programme with business development support to allow SMEs to enter the Green Economy and have an impact on economic activity, social welfare and the environment. The programme focuses on both inclusive and green growth, where SMEs are viewed as significant stakeholders.

Green SMEs use their products, services and business practices to help protect the climate, environment and biodiversity; however, they do so in different ways. Some focus on reducing the environmental footprint of their production process – such as implementing resource-efficient processes, while others focus on green outputs and offer green products and services – such as renewable energy products.

Since 2018, Property Point has conducted three green programmes as part of the enterprise and supplier development programme.

The intent was to develop eco-innovators, entrepreneurs, and adopters.

- Eco-innovators
 - These SMEs participate in eco-innovation, which involves the implementation of new or improved products, goods or services, processes, marketing or organisational methods in business practices, workplace organisation or external relations. These can be achieved with or without the intention to reduce environmental impact. Eco-innovation

can also involve modifications to institutional and social structures, such as value patterns, behavioural models, social structures and interactions. Eco-innovation thus has the ability to change social norms, cultural values and institutional structures in order to bring society-wide environmental advantages.

- Eco-entrepreneurs
 - Similar to typical entrepreneurs, eco-entrepreneurs look for new opportunities arising from changes in rules, challenges or values. They then create and market solutions for problems they have found. However, they have distinct strategic aims and driving forces, and frequently regard better sustainability as one of their entrepreneurship objectives.
- Eco-adopters
 - This group, which is likely to represent the vast majority of SMEs, is similar to green performers. Greening, according to them, involves the adoption of environmental technologies and sustainable business practices. Unlike eco-innovators and eco-entrepreneurs, sustainability is unlikely to be at the core of their own businesses. Many eco-adopters see greening as simply complying with environmental regulations. There is therefore a dire need to incentivise them to go beyond compliance in their sustainability practices, and to demonstrate the business case for being more efficient with inputs and energy. The benefits of greening are sector specific for eco-adopters, and the various sector and firm-level barriers explain the varying levels of green practice diffusion.

Outcomes

To date, we have enrolled 47 businesses in an intense green building programme, with 14 businesses achieving both Green Star and Edge green programme ratings. These businesses were direct programme beneficiaries that had intentions to transition into the green economy – particularly by greening existing buildings to achieve GBCSA Green Star ratings.

Property Point FY22 outcomes

	FY22	FY21
SMEs supported	142	108
SMEs graduated	31	46
SMEs linked to market	51	48
Full-time jobs created	74	24
Jobs sustained	848	1 066
Total revenue generated (Rm)	243	191
Women-owned SMEs (%)	52	49
Youth-owned SMEs (%)	17	20
Number of applications received	101	128
Growthpoint spend (Rm)	132	141
Value of contracts outside Growthpoint (Rm)	30.5	10
Total value of contracts (Rm)	162.5	151

STAKEHOLDER ENGAGEMENT AND OPERATIONS

Growthpoint is giving increased attention to various stakeholder-related matters and we are pleased with our progress. As we reviewed these matters more extensively, we identified aspects that needed further exploration and those we could take decisive action on.

The objectives are:

- Gauge our impact on the various stakeholder groups
- Determine expectations
- Identify gaps in our engagement and areas of improvement.

Progress relative to identified focus areas:

Focus areas	Work undertaken	Next steps
1 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.
2 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.
3 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.
4 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.
5 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.

While our efforts to limit our environmental footprint have been discussed in detail in the environmental section of this report, our operations are primarily in urban areas. As a result, our impact on the natural environment is relatively low. An environmental and social checklist has been subjected to comments from various stakeholders, and our Executive Committee requires this to form part of the standard submissions to our deal forum. This extends beyond our development team to all tabled disposals and acquisitions.

In addition to South African National Building Standards being fundamental in all major development projects, we have become more selective about the projects we develop, ensuring that those we undertake improve our facilities for tenants and the communities they impact, both directly and indirectly.

Municipalities are among our key stakeholders. We engage with them concerning utility supply and management and ensure that we adhere to municipal requirements when addressing

social issues. By doing so, municipalities have been the primary conduits through which we have addressed local community concerns. Our various initiatives are starting to ensure more inclusion and consultation with communities.

Our efforts relating to ethics are detailed in the governance section of the report. As part of those efforts, we will include training and communication relating to our employees' human rights. Human rights in our supply chain are also discussed in the supply chain component of this section.

There are various mechanisms available for stakeholders to address concerns:

Employees	Suppliers and tenants	All stakeholders
<ul style="list-style-type: none"> Grievance process as per the grievance policy. 	<ul style="list-style-type: none"> The procedure is stipulated in the supplier code of conduct or lease. 	<ul style="list-style-type: none"> Our whistleblowing hotline is available to all stakeholders and is managed by an independent third party. Callers can choose anonymity.

We continue to collaborate with industry bodies such as SAPOA, SA REIT, the Property Industry Group, GBCSA and the NBI to address industry, national and international topics. In FY22, some of the matters addressed included tax concerns, best practice recommendations for reporting, service levels at municipalities, social transformation and environmental impacts. We also provided commentary on the obstacles faced by our sector for a "Just Transition".

Investor relations

Our Investor Relations department focuses primarily on engagement with investors and analysts. This is done by providing investors with relevant information and adhering to high levels of corporate governance and transparent reporting. Approaches for information are brought to the management team, ensuring information requests are addressed.

Our focus on key accounts identifies tenants with national footprints and offers them space to thrive in all facets of their businesses. We are keen to ensure our tenants' current and future needs are appropriately met.

Engagement regarding ESG aspects occurs through various mechanisms such as ESG rating agencies, roadshows, and surveys like GRESB, CDP and DJSI. Ad hoc information requests are also received from investors and other stakeholders, and we have found an increasing demand for this information from funders. The trend of using public information has led us to use our website and the ESG report as key engagement platforms.

The ESG team actively engages with its internal stakeholders to propel the business towards meeting ESG best practices. Over the past year, it has focused on assessing policies to determine alignment with IFC Performance Standards and mapped the nature of internal and external stakeholder engagement by various departments within the business.

Providers of finance

Growthpoint engages with various providers of finance to support and grow the business. The nature of our engagement varies and can take the form of bi-annual results presentations, roadshows, one-on-one meetings and calls, JSE SENS announcements, media announcements and our website.

The initiatives in the year under review include re-financing of existing loans and bonds, proactive re-financing of loans with maturity dates post year end, updating of the information statement and other items to bring the Domestic Medium Term Note (DMTN) Programme in line with the debt listing requirements.

Fitch Ratings Agency assigned a global scale credit rating of BB+ to Growthpoint, with a stable outlook. This credit rating is two notches above the South African sovereign rating of BB-, due to Growthpoint's significant and stable foreign currency earnings, which exceed the projected foreign currency interest obligations. Growthpoint's national scale rating was assigned by Fitch at AAA(zaf) as a result of the rating being higher than the sovereign rating. Moody's global scale credit rating for Growthpoint is Ba2, with a national scale rating at Aa1.za. In line with the outlook for the South African sovereign rating, the outlook was changed to stable. Moody's does not consider our international exposure to be sufficient to warrant a delinking from the sovereign rating.

Corporate marketing and communication

Growthpoint Properties is a well-known brand in the REIT environment and our positioning has enabled us to act as leaders in our field.

STAKEHOLDER ENGAGEMENT AND OPERATIONS *continued*

In addition to guiding and implementing marketing strategies, our team is responsible for events, design, content and digital marketing, brand and project management and establishing positive engagement.

Marketing's objectives are aligned with our overall business strategy and those of the individual sectors and departments. As we continued to navigate the numerous challenges brought on by the pandemic, staying connected and engaged with our audiences through multiple channels, and in a meaningful way, has remained a priority.

Key performance indicators

- Maintaining and safeguarding the Growthpoint brand and corporate identity
- Special marketing initiatives aligned with the strategic objectives of both the Group and individual sectors
- Identifying cost-effective and creative solutions for any marketing opportunities that meet the strategic objectives of Growthpoint's retail, office and industrial property sectors
- Ensuring assimilation and endorsement of the Growthpoint culture and values among all staff (together with HR)
- Managing and measuring research and other initiatives to improve client attraction and retention
- Continuing to successfully attract and engage with our clients on all communication platforms, especially "green" digital media
- Improving client and supplier relationships through transparent, consistent communication and by providing opportunities for personal interaction
- Ensuring that our sponsorships continue to deliver value for stakeholders, with emphasis on exposure to fair opportunities for people from previously disadvantaged backgrounds
- Sponsoring various property industry gatherings and events
- Supporting our vision by providing information to stakeholders that is pertinent, significant, understandable and accurate
- Managing, measuring and increasing our social media presence.

Media relations and management remained a core focus for the team during the period under review. Growthpoint's activities and achievements received significant press coverage. We continue to ensure that we have a steady stream of information and content available to the public via our social media channels and press releases.

With the announcement of our intentions to be a carbon-neutral business by 2050, sustainability remains a key pillar in our communications strategy and we will continue to update our various audiences on the business's progress.

The launch of the new Student Accommodation REIT was met with keen interest, as was the rebranding of the funds business, Growthpoint Investment Partners. A complete branding and communications strategy for the Student Accommodation REIT is underway and will be implemented in the coming year.

Throughout FY22, Group Marketing has worked closely with our retail centres to ensure that their strategies align with Growthpoint's core objectives. By leveraging our brand and ensuring centres benefit from the resulting economies of scale, we have placed additional focus on collaboration and sharing of knowledge, resources and skills to create a consistent and strong message and brand presence for each centre's audience.

Throughout Growthpoint's various CSI initiatives, we recognise that meeting ESG requirements is more than just compliance. These projects are the foundations on which our values were built. In assisting our CSR team with stakeholder engagement, our primary goal is to show CSI as an authentic extension of our business, clearly communicating our commitment to uplifting and preserving communities to internal and external stakeholders.

Our senior staff members and recognised spokespeople participated in numerous discussions and media interviews on highly topical discussions like the future of office space, service delivery and industry trends.

No marketing strategy can be successfully implemented without valuable input from key stakeholders and partners. Events, therefore, form an integral part of our marketing mix as they allow us to connect with, and listen to, these stakeholders while still maintaining critical relationships. As pandemic regulations were relaxed, new opportunities to socialise were met with enthusiasm from staff, brokers and clients. We offered a hybrid platform of in-person and virtual events and this approach was well received by attendees.

Recognising the impact of Covid-19 on our broker community, our commitment to staying connected to them has remained steadfast. In addition to increasing in person events, we were able to take the brokers away to the beautiful Gondwana Game Reserve in Mossel Bay. The Operation Destination Russia trip was postponed to 2022 and the venue was changed to Malta due to current circumstances. This year's winners and next year's prize will be announced in the course of FY23.

Growthpoint's new website was officially launched early in FY22, offering our various stakeholders a seamless user experience, including new features and functionality. The site also provides brokers with an extensive tool kit and improved "space-to-let" section.

When Growthpoint committed to becoming the headline sponsor of Tennis South Africa (TSA) five years ago, we did so with the intention of helping people of all ages and from all backgrounds, learn, compete and excel in the sport. We have committed to a 12-month sponsorship for FY23.

From 2020 to 2021, TSA's membership grew from 21 900 to 27 000, with an additional 15% growth to 31 085 members for the current year.

TSA operates four Growthpoint National Development Centres in Soweto, Atteridgeville, Cape Town and eThekweni. Its fifth centre in Mmabatho, Mafikeng, will be launched in August 2022 and will be based at the newly revamped world-class facility built by the National Department of Sport, Arts and Culture.

These development centres offer safe spaces for children to spend time and learn between school and home, and employment opportunities for coaches. The centres saw a combined 17% increase in participation for FY22, and over 50 players qualified for Growthpoint Junior Nationals on ranking merit.

As the main sponsor of Squash SA, we also support the Growthpoint Squash Superstars initiative, which aims to develop previously disadvantaged, talented youth, and often collaborates with university outreach programmes.

While more employees returned to the office, upgrades to our head office in Johannesburg saw a large portion of our staff continue to work from home. Internal communications are thus essential to ensure that we stay connected and that our people are well informed of the various departments' activities. Due to the success of last year's virtual wellness programme, we continued to host relevant talks throughout the year.

While it is necessary to ensure that consistency and stability remain the cornerstones of our brand, it is also vital that we continue to innovate, explore new trends and deliver engaging and informative content on Growthpoint's behalf.

Supply chain

Growthpoint applies a hybrid approach to supply chain management. Some elements are centralised, and our Procurement division is responsible for procuring services on a national level. The budget is controlled at an operational level, but spending has been streamlined and aligned with LED policy targets. The Procurement department's role is to vet and manage the supplier base. The stakeholders in our supply chain are both internal and external.

There is a solid commitment to ensuring that policies are followed and that suppliers are appointed through a fair and transparent process. We must ensure that suppliers align with our ESG and CSI objectives.

Some of the elements that are considered include:

- Compliance with requirements for services needed
- Application of LED policy
- B-BBEE compliance

- Companies need to have been in business for at least two years to mitigate risk
- Assurances that guarantees and warranties are in place
- Checking the authenticity of service providers
- Ensuring normal compliance
- Ensuring health and safety elements are in place.

One of the focus areas for the year was the roll-out of the LED policy within the business. The intent was to ensure that relevant employees within the business were appropriately informed and trained on the policy's expectations and that all efforts complied with national procurement targets. There has been extensive work with our Trading and Development team to ensure elements of the policy are integrated within the tender documents for suppliers. This will help us meet the targets we have set in our LED policy. The document aligns with the King IV Code principles of good corporate governance.

We have arranged with some of our major suppliers to work with smaller local businesses and facilitate their training to enable them to become approved and certified applicators of their products or services. This allows suppliers to meet warranties and guarantees of the product or service undertaken and contribute to building a sustainable base of suppliers and approved applicators.

We have not yet done the due diligence on our business to ascertain the extent of compliance or non-compliance to assist in introducing corrective measures to harness the effectiveness of our approach to human rights.

B-BBEE remains a key focus, and from a procurement perspective, we are doing well and meeting most of our targets. Much work has gone into upskilling the business on B-BBEE targets, and we aim to engage with organisations with a minimum of a level 4 B-BBEE rating.

Procurement spend:

	Audit – full financial year 2022	% change	Audited – full financial year 2021
Rand value of total discretionary/ measured procurement spend	R5 407 924 759	26.18	R4 285 815 003
Rand value of historically disadvantaged South African (HDSA) procurement spend	R2 072 815 034	(57.26)	R4 849 707 691
Total number of suppliers	2 314	(1.57)	2 351

STAKEHOLDER ENGAGEMENT AND OPERATIONS *continued*

In dealing with our supply chain, we evolve continuously. Our team is on a journey of learning in this rapidly changing space. One of these has been the review of our supplier code of conduct to ensure alignment with local and international best practices, particularly environmental and social priorities. We remain cognisant that our efforts must not prejudice smaller businesses and their ability to become preferred suppliers. Training will be provided for these companies to help elevate their understanding, and we will assist them with compliance.

Currently, we expect minimum wages to be paid and hours worked not to exceed recommendations for services offered by our suppliers. We want to impact socio-economic and environmental issues positively and need to determine how we measure and monitor this impact. The Procurement department works closely with the CSR, and Sustainability and Utilities teams to try and effect change.

In the year under review, health and safety remained an area of emphasis and we insisted on declarations from service providers that such policies were in place. We have also looked at uncovering any fraud in our supply chain, especially regarding B-BBEE fronting, and the implementation of POPIA continues. In addition, we have ongoing training with our internal stakeholders to ensure that the procurement processes are changed as needed.

As part of the ethics survey, we engaged with our suppliers to determine their perceptions of Growthpoint's ethical conduct. The findings were favourable. We are committed to continual improvement and have focused on the areas identified to ensure our actions align with our company values. This, too, contributed to our revised supplier code of conduct.

Our work with Property Point is pivotal to our engagement and support of SMMEs. The programme looks to assist small businesses in growing into large suppliers. This aligns with our LED policy and works to mitigate social and business risks. We have worked closely with Property Point to connect with local businesses and communities we serve and those who are patrons of our facilities. Our approach dispels negative perceptions and ensures that all parties have the facts.

We reaped the rewards of our investment in communities during the riots at the start of the financial year. Our engagement provided insight into what was happening on the ground and assisted us in ensuring we worked to mitigate the potential risk to our assets. We must also acknowledge the work of the local business forums in helping point out the mutual benefit of preserving our facilities as they provide access to amenities and the preservation of jobs. This helped reinforce that we had adopted the correct approach in developing our LED policy.

We have tracked our investment in LED and stakeholder engagement initiatives through Property Point and assessed these relative to the cost of the July riots on our assets. The table would suggest antidotally the correlation between our investment and asset preservation.

Region	Total cost of July riots R	Total LED and stakeholder engagement investment R
KZN	28 492 796	178 361
Cape	271 879	267 541
Gauteng	1 443 974	891 804
Total	30 208 649	1 337 706
Insurance claims received	29 000 000	

We have a procedure that allows suppliers to communicate any grievance they may have in working with Growthpoint and encourage engagement to address any matters. There is also the option for any aggrieved stakeholder to contact our hotline on 0800 167 463. This is an independently managed platform that allows for anonymity. All issues reported to this line are reported to our Audit Committee.

Honouring our commitments to our suppliers during the height of Covid-19 has assisted in keeping increases low over the past two years. In addition, our payment process has gone paperless, contributing to efficiency and reducing our environmental footprint.

Legal

Our Legal team supports the South African sectors of the business across all geographic regions and the service divisions. In FY22, the team played an active role in advising and implementing the new POPIA policies. As a result, a compliance framework was developed, an impact assessment was done, a manual was compiled, and staff members were trained. The team has also offered advice on implementing the Property Practitioners Act (PPA) within the company, including amending standard documentation as required by the PPA.

Furthermore, the team continues to assist the business with structuring and implementing trading and development deals, the drafting and implementation of acquisition and disposal transactions, negotiations with potential tenants to ensure the legal terms of the transaction are suitably agreed upon and recorded, reviewing and drafting various service level agreements (SLAs) including our CSR transactions and managing legal disputes with local authorities. Growthpoint undertakes to adhere to all legislation. We have not received any fines relating to infringements of legislation for at least the past five years.

Facilities Management

The role of Facilities Management is to foster a culture of collaboration that enhances the performance of our assets. This is done by delivering maintenance solutions, value-added client experiences and quality facilities for the lifecycle of each asset, guided by best practices and legislation. In FY22, the team kept the physical assets safe and functional within the prescribed budgets by tracking and managing the capital and operational budgets. Cost management while maintaining service levels remains vital.

The past two years have been extremely challenging and were a defining period for the Facilities Management team. The Covid-19 pandemic necessitated a new approach to how the Facilities Management team managed the day-to-day workplace experience, resulting in it needing to adapt to the ever-changing

requirements in legislation and the overall operations of the buildings. This was necessary to ensure they operate effectively and efficiently to meet the changes in legislation and to ensure they prioritised health and safety and the well-being of our clients.

The Facilities Management team also concentrated on managing and implementing the ongoing changes to the regulations and directives from the WHO to create safe and healthy workplaces for staff, service providers and clients.

We remain abreast of new technologies and their impacts on the built environment. Therefore, our business must promote a professional client and customer-service culture. This adds value to our assets through optimum pricing models by ensuring that the appropriate technical organisations and professionals are appointed to improve customer service and asset performance.

Our efforts to install additional water storage tanks and incorporate water-saving initiatives especially in light of the water shortages in South Africa, are ongoing. In addition, we continue to apply for water use licences (WUL) to secure water stability and register and licence all boreholes in the portfolio.

Where there are disruptions in electrical supply, specifically loadshedding, we apply an integrated process to support and ensure the continuity of power to our clients by securing bulk diesel. We have introduced a dedicated diesel replenishment team and contracted a third-party supplier to assist with storage and with diesel deliveries across the country.

To ensure fire safety, we continue to ensure Automatic Sprinkler Insurance Bureau (ASIB) compliance throughout the Growthpoint portfolio. Articulating our strong emphasis on safety and compliance, we initiated several measures to improve our RIMS and raised awareness about safety among our employees and service providers.

Growthpoint is a sponsor of the first Green Star SA Existing Building Performance (EBP) Pilot Industrial Tool and a data contributor. As part of the sponsor agreement, we have committed six industrial buildings to be part of the EBP Industrial Pilot Tool. We have also initiated the certification process for the SANS 1544 Energy Performance Certificate for our buildings that fall within the applicable requirements.

Growthpoint's health and safety activities are based on identified risks and legal requirements linked to the physical work environment. These issues are handled by the Health and Safety Committee and are addressed on an ongoing basis. Besides the minimum requirements, we have a clear vision to achieve a zero rate of workplace-related accidents.

STAKEHOLDER ENGAGEMENT AND OPERATIONS *continued*

Health and safety

Growthpoint takes health and safety considerations seriously and this forms part of our ESG strategy. We ensure that, at a minimum, we comply with the Occupational Health and Safety Act (OHSA) No 85 of 1993. Our Health and Safety Policy is written for our employees in accordance with this legislation and is reviewed periodically. There are clear processes and procedures related to elements such as incident and accident investigation, evacuation and emergency medical procedures. Health and safety matters relating to employees are addressed as needed and as part of an Occupational Health and Safety Forum that meets quarterly, providing feedback to our SET Management Committee.

Health and safety issues relating to our insurable risk are essential. These not only safeguard our tenants but also limit the associated risks to our assets. Matters of insurable risk are reported to our Risk Management Committee.

Growthpoint uses risk assessment companies, particularly for development projects, to ensure that all contractors adhere to the necessary occupational health and safety regulatory and legislative requirements. We abide by all safety and compliance requirements, regularly have initiatives to drive staff awareness of health and safety measures and conduct operational staff training.

There are clear processes and procedures in place to address any incident. We have had two major incidents at our assets relating to suppliers, and both were addressed timeously with the well-being of those impacted as a priority. As a result, there were no fines imposed for health and safety in FY22.

We have procedures in place to keep track of any health and safety incidents, ensure compliance with all necessary regulations and provide a portal for data to be uploaded. This informs our approach relating to facility management and contributes to our ESG reporting efforts. Health and safety considerations and compliance form part of the KPIs for building and facility management, which ensures that we meet the criteria specified in our RIMS process for building inspections and regulations.

Health and safety are standard considerations when assessing vendors and form part of service level agreements. The system allows for contractors to be evaluated quarterly so that any issues or concerns can be addressed immediately. We meet monthly with bigger contractors to address any concerns. As per the mandatory signing of a Section 37 (2) agreement, vendors are liable for all health and safety on their contracted projects. Contravention of these issues could result in termination of services.

Our relationships with our tenants and operational staff are essential to maintaining safety for all and compliance with building regulations. A dedicated Risk Officer ensures compliance with building and fire regulations and the OHSA. This is achieved by performing independent building inspections, liaising with tenants when conducting building inspections, and interaction with facilities and property personnel and insurers.

Growthpoint's insurers undertake inspections of some buildings each year to verify that the insured cover corresponds with the insurable risk underwritten. Identifying and managing potential fire hazards in our buildings remain a priority and all prescribed precautions, such as evacuation drills, are complied with.

Fire safety is paramount and we continue to focus on installing and maintaining sprinkler systems in line with best practice standards. Ensuring water availability on-site in the event of a fire is continually checked to ensure we are well placed to deal with any potential incident. Thermographic (infrared) scanning is done on distribution boards to identify faults, which are immediately rectified to prevent electrical fires.

Information technology (IT)

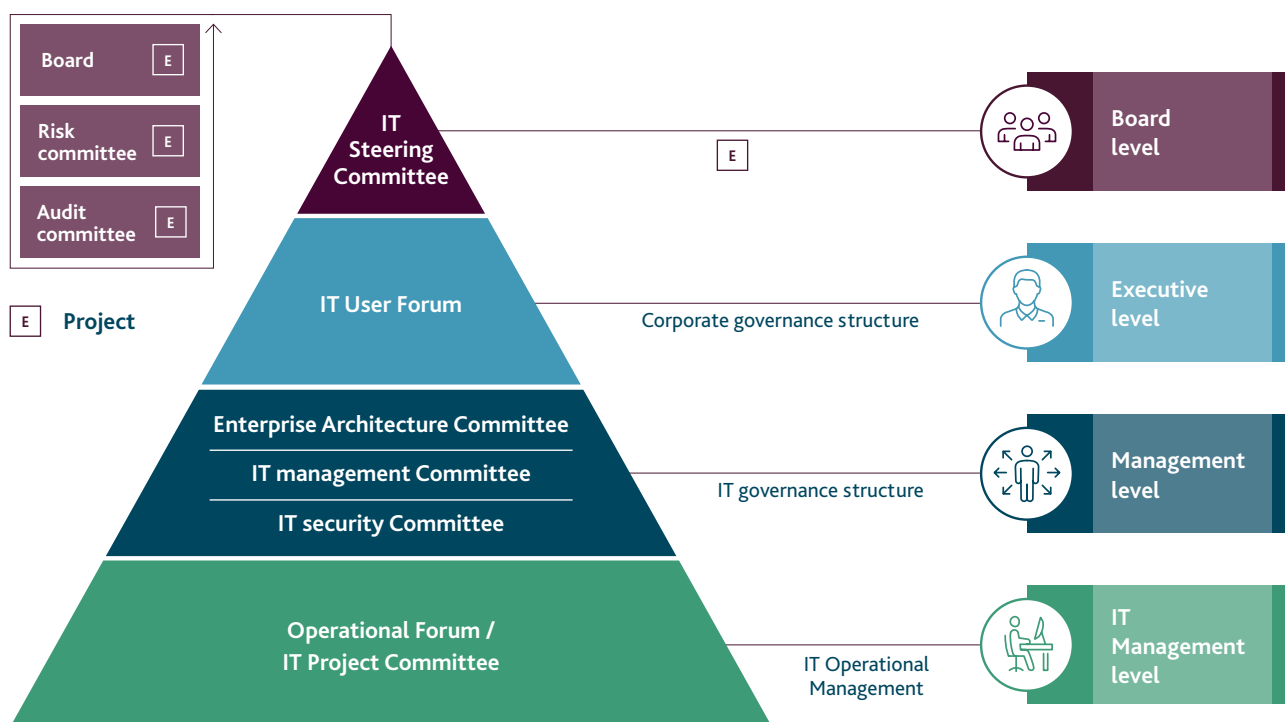
The IT strategy is undertaken as a service to the South African business sectors by providing information technology services and support.

We approach this by applying rigorous governance frameworks and policies guiding our IT activities and processes. Our policies and governance are managed within the IT (COBIT) good practice framework. Additional detail on our policies can be found in this report's policies and documents section.

Our IT department needs to keep abreast of all property and business-related initiatives. Several management forums with specific focuses are in place, but decisions taken in one forum are communicated to the others. Depending on the function, the forums meet weekly, monthly or quarterly.

IT governance

IT deals with business imperatives identified by the business and our Executive Committee (Exco). If our Exco recognises a business need, steps are taken to implement this. There is continuous engagement with business stakeholders to ensure our IT offering is relevant. The business refers new requests to the IT user forum, which is guided by the priority of rated items.



We dealt with delays in the supply chain and pricing in the year under review. This has impacted our ability to deliver on projects. We prefer to deal with “tier 1” suppliers with products that have solid reputations, as well as build-in consistency and good support. Better quality equipment has served us well over extended periods and we are also careful to buy appropriate infrastructure that is well suited to the business.

Growthpoint is aware of the focus on social issues in our supply chain and is looking at how we could apply ethical sourcing in our procurement processes. This project has just begun and we will give an update on our progress in the next reporting period.

We continued to upgrade and integrate our enterprise resource planning (i.e. MRI) into other systems and are pleased with how this has been executed. This year, there was a sign-off of the original mandate and scope for the project looking at business solutions. There is ongoing maintenance and updates associated with this. In addition, there is continued attention given to accessing data and using this for analytics and business intelligence to make meaningful decisions.

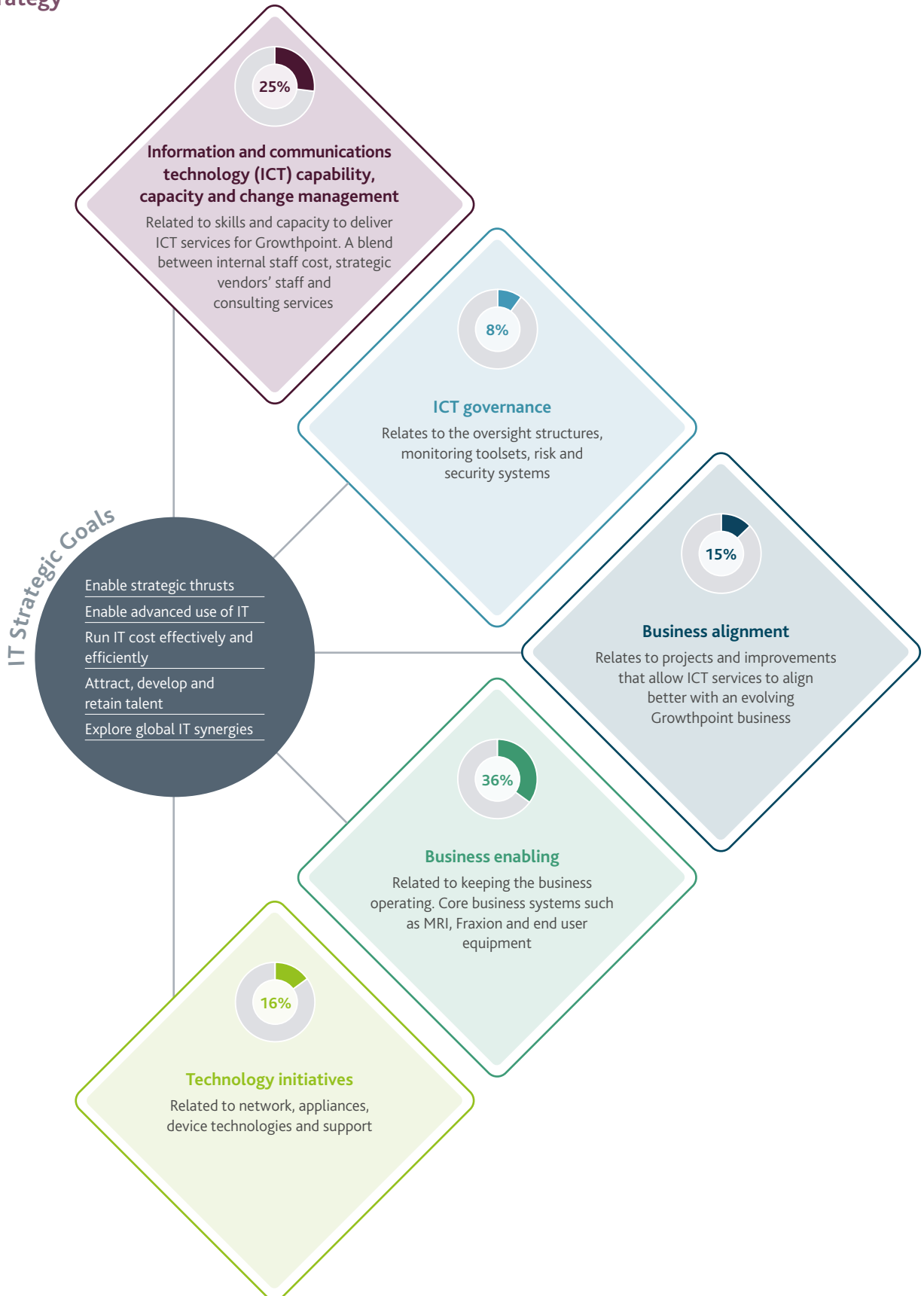
The renovations to our office in Sandton were significant and we needed to move our data centre off-site. This bodes well for Growthpoint as we advance in terms of cloud adoption. We have assessed various backup solutions and have implemented a combination of these.

Cybercrime is a global issue with increasing levels of sophistication. Growthpoint has layers of defences, including solutions with artificial intelligence (AI), automation, and monitoring of trends and patterns. If a threat is identified, it triggers a series of processes to be undertaken to safeguard our systems and information. Any issues or concerns are communicated to our IT Steering Committee. An international rating agency monitors the effectiveness of our process and systems in preventing cybercrime. Efforts to combat cybercrime, including training, account for a significant portion of our information security budget.

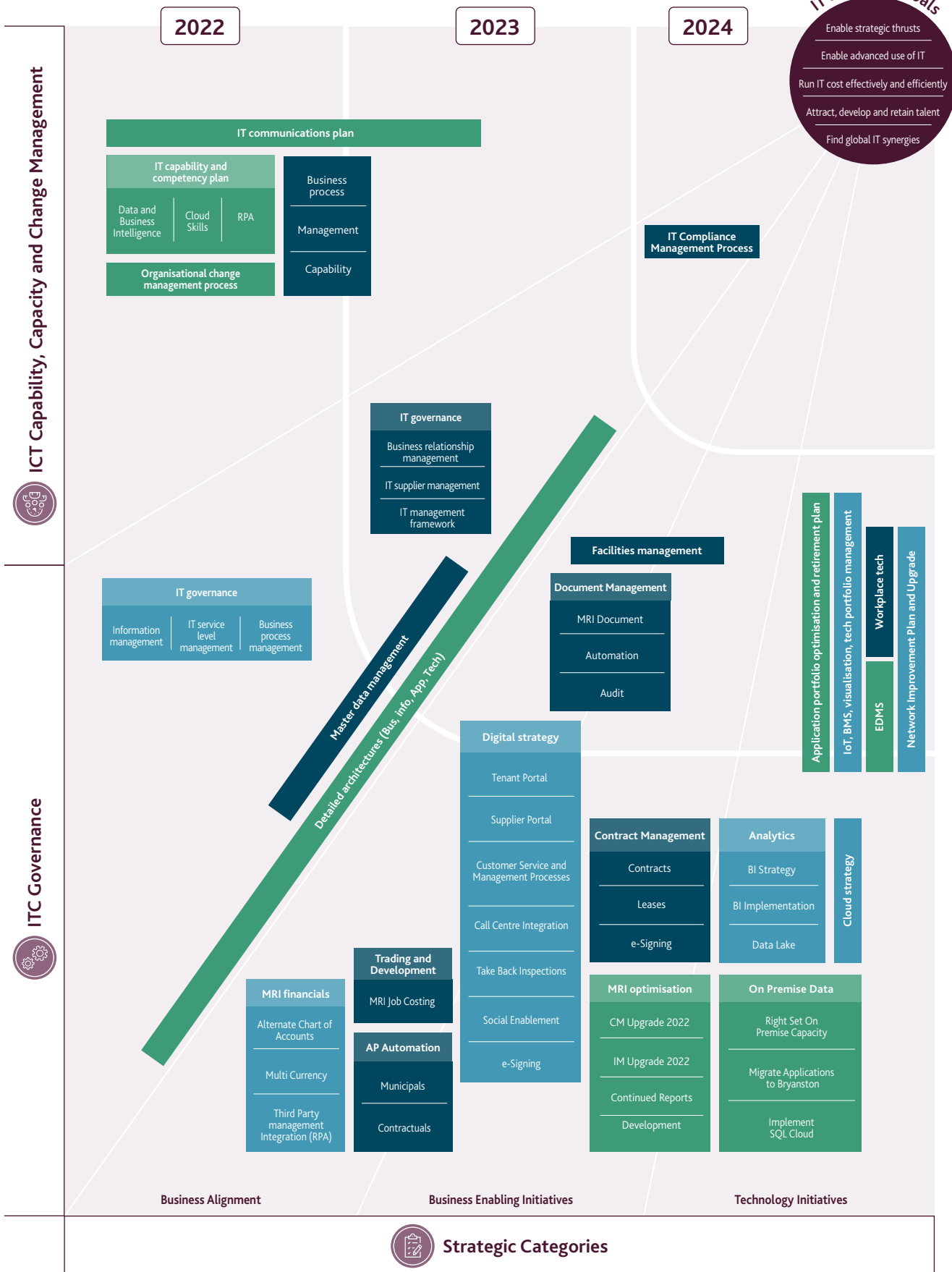
Awareness training programmes allow employees to become more familiar with cybercrime and teach them how to protect the company and themselves from various threats. We subject employees to periodic cyber tests to identify and address the gaps.

We are piloting IoT initiatives within the business to assist with ESG reporting regarding diesel consumption and energy production.

IT strategy



■ Future ■ Operational ■ Key



GROWTHPOINT STUDENT ACCOMMODATION HOLDINGS (GSAH)

GSAH was launched in December 2021 and is South Africa's first unlisted, purpose-built student accommodation REIT. Its establishment opened up focused investor access to this defensive, alternative asset class with strong fundamentals and proven resilience.

With regard to ESG, GSAH has an extensive opportunity for meaningful impact to work with key stakeholder groups to effect necessary change. This aligns with the concept of double materiality mentioned earlier in this report.

GSAH invests in making a positive social and economic impact, particularly in education, a prominent social need in South Africa. Approximately 60% of students in the fund's initial portfolio are from low-income households and are supported by the National Students Financial Aid Scheme (NSFAS). The student accommodation portfolio provides environments conducive to both learning and living and should improve their educational outcomes.

The massive demand for quality student accommodation in South Africa is driven, in part, by the demographics of a young population. Further, education accounts for a significant share of public and family budgets, and Government's commitment to tertiary education supports purpose-built student accommodation. Given the constrained fiscal budget, Government and universities have shifted addressing the shortfall in student accommodation provision from the institutions to partnerships with the private sector.

With significant growth expected to come from new developments, the impact of the GSAH will extend beyond education, as investing in such developments will ultimately boost job opportunities, municipal revenues and communities.

The occupants of these student facilities are tomorrow's future shapers with the potential to find solutions that address some of the challenges posed in the ESG realm. Given this, Growthpoint is developing ways to implement social initiatives that will support these students to reach their full potential.

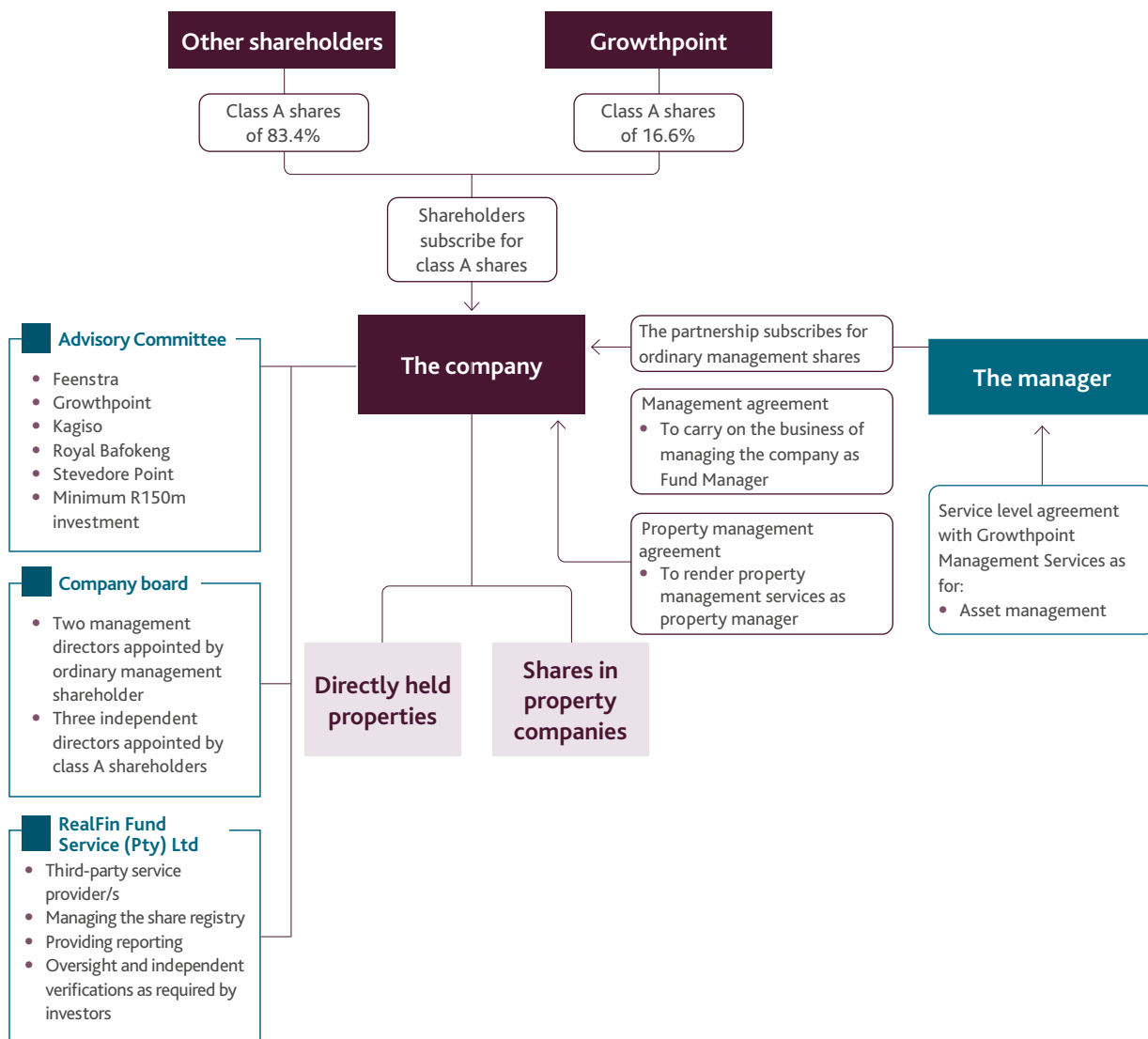
A point of departure is assessing the current impact of the portfolio. A carbon footprint will inform the environmental focus, including energy, water and waste resource management, and should be available by the end of FY23.

Over the next year, the review of policies and procedures that impact ESG will form the basis of a plan to ensure alignment with local and international best practices.



Hatfield Studios, Hatfield, Pretoria.

GSAH is level 6 B-BBEE-rated and the Manager is level 1 B-BBEE-rated and will seek to introduce further strategic B-BBEE shareholders at both company and manager levels.



GROWTHPOINT HEALTHCARE PROPERTY HOLDINGS LIMITED (GPHH)

GPHH is an unlisted REIT that invests exclusively in healthcare property assets. Its assets are characterised by long leases, with many hospitals being longstanding landmarks in their communities. GPHH has an investment mandate to acquire and develop acute, day and specialist hospitals as well as laboratories and biotechnology manufacturing, warehousing and logistics facilities in South Africa.

GPHH relies on Growthpoint's governance infrastructure and guidance but has its own Board of Directors and Audit and Risk Committee.

This portfolio impacts a fundamental aspect of the social wellbeing of communities in South Africa and has seven assets. These include six hospitals and one medical chambers building:

- Netcare N1 City Hospital
- Netcare N1 City Medical Chambers
- Mediclinic Louis Leipoldt Hospital
- Busamed Gateway Private Hospital
- Busamed Hillcrest Private Hospital
- Busamed Paardevlei Private Hospital
- Cintocare Hospital.

Four of the hospitals have consistently been on Discovery Health's annual list of top South African hospitals, as rated by patients.

The local healthcare sector has recognised hospital operators, and GPHH looks to work with operators that have sound fundamentals and can add value in creating access to healthcare. This basic human right is delivered by developing and acquiring assets and working with operators with similar objectives. There are opportunities to provide essential healthcare services in areas and to communities in need.

Since the initial outbreak of Covid-19, healthcare tenants have adapted to the pandemic environment, shored up their balance sheets and are operating with suitable nursing staff levels. This has enabled continued operation throughout the different waves of infection. The trading performance of healthcare operators is back to pre-Covid-19 levels.

The higher cost of living, driven by the global macro-economy and the local increasing interest rate environment, does add some risk to tenants' businesses, given the impact on healthcare affordability. Nevertheless, healthcare property as an alternative asset class has proven defensive throughout the Covid-19 crisis and will remain so.

Having the IFC as an investor has sharpened GPHH's focus on ESG matters, including reporting to the IFC on its facilities and operations' environmental and social impacts annually.

GPHH's Cintocare Hospital asset was strategically developed by Growthpoint to achieve a 5-Star Green Star rating from the Green Building Council of South Africa (GBCSA) and has set the benchmark for all future developments at a minimum 4-Star Green Star rating.

The due diligence procedures for future developments and acquisitions are being finalised and a new tenant integrity screening process is in place to evaluate credit and ESG profiles.

Governance was further strengthened by forming an Advisory Committee of one representative from each of the five largest shareholders – Growthpoint, Kagiso, IFC, Sentinel and Vulindlela. This committee plays a key role in independently considering related-party transactions.

GPHH also revised the terms of reference for its Audit and Risk Committee. This committee, comprised entirely of Non-executive Directors, is responsible for oversight of the Growthpoint Healthcare REIT manager, appointing an external valuer, approving valuations, and determining NAV, GAV and the issue price of shares.

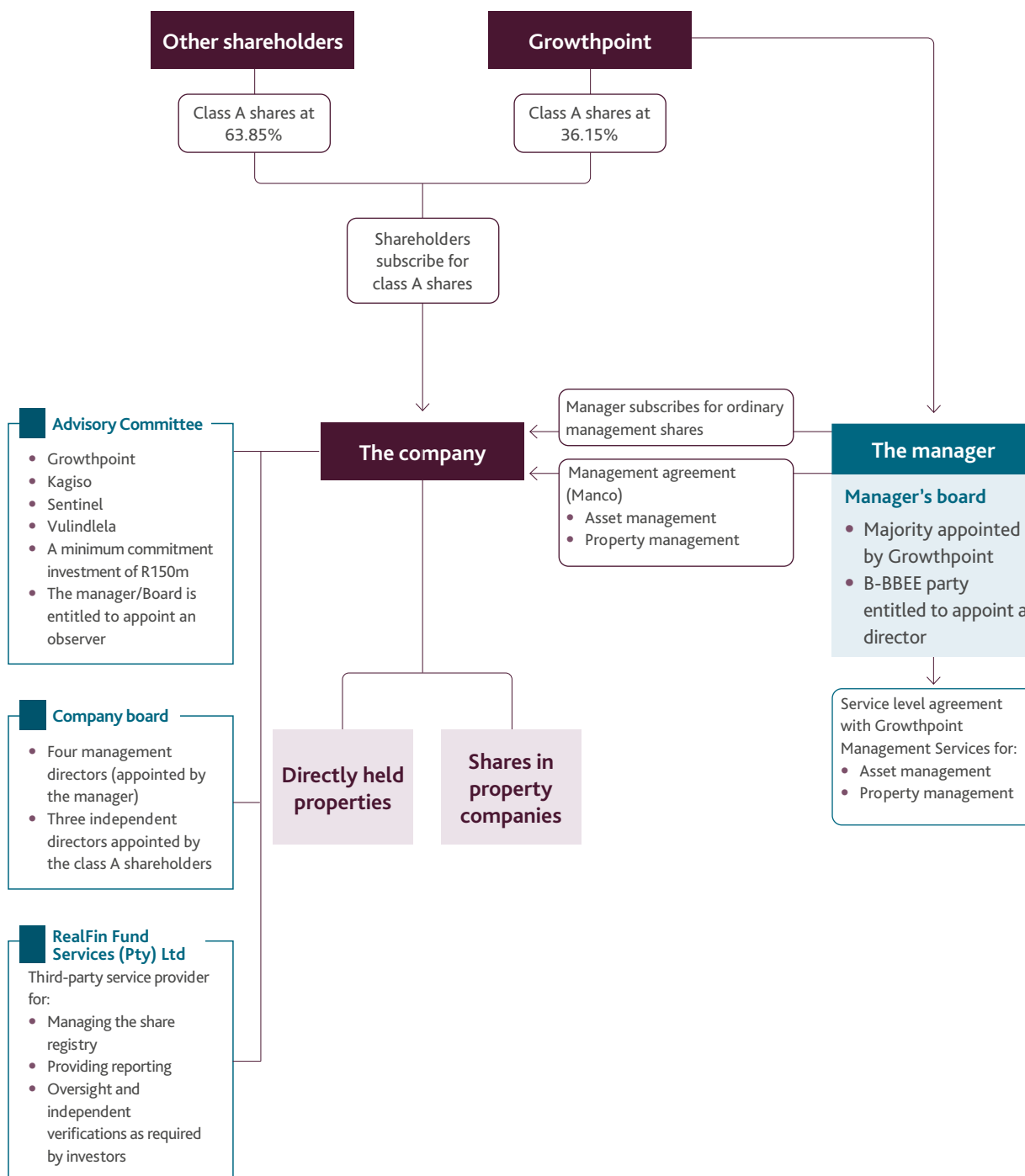
Although GPHH and its manager are level 1 B-BBEE certified, they seek to introduce further strategic B-BBEE shareholders at both company and manager levels.

Environmental data is available for four of the seven properties in GPHH. Some assets are more recently acquired and it is working with tenants to try and attain information from all its properties to understand the impact of these facilities and to work with tenants towards resource efficiency.

	GLA	Energy kWh	Energy intensity kWh/m ²	Water kl	Water intensity kl/m ²	Carbon emissions tCO ₂ e/m ²	Carbon intensity tCO ₂ e/m ²
Louis Leipoldt Hospital	15 075	3 994 411	265	17 295	1.15	4 250	0.28
N1 Hospital	14 636	4 795 204	328	18 771	1.28	5 100	0.35
N1 Medical Chambers	4 455	368 435	83	1 917	0.43	423	0.09
Cintocare	17 926	4 825 163	269	19 221	1.07	5 132	0.29
Hillcrest Private Hospital	20 445	7 469 650	365	25 678	1.26	7 918	0.39
Gateway Private Hospital	22 609	8 780 232	388	81 312	3.60	9 420	0.42
Paardevelei Hospital – 100%	12 417	3 362 632	271	2 544	0.20	3 568	0.29
Total	107 563	33 595 727	312	166 738	1.55	35 811	0.33

Tenants are expected to apply the necessary management of waste from their facilities responsibly and ensure that they comply with related regulatory requirements.

The company and the manager are level 1 B-BBEE rated and will seek to introduce further strategic B-BBEE shareholders at both company and manager levels.



GOVERNANCE

Our Board and management philosophy is that good corporate governance provides the ethical, values-based platform upon which we achieve our strategic objectives.

CORPORATE GOVERNANCE

The Growthpoint Properties Limited Board of Directors (the Board) is responsible for leading the company with integrity.

The Board is the custodian of Growthpoint’s governance framework. Our Board-approved strategies, policies, standards, practices and procedures are designed to support our achievement of the highest standard of corporate governance.

Our Board recognises that good corporate governance is about effective and responsible leadership that is based on a foundation of ethical values and governs ethics to uphold an ethical culture at Growthpoint.

Good governance allows us to exemplify our values through enhanced accountability, a transparent and ethical culture, sound risk management and a focus on effective control.

Creating value with good corporate governance

Our approach to corporate governance is an essential part of our value creation process, which benefits society at large and our stakeholders in particular, in addition to ensuring the sustainability of the business and enhancing long-term performance.

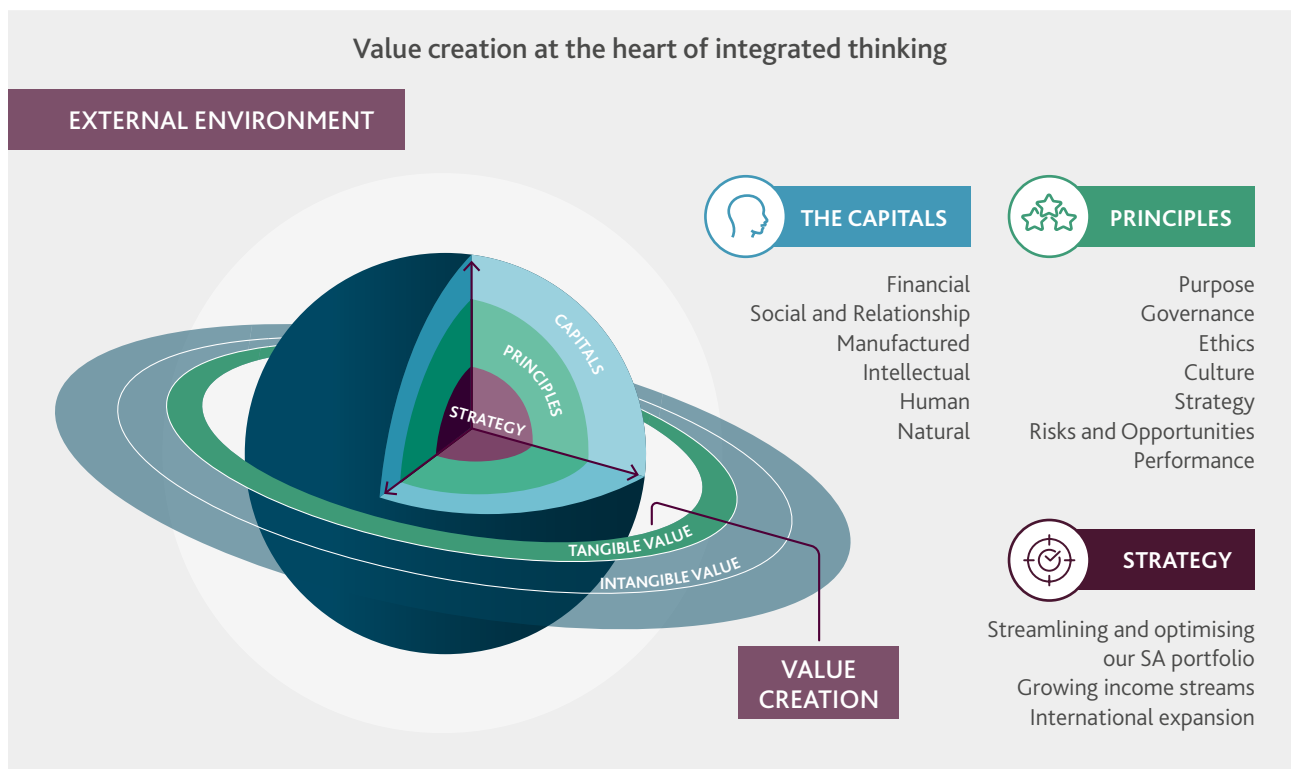
By maintaining the highest corporate governance standards, we assure Growthpoint’s stakeholders of a well-conducted

and well-managed business based on our reliability, accountability, transparency and sustainability.

Growthpoint’s good governance standards are reflected in our track record of consistent performance over the years. We optimise the use of our capitals and address our key risks while taking advantage of existing opportunities.

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. By ensuring that our structured operational frameworks are in place and that the various governance processes are incorporated in all our activities the Board can focus on the business and make well-informed decisions in the company’s best interests.

We have the advantage of a stable management team. As a result of the Board rejuvenation process, the Board composition has changed significantly and we are confident that the appropriate balance of knowledge, skills and experience, and the independence required for objective and effective governance, have been achieved. These criteria are assessed separately and addressed in more detail in this report.



Philosophy

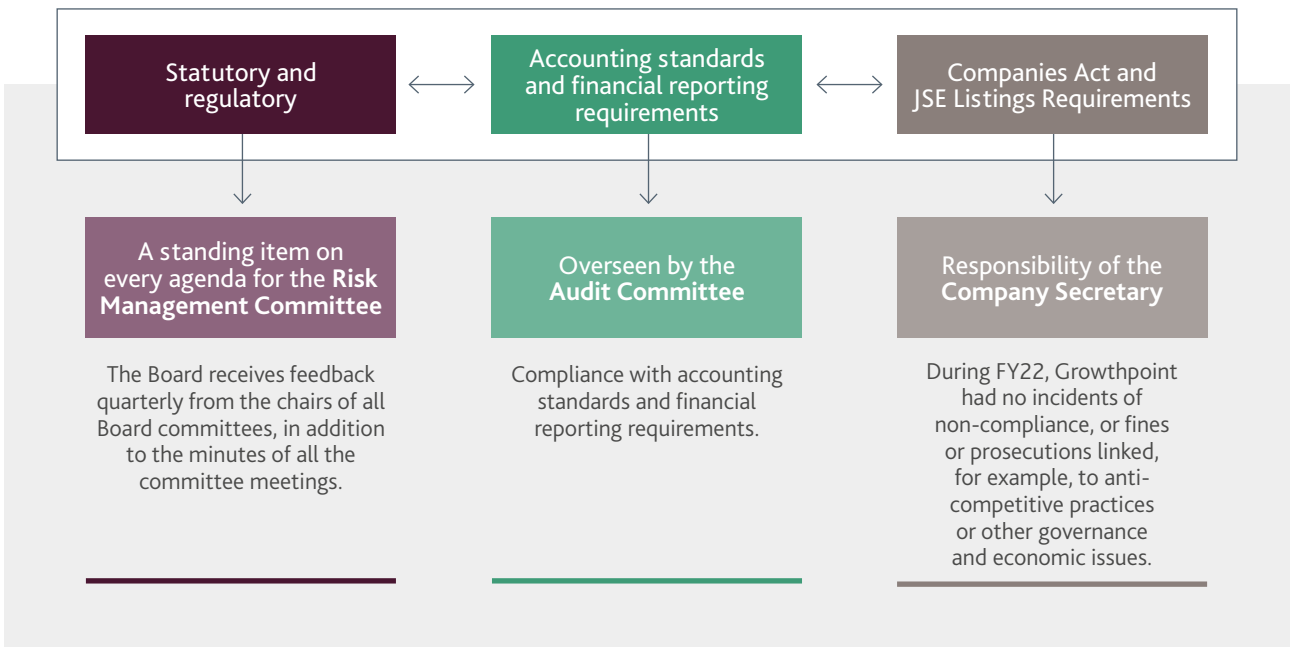
Our Board and management philosophy is that good corporate governance provides the ethical, values-based platform upon which we achieve our strategic objectives. Protecting and creating value are at the core of Growthpoint’s governance and integrated thinking. This extends beyond legislative and regulatory compliance. Management strives to foster an enterprise-wide culture of good management that is linked to the company’s business philosophy. This philosophy incorporates our vision, values and ethics.

Legislative and regulatory compliance

The company has remained compliant with the Companies Act, No 71 of 2008, as amended (the Act), JSE Listings Requirements (debt and equity), company statutes, its Memorandum of Incorporation (MOI) and the Board Charter, while the terms of reference of Board committees are aligned with relevant provisions of the Act and King IV.



COMPLIANCE FRAMEWORK



The Board

As at the date of issue of this report, Growthpoint had a unitary Board comprising 14 directors, including four Executive Directors and 10 Non-executive Directors, nine of whom are regarded by the Board as independent.

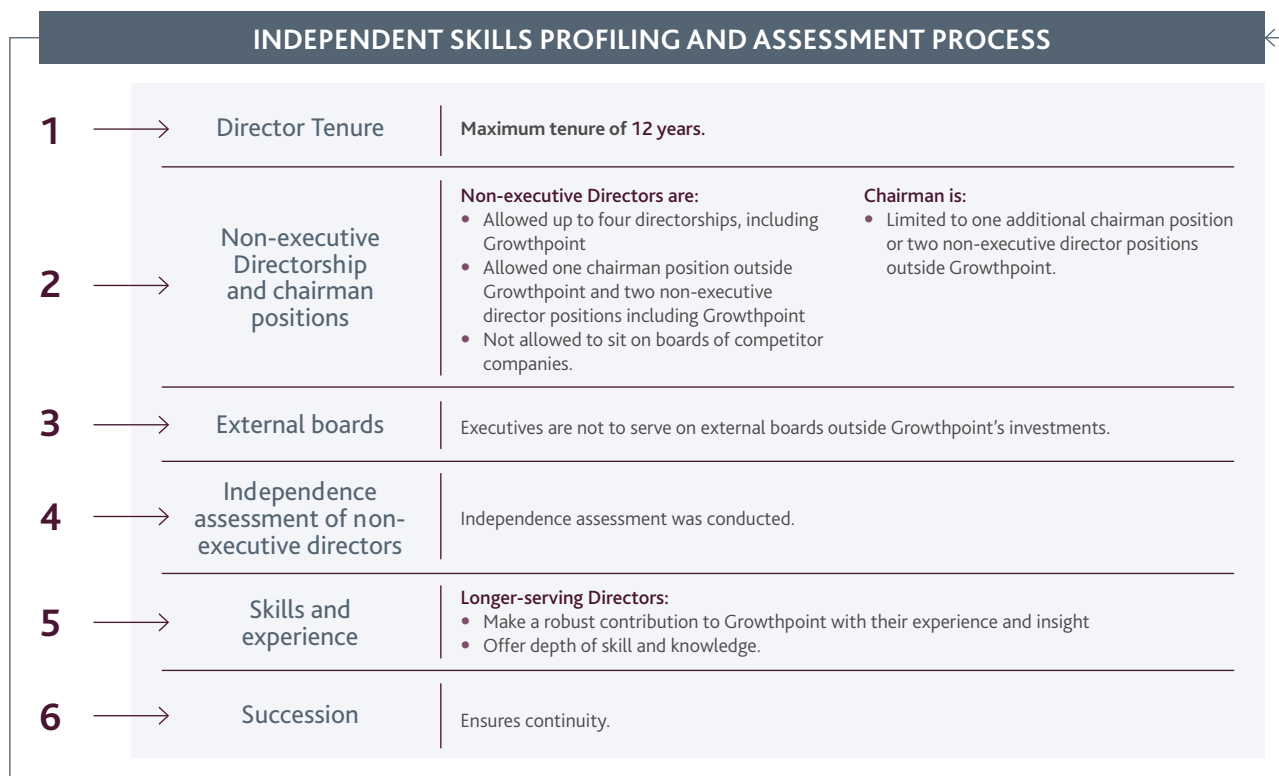
Board composition



The skills and expertise of each director enable them to individually and collectively evaluate strategy, assess the company’s performance and act in Growthpoint’s and shareholders’ best interests.

Independence of the Board

In terms of the King IV definition of independence, the Board conducted its annual independence assessment of the Non-executive Directors and is satisfied that all but one director meets the independence criteria. Mr Patrick Mngconkola will be stepping down at the AGM on 29 November 2022.



Governance structures

Effective governance structures and processes ensure that proper supervisory oversight is exercised at all levels of the organisation.

Skills and experience

The process of rejuvenating the Board started in 2019 with an independent skills profiling and assessment process to enable proper succession planning. This assisted Growthpoint to ensure that the skill sets of newly appointed Directors were complementary to those of the current Directors. Skills gaps identified during the assessment have now, to a large extent, been addressed.

As a result of the rejuvenation process, Mr M Hamman was appointed on 14 September 2021, Mrs Eileen Wilton on 9 February 2022 and Mr Clifford Raphiri on 1 March 2022. These appointments are all in the capacity of Independent Non-executive Directors.

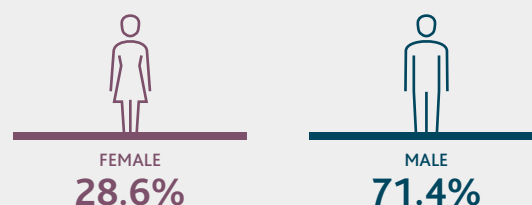
Succession

Succession planning to ensure continuity is an ongoing exercise. We believe in fostering diversity throughout the organisation and Growthpoint therefore considers candidates with diverse skills, age, race, gender and culture. There are targets in place for gender and racial diversification, and we are committed to women holding Board positions.

Diversity and inclusion

The Board has adopted a Board-level gender diversification policy with an internal 30% target for female representation, including black women. The four female Directors represent 28.6% of the total number of Directors.

Gender diversification



Voluntary target



The Board Charter includes a policy statement on racial diversification, in terms of which the Board will strive to meet legislated and/or regulated employment equity targets applicable to the Board.

Tenure

The Board implemented a tenure policy to enhance independence, as such Non-executive Directors have a fixed 12-year term. A Non-executive Director's tenure may be extended, but he/she would be required to resign at each subsequent AGM and be re-appointed.

Limits to additional directorships for Non-executive Directors

The Board has further resolved that the Non-executive Directors may not hold more than four directorships, including Growthpoint or alternatively one chairman position outside Growthpoint or two non-executive director positions, including Growthpoint. They may not be directors of competitor companies.

The Chairman of the Board is limited to one additional chairman position or two non-executive director positions outside Growthpoint.

These limitations are in place to ensure that directors have the necessary capacity to attend all Board and committee meetings and prepare adequately.

Additional non-executive directorships are subject to approval by the Chairman of the Board. Additional directorships for the Chairman are subject to approval by the Board.

The Chairman of the Board is required to approve directorships outside of the set criteria or decline to approve additional directorships within the set criteria, if he considers this to be in the best interests of the company. The Chairman should inform the Board and not do so without its approval.

Voting rights

Each share entitles the shareholder to one vote. There are no non-voting shares.

Attendance at meetings

The Board meets quarterly and on an ad hoc basis if required. The quorum requirements of Growthpoint's MOI are always considered when scheduled or special meetings are convened and due regard is given to recusal of Directors where conflicts of interest or related-party situations exist or could arise.

Directors' remuneration

Directors' remuneration is subject to annual review by the Board and submitted for approval at the AGM. The fees for FY22 were approved at the AGM held on 16 November 2021.

At its meeting on 14 June 2022, the Board recommended a 5.5% increase (FY21: 4%) in Non-executive Directors' remuneration for FY23 for submission and approval at the AGM.

Shareholders will be asked to approve, by way of non-binding votes, Growthpoint's overall remuneration policy and implementation for FY23. The remuneration report containing this information is included in this report.

Directors' remuneration is disclosed in the AFS in line with the Listings Requirements of the JSE Limited. The key performance aspects linked to the remuneration of Executive Directors are described in the remuneration report.

The Chairman

Mr Rhidwaan Gasant

Independent Non-executive Director

The roles of the Chairman of the Board and the Growthpoint Group CEO are separate, and they operate independently of one another. The Chairman, Mr R Gasant, is an independent Non-executive Director. His responsibilities are contained in, but not limited to, the Chairman's Charter. They include:

- Providing overall leadership to the Board and its committees
- Leading and managing the business of the Board, without limiting the Board's collective responsibility
- Serving as the link between the Board and the management of Growthpoint
- Together with Remco, assessing the performance of the Group CEO
- Together with the Group CEO, evaluating the performance of the other Executive Directors at least annually.

The Lead Independent Director

Mr Andile Sangqu

Independent Non-executive Director

The role of the Lead Independent Director is to:

- Strengthen the independence of the governing body if the chairman is not independent
- Lead in the absence of the chairman or in any instance where the chairman is conflicted
- Act as an intermediary between the chairman and other members of the governing body
- Deal with shareholder concerns if normal channels have failed
- Lead the performance appraisal of the chairman.

Board responsibilities and accountability

The Board provides strategic direction and leadership, thereby providing shareholder value and enhancing the company's sustainability in order to benefit the company and all its stakeholders. Directors are required to abide by Growthpoint's Code of Ethics and policies that promote ethical behaviour to ensure that they act with integrity.

The Board is guided by the Board Charter, which sets out its responsibilities. These include:

- Governing, directing and monitoring the performance of the business as a going concern and presiding over material business decisions
- Approving the company's strategic plans and objectives
- Managing risks through the Risk Management and Audit committees
- Providing direction to and evaluating the performance of management.

The Board either itself or through the Governance and Nomination Committee periodically reviews its composition relative to the skills, knowledge and experience needed to provide strategic direction, leadership and equitable representation in terms of gender and race and in terms of its composition.

The Non-executive Directors are independent of management and not compromised in such a way that could affect their judgement as Directors. The Board has a fiduciary duty to the company considering all stakeholders in its approach to governance in its decision making.

Access to information

Non-executive Directors have unrestricted access to company information as well as members of management and Executive Directors. To assist them to execute their responsibilities effectively, Non-executive Directors may also seek independent professional advice, at the company's expense. As a standing item on the agenda, the Audit Committee provides for combined or separate closed sessions with management, the external auditor and the internal auditor.

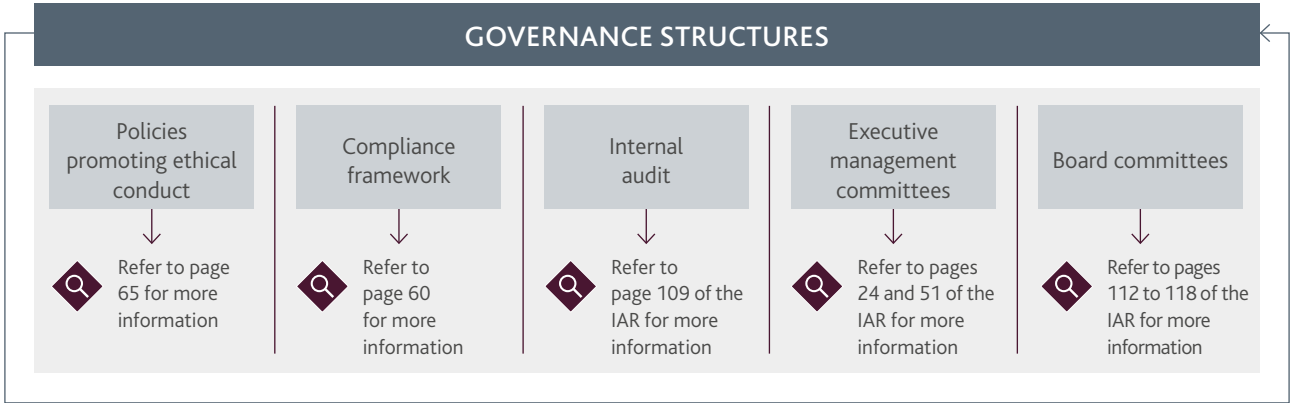
Formal Board and committee self-assessment

During July 2022, the Board and its committees conducted a formal self-assessment process. There were no significant concerns raised. Feedback was provided to the Board and the respective committees at their meetings held in August/September 2022.

Code of Ethics and business conduct

The Code of Ethics aims to ensure that Growthpoint conducts its business in line with the highest ethical standards.

The code seeks to ensure compliance with legislation and regulations in a manner that is beyond reproach.



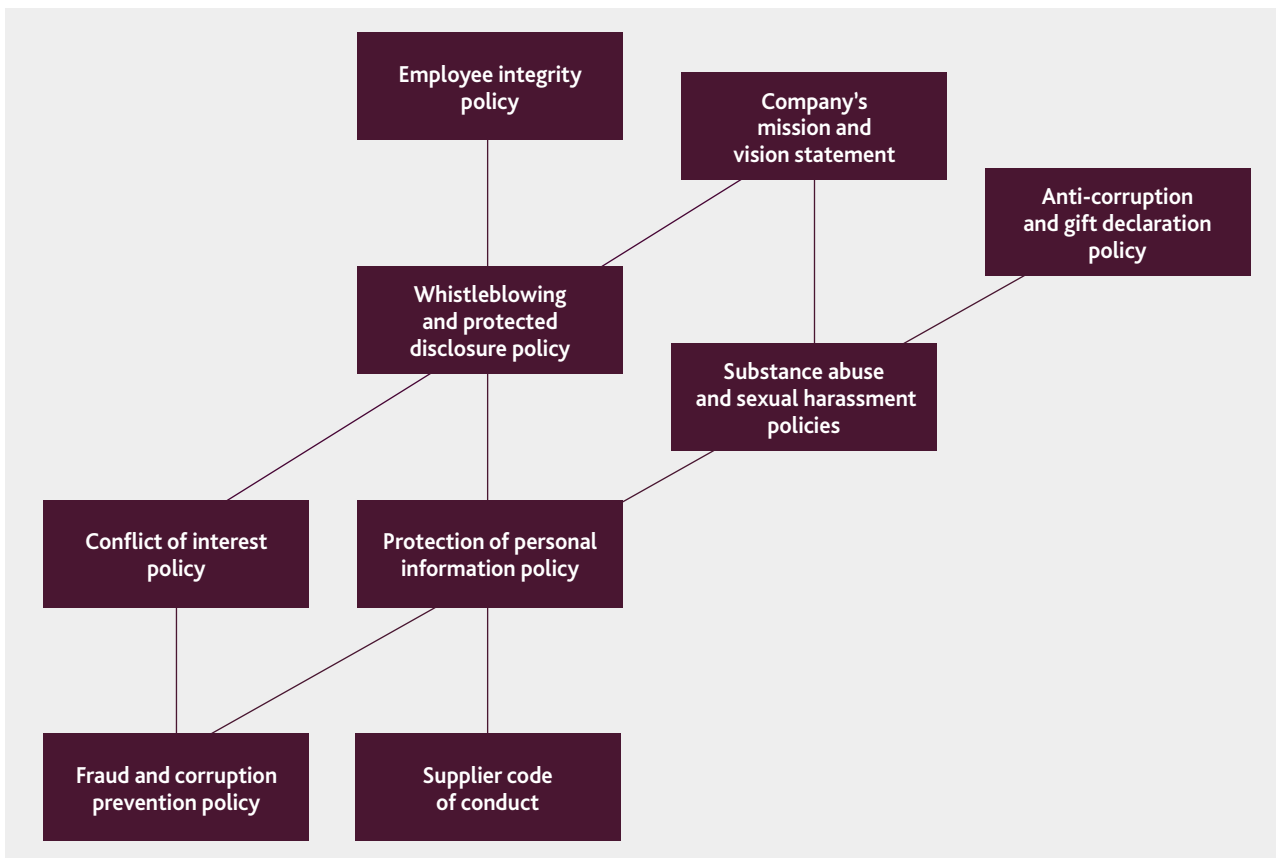
* Framework adopted and developed in association with the Ethics Institute.

Growthpoint was one of the first organisations to participate in the Gordon Institute of Business Science (GIBS) Ethics Barometer, a national initiative launched in partnership with Business Leadership South Africa in 2019. The aim is to raise the ethics of South African businesses. We participated in this barometer in 2019 and 2021, and after conducting a comprehensive and detailed analysis of the results, an ethics strategy was formulated and proposed to the Board. It was approved on 14 June 2022. An Ethics Committee made up of representatives of various business units was established, and its priorities determined.

Several policies must be read in conjunction with the Code of Ethics, for example, policies dealing with conflicts of interest, fraud and corruption prevention; the anti-corruption and gift declaration policy and the Protection of Personal Information policy, as well as the supplier code of conduct. An essential feature of our ethics strategy is creating awareness of these codes and policies among employees via various platforms. Monitoring and reporting to the Board is via the Social, Ethics and Transformation Committee, with Internal Audit providing assurance to the Audit Committee on the effectiveness of the ethics function.

Policies promoting ethical conduct

Growthpoint has various policies in place to create a culture of ethical behaviour.

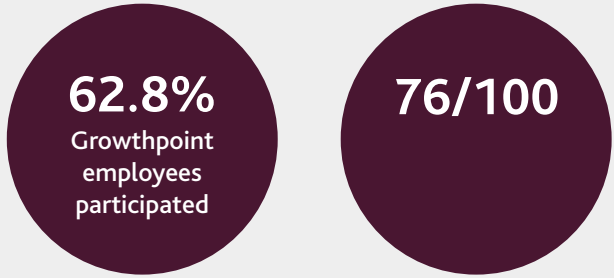


Growthpoint has a **whistleblowing policy** that allows one to raise concerns about malpractice without fear of victimisation or reprisal. (If you suspect underhanded deals, theft, sexism, racism or ageism, report it!). This is managed by an independent third party. Any whistleblower will remain anonymous!

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Internal audit	External audit	Board committees
<p>The internal audit function is provided in-house by the Head of Internal Audit. The scope and functions of Internal Audit are covered in the related section of this report.</p>	<p>EY is the external auditor for Growthpoint SA and its subsidiaries. The independence of the external auditor is reviewed annually by the Audit Committee. The external auditor attends all Audit Committee and Risk Management Committee meetings and has unrestricted access to the Chairmen of both committees. The external auditor is also in attendance at the Property Committee meeting when the valuation of the portfolio is discussed.</p>	<p>The committees established by the Board assist it in the discharge of its duties and the organisation's overall governance.</p>

Ethics survey results




We scored better than the corporate benchmark and 2019's survey across all seven categories

Our score puts us in the top **22%** of all South African companies who have participated in the survey



25%

of our suppliers participated in the supplier survey and the majority of them share our view.



80%

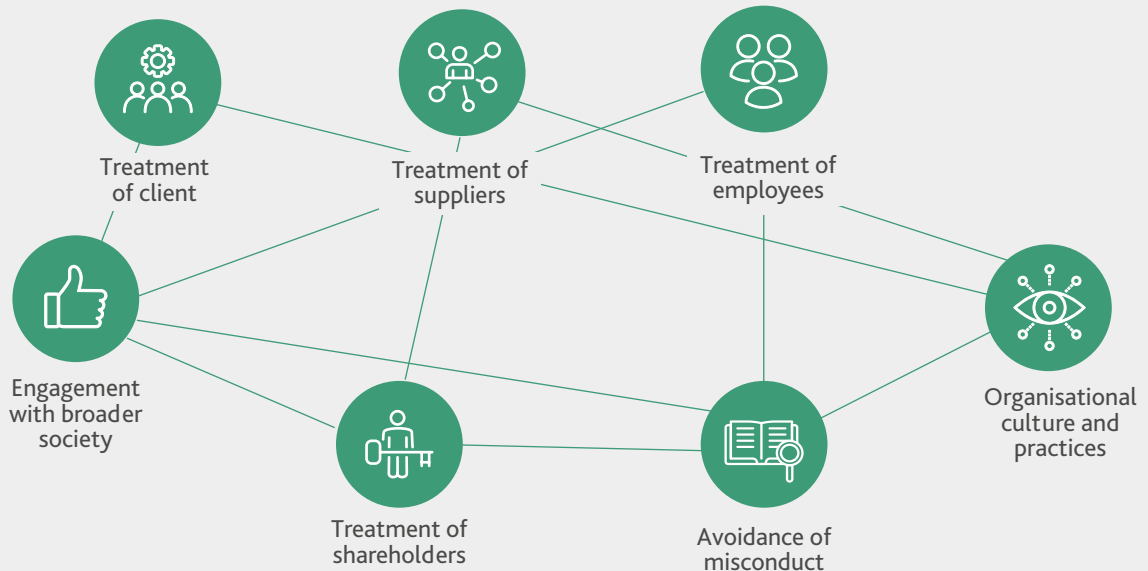
of our staff believe we are on the right path when it comes to correcting historical wrongs.



Men and women

have similar beliefs when it comes to how Growthpoint embraces diversity and inclusion.

What we measured



We've seen an improvement inside our own organisation too!

Top 27%

Organisational
culture and
practices

Top 23%

Treatment of
employees

Top 31%

Avoidance of
misconduct

While we have improved since the 2019 survey, there are some areas we need to work on:



Fairness

- Double standards
- Fair pay/promotions
- Gender gap
- Correcting historical wrongs
- Paying suppliers on time



Truth-telling

- Reluctance to report misconduct
- Truth telling between managers and employees
- Corruption (gifts/entertainment)



Respect

- Bullying and intimidation
- Sexual harassment
- Racial and gender discrimination
- Xenophobia

Ethics strategy

A comprehensive ethics strategy is vital in ensuring we achieve our ethical goals.



The feedback we received from the Ethics Barometer highlighted several areas of focus, which have played a crucial role in developing our strategy.



In addition to reviewing all policies and codes in place, the ethics committee will look into concerns raised by specific business units and in regions.



Growthpoint has an Ethics Committee, which includes senior and middle management as well as representatives from all three regions.



We will also be forming a platform for meaningful discussions relating to ethics to create awareness and help staff share their stories.

Board committees

The committees established by the Board assist in the discharge of its duties and the overall governance of the organisation.

Board committees



To promote sound corporate governance and optimise the sharing of information, the Executive Directors and other senior management are present at Board committee meetings whether *ad hoc* or by standing invitation.

The Board committees have unrestricted access to company information and any resources required to assist them to fulfil their responsibilities, including professional advice paid for by the company.

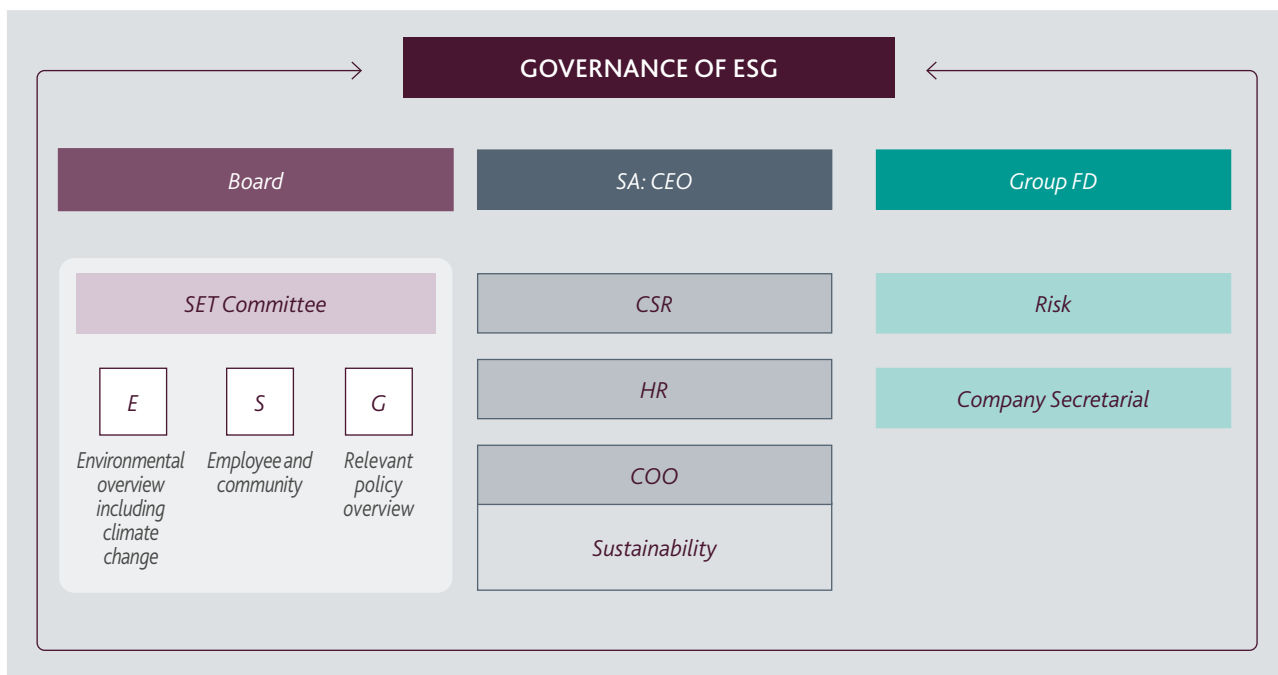
Every Board committee has Board-approved terms of reference which are reviewed annually and aligned, as far as applicable and possible, with King IV, the Listings Requirements of the JSE Limited and the Companies Act.

The Board determines and amends, as necessary, the scope and responsibilities of the committees, as well as the appointment of new committee members.

All the committees are satisfied that they have fulfilled their responsibilities as per their terms of reference during FY22.

Governance of ESG

Growthpoint prides itself in applying a high level of governance. This is also demonstrated in the way ESG is governed. The infographic illustrates the primary workflow and responsibilities of ESG matters within the business.



RISKS ON THE RADAR

The following risks have been identified as being prevalent within the operating environment because of the reporting of related activities in the public domain in the past year. Although not necessarily specific to Growthpoint, the risks warrant commentary on how we have acted to mitigate such risks.

1. Environmental

Contributors	Probable impact	Mitigation
<ul style="list-style-type: none"> • Deteriorating infrastructure and service delivery • Increase in administered costs • Increased regulatory requirements • Increased attention by funders and investors. 	<ul style="list-style-type: none"> • Additional costs • Reputational damage • Ability to source funding. 	<p>Policies and governance</p> <ul style="list-style-type: none"> • Our environmental policy focuses on climate change, carbon emissions, biodiversity and energy, water, waste management and renewable energy • SET committee terms of reference enhanced regarding environmental considerations. <p>Developments</p> <ul style="list-style-type: none"> • A responsibility matrix is used which lists, among other things, the regulatory indicators to be considered when undertaking a development • New office developments to achieve a minimum 4-Star Green Star SA rating • Currently developing an environmental and social checklist. <p>Development contractors</p> <ul style="list-style-type: none"> • Where required, the contractor will appoint a consultant who specialises in environmental matters • Require adherence in line with Growthpoint’s environmental commitments as part of the procurement process and supplier code of conduct. <p>Existing buildings</p> <ul style="list-style-type: none"> • Obtaining green building certification in terms of the GBCSA for office and industrial sector properties • Identifying suitable solutions in terms of our six-step sustainable change process • Engaging and implementing energy-efficient initiatives to reduce utility spend, and sharing savings with the tenant • Using the energy and water performance tool developed by GBCSA to benchmark office buildings • Waste target of zero organic waste to landfill by 2026 • Assessing carbon footprint annually, which is externally verified by a third party. <p>Climate change</p> <ul style="list-style-type: none"> • Tracking of data and the various weather-related incidents to identify preventative initiatives • Detailed climate risk review undertaken, identifying scenarios and potential financial impacts • Development of carbon-neutral objective by 2050. <p>Executive remuneration</p> <ul style="list-style-type: none"> • Measure attributable to meeting ESG targets.

2. Socio-economic

Contributors	Probable impact	Mitigation
<ul style="list-style-type: none"> • Macro-economic fundamentals • Socio-economic effects. 	<ul style="list-style-type: none"> • Political risks • Social upheaval. 	<p>Local community engagement</p> <ul style="list-style-type: none"> • Roll-out of local LED policy • Currently developing an environmental and social checklist • Enhanced understanding of stakeholders through engagement processes • Incorporation of LED policy elements in other policies and procedures.

3. Insurable risks

Contributor	Probable impact	Mitigation
<ul style="list-style-type: none"> • Claims on underwriters and insurers excessive as a result of worldwide risk events such as cyber-attacks, climate change, the effects of Covid-19 and the Russia-Ukraine war. 	<ul style="list-style-type: none"> • Increase in insurance premiums • Lower cover limits • Increase in deductibles • Uninsurable events such as pandemics. 	<p>Proactive risk management incorporates, among other things, the following:</p> <p>Day-to-day operations</p> <p>Risk Information Management System (RIMS)</p> <ul style="list-style-type: none"> • An online software program focused on property operations, which facilities management personnel complete for each building, each quarter. The results are analysed to identify issues that need management's attention. <p>Risk Officer</p> <p>A dedicated Risk Officer ensures compliance with building and fire compliance regulations as well as the OHSA by:</p> <ul style="list-style-type: none"> • Regularly performing independent visits to buildings • Liaising with tenants when conducting building inspections • Liaising with facilities and property management personnel • Liaising with insurers. <p>Independent insurer reviews</p> <ul style="list-style-type: none"> • Growthpoint's insurers undertake inspections of buildings each year to ensure that the insurable cover is commensurate with the insurable risk that they have underwritten. <p>Annually</p> <ul style="list-style-type: none"> • The Growthpoint broker approaches the insurance market with regards to cover, limits, deductibles and premiums. The resultant decisions taken by management are relayed to the Risk Management Committee for consideration and approval. Periodic presentations on specific insurable risks to the Risk Management Committee or the Board.

POLICIES AND GOVERNANCE DOCUMENTS

Governance	
Anti-corruption and gift policy	Growthpoint's commitment to compliance by the Group and its officers, directors, employees and agents with local and international anti-bribery or anti-corruption laws that may be applicable.
Breach of the company's business practice	Growthpoint believes that it employs people who perform to the best of their ability and act in accordance with Growthpoint's philosophies. Any transgression of our practices will be dealt with on an individual basis, in the best interests of the company. If any of the company's standards are breached and such a breach requires formalised intervention, Growthpoint will, where appropriate and practical, intervene and act in accordance with the guidelines for fair procedure set out in the relevant policies and legislation.
Business Code of Conduct	Employees are expected to conduct all internal and external dealings with integrity, consistently and uncompromisingly displaying moral strength and behaviour which promotes trust. Integrity and confidence are critical to our reputation and sustainability.
Closed periods	When Growthpoint is in a closed period (prior to the half year and the year end results), or events as determined by the JSE Listings requirements, no director or employee may trade (buying or selling) in Growthpoint shares or any derivative thereof. Directors are to obtain approval from the Chairman, and executive committee employees from the Group CEO before trading in Growthpoint shares. The rules apply to personal account dealings undertaken by any employee or any of their associates, either for their own account or for the account of an associate.
Code of Ethics	The Growthpoint Code of Ethics (Code of Ethics) applies to all employees. This Code of Ethics is based on our core values and is a promise to all our Stakeholders that we will combine our entrepreneurial spirit with a commitment to responsible business practice. It stipulates morally acceptable behaviour within an organisation. It defines the moral standards or guidelines that need to be respected by all members of an organisation in their dealings with internal and external stakeholders.
Confidentiality statement	Confidentiality obligations on directors, officers and employees of Growthpoint and its subsidiaries who come into possession of material and non-public/price sensitive information concerning the company are required to safeguard the confidentiality of the information and may not intentionally or inadvertently communicate it to any person unless such a person has a need to know the information for legitimate company-related reasons. This duty of confidentiality is important to both Growthpoint's competitive position and the insider trading laws and JSE regulations applicable to Growthpoint as a public company.
Conflict of interest	Should Directors, members of a Board Committee, Executive Management or employees believe a potential transaction/activity may constitute a conflict of interest or interfere with their responsibilities to the company, such a Director, Committee member, Executive or employee is expected to disclose this. The company maintains that disclosure and transparency mitigate against and avoid conflicts of interest.
Corporate social responsibility	Guidelines and assistance for implementing the socio-economic development (SED) elements of CSR, and the enterprise and supplier development (ESD) elements of broad-based black economic empowerment (B-BBEE). The policy also specifies the exclusions of funding of: <ul style="list-style-type: none"> • Profit-making companies, unless in the case of enterprise and supplier development • Animal-related organisations or programmes • Religious organisations • Political parties or associations with political affiliations • Labour movements/Unions • Organisations that have been in existence for less than one year

Governance	
Disclosure policy	Dealing with, inter alia, price-sensitive information, in line with the JSE Limited (JSE) Listings Requirements (Listings Requirements), as well as other recognised best practices. Addresses elements such as the communication framework and authorised spokespersons, dissemination of information, fair distribution of information, price-sensitive information and profit forecasts, dealing with the media, unexpected circumstances or events, crisis management and communication.
Crisis communication policy	Applicable to all Growthpoint staff and onsite suppliers, the policy details who needs to be notified in the event of a crisis, or potential crisis situation, the role of authorised spokespersons and how to deal with media requests.
Human rights policy statement	Growthpoint acknowledges its responsibility to respect human rights in its business. Our human rights policy elaborates on the requirement within our Business Code of Conduct and Ethics to treat everyone whom we encounter with fairness, respect and dignity.
Risk management	The Board has overall responsibility for the adoption, oversight and reporting of Growthpoint’s risk management framework.
Treasury policy	The purpose of this policy is to set up a framework for managing financial risks across the Growthpoint group. The policy: <ul style="list-style-type: none"> • Defines the financial risks to be managed • Specifies the objectives in managing these risks • Delegates responsibilities to those managing the risk.
Whistle-blowing and protected disclosure	Encourages Growthpoint employees to raise concerns about workplace malpractice without fear of victimisation or reprisal. Growthpoint seeks to protect all employees who disclose unlawful or irregular conduct by the company, its employees or other stakeholders. All stakeholders can use our whistle-blowing hotline: 0800 167 463.
POPI policy	This policy is in line with the Protection of Personal Information Act which aims to: <ul style="list-style-type: none"> • To promote and protect the right of privacy for all persons and companies • Identify, control, monitor, report and maintain information privacy. <p>Privacy policy</p> <p>This policy provides direction and guidance to Growthpoint employees by providing minimum requirements for Growthpoint employees to identify, control, monitor, report, and maintain information privacy across Growthpoint’s business. This policy prescribes the scope, minimum privacy standards and roles and responsibilities which must be implemented and adhered to in order for Growthpoint to meet its legislative obligations to process personal information in a manner that is lawful and fair and mitigate its other information privacy risks.</p>

POLICIES AND GOVERNANCE DOCUMENTS *continued*

Operations	
Business rescue strategy	Highlights Growthpoint’s business rescue strategy in line with Chapter 6 of the Companies Act No 71 of 2008, as amended (Companies Act). This legislation was mainly introduced to reduce the number of liquidations in the industry, to save employment and to replace the old “Compromise of creditors” in terms of section 155 of the Companies Act.
Credit policy and processes	Provides guidance on leasing facilities to our clients with the minimum of risk and the ongoing improvement in processes and service to enable a secure and sustainable return to our shareholders.
Environmental policy	Growthpoint’s commitment to responsible environmental conduct. Areas of consideration include climate change and carbon emissions, energy, water, waste, renewable energy and biodiversity.
Health and safety policy	<p>Our policy is prepared in line with the Occupational Health and Safety Act No 85 of 1993, which provides for the health and safety of people at work and when using plant and machinery, as well as the protection of people other than those at work against hazards to health and safety arising out of or in connection with the activities of people at work.</p> <p>Incident (I) and Accident (A) investigation This policy clearly highlights the procedure of incident and accident investigation in a three-step process:</p> <ol style="list-style-type: none"> 1. Emergency phase: Take immediate action, secure scene, report incident. 2. Investigation phase: Collect evidence, ID and interview witnesses, analyse evidence and compile report, I/A investigation meeting – report to government/chief inspector. 3. Closure phase: Follow-up, compensation commissioner. <p>Evacuation This policy ensures that regular emergency evacuation drills are practised (at least twice a year), so that in the event of an emergency the entire workforce is well prepared. With regular practice all staff should be able to reach their assembly points, unhurt and safe (the injury procedure is also outlined) within 15 minutes, with the help of evacuation marshals, zone marshals, firefighter, first aider, and security personnel.</p> <p>Emergency medical procedures This highlights the medical protocol that first aiders should follow. It ensures that first aiders are competent and able to treat fellow employees in the workplace and that they ensure the first aid boxes in the department/work area are regularly checked, sealed, and stocked as per the Department of Labour’s requirements.</p> <p>Smoking Growthpoint is committed to compliance with all relevant employment legislation, such as legislation on smoking by the South Africa Government. Smoking at the workplace is regulated by the Tobacco Products Control Act No 83 of 1993. This policy is applicable to all Growthpoint employees, visitors, and any other person who assist in the carrying on of all aspects of the day-to-day functioning</p> <p>Alcohol and drug misuse at work This policy aims to promote greater awareness of how alcohol and drug dependency can be prevented, encourage support and self-referral or intervention at an early stage of dependency, and to manage dependency so that there is an efficient and supportive working environment</p>

Operations	
Health and safety policy	<p>Road safety</p> <p>This policy statement clearly outlines the responsibilities of the company and its employees who drive a vehicle on company business. It relates to training, mobile phones, alcohol and controlled drugs, hours of driving/work and breaks, accident investigation, accident classification, accident procedure, reporting the accident, vehicle maintenance and disciplinary action.</p>
Local economic development and transformation policy and procedure	<p>This policy document is intended to outline the principles and procedures to be adhered to when engaging with businesses in local communities within which Growthpoint operates.</p>
Local economic development and local participation policy	<p>This highlights that all established contractors appointed on Growthpoint's projects are required to partner with emerging local enterprises (contractors and suppliers) for developmental purposes, with a clear empowerment strategy with targets.</p>
Managing of Covid-19 policy	<p>This policy sets out:</p> <ul style="list-style-type: none"> • Growthpoint's approach to Covid-19 and how the business, its employees and its stakeholders are to act in order to decrease the spread of this illness and lower its impact in the workplace • The related measures and controls which have been implemented within Growthpoint's operations, workplaces and facilities, in order to address and manage the risks and hazards posed by the coronavirus.
Procurement policy	<p>This policy supports the basic principles associated with procurement, i.e. value for money, open and effective communication, ethical and fair dealing, accountability and reporting within the ambit of superior service delivery. The policy is committed to:</p> <ul style="list-style-type: none"> • A fair and transparent process • Contributing to economic empowerment as per the B-BBEE Code of Good Practice • Management and monitoring progress against procurement objectives • Holding individuals accountable for purchasing decisions meeting full requirements.
Sponsorship policy and procedure	<p>Sets out the procedure for considering and approving proposals as and when suitable opportunities present themselves. Additionally, it highlights sponsorship criteria and guidelines.</p>
Supplier Code of Conduct	<p>Growthpoint is strongly committed to full compliance with global human rights, labour standards, environmental laws and ethical business practices as related to goods or services provided to Growthpoint, or to any activity undertaken as a licensee, distributor, representative or as one having similar rights. Growthpoint further conducts business strictly in accordance with its Code of Business Conduct, and expects all parties involved to strictly comply with such Code of Conduct and will further and without limiting the foregoing comply with the following principles:</p> <ul style="list-style-type: none"> • Legal requirements • Health and safety • Employment practices • Environmental practices • Ethical conduct • Compliance.
Valuation policy	<p>To ensure that Growthpoint's valuations represent the fair value of its property portfolio as at interim and full year reporting periods.</p>

POLICIES AND GOVERNANCE DOCUMENTS *continued*

The Board	
Audit Committee terms of reference	Assists the Board in ensuring adequate processes are implemented and maintained, adequate accounting records are maintained and managed, design-effectiveness of internal financial controls, and the integrity of the Annual Financial Statements.
Board Charter	Provides the overall purpose and objectives of the Board, membership and responsibilities, accountability and self-assessment.
Board gender diversification statement	Growthpoint's commitment to gender diversification on the Board. In the event that the size of the Board is increased and/or any of the current Non-executive Directors retires or steps down, preference will be given to women with the necessary skills, experience, independence and knowledge, taking into account Growthpoint's circumstances and needs. Growthpoint's aim is that at least 30% of the Board should comprise women.
Board racial diversity statement	Growthpoint's commitment to racial diversification on the Board. The Board shall at all times and to the extent practically possible, strive to meet the legislated and/or regulated Employment Equity targets applicable from time to time at Board level.
Governance and Nominations Committee terms of reference	<p>Responsible for the establishment, reviewing, and monitoring of the adequacy, efficiency and appropriateness of the corporate governance structure and practices and ensuring compliance with the King IV Report on Corporate Governance for South Africa, 2016 (King IV), the Listings Requirements of the JSE, the Companies Act No 71 of 2008, as amended (Companies Act) and the Companies Regulations, 2011 (Regulations), the Growthpoint Memorandum of Incorporation (MOI), Environmental, Social and Governance (ESG) criteria, and any other applicable laws and regulatory provisions.</p> <p>Guides the Nomination Committee in the appointment of Board members and ensures consideration is given to the knowledge, skill, experience, diversity and independence of appointees. The policy also refers to gender diversity targets, the issue of multiple directorships and tenure.</p>
Nomination policy	The policy guides the Nomination Committee in the appointment of Board members and ensures consideration is given to the knowledge, skill, experience, diversity and independence of appointees. The policy also refers to gender diversity targets, the issue of multiple directorships and tenure.
Property and Investment Committee terms of reference	This committee will assist in the consideration of proposed acquisitions and disposals of investments, annual budgets including capital expenditure and refurbishments, and reviewing annual investment valuations. Recommendations are provided to the Board.
Risk Management Committee terms of reference	Ensures that the Board is assisted in the discharge of its duties relating to corporate accountability and the associated risks in terms of management, assurance and reporting.
Social Ethics and Transformation Committee terms of reference	The Committee acts for the company and its subsidiaries, other than subsidiaries or controlled entities that are not managed by the company or any of its subsidiaries. Considerations, evaluations and monitoring are continuously done on broad-based economic empowerment, enterprise development, social and economic development, oversight of values and the ethical framework, good corporate citizenship, the environment, climate change, procurement, consumer relations, transformations charter, employment equity, and the stakeholder-inclusive approach.
Human Resources and Remuneration Committee terms of reference	Facilitate the determination of all the essential components of remuneration and the criteria for the review of performance of Executive Directors and senior management in discharging their functions and responsibilities.

Human resources	
Cell phone policy	Determines eligibility and outlines the reimbursement process as well as income tax legislation and SA Revenue Services (SARS) practice.
Conditions of employment statement	The information contained in this document is intended as a guide to understanding the principles that underline the “way of life” at Growthpoint. It will include policies and procedures to guide employees’ conduct as well as indicate the legislative compliance from Growthpoint.
Confidentiality of employee information agreement	The confidentiality of employee information will be maintained at all times: <ul style="list-style-type: none"> • The employee’s right to privacy will be upheld and always respected • All employee information will be maintained in alignment with the POPI Act No 4 of 2013 • Checks will be conducted only where there is a reasonable and justifiable business requirement.
Disability policy	This policy serves as a guideline to promote equal opportunities and fair treatment for people with disabilities or those suffering from ill-health as prescribed by the Employment Equity Act (the Act). The objective is to assist the employer and employees to understand their rights, obligations, and the process to ensure fairness and consistency.
Disciplinary policy	<p>This policy is intended to provide a guideline to employees in terms of what is deemed as unacceptable behaviour. This policy outlines a fair and equitable disciplinary code and procedure for all employees in compliance with current employment legislation. There is a documented level of offences used in alignment with this policy.</p> <p>Breach of the company's business practice</p> <p>Growthpoint believes that it employs people who perform to the best of their ability and act in accordance with Growthpoint’s philosophies. Any transgression of our practices will be dealt with on an individual basis, in the best interests of the company. If any of the company’s standards are breached and such a breach requires formalised intervention, Growthpoint will, where appropriate and practical, intervene and act in accordance with the guidelines for fair procedure set out in the relevant policies and legislation.</p>
Diversity and Inclusion Forum constitution	The Diversity and Inclusion Forum has been established to represent employees in matters which relate to Employment Equity and Skills Development. The purpose of the forum is to: <ul style="list-style-type: none"> • Facilitate the achievement of the Employment Equity and Growthpoint’s transformation agenda • Create awareness and support the organisation’s initiatives in relation to transformation • Promote the empowerment and advancement of designated groups • Consult on matters related to Skills Development and Employment Equity in line with legislation.
Education bursary policy	The focused educational opportunities available to employees to enable them to obtain qualifications necessary for career advancement within Growthpoint.
Employment Equity (EE) statement	Growthpoint is committed to creating a diverse and transformed working environment, which will provide equal opportunity to all its employees, whilst giving special consideration to employees from designated groups. Growthpoint will take steps to: <ul style="list-style-type: none"> • Promote equal opportunities in the workplace by eliminating unfair discrimination in all its employment policies and or practices; and • Implement Affirmative Action (AA) measures, to redress imbalances in employment experienced by designated groups, to ensure their equitable representation in the workplace.

POLICIES AND GOVERNANCE DOCUMENTS *continued*

Human resources	
Employee risk management statement	<p>People are our most important asset and in order to comply properly with acceptable standards of corporate governance and international best practice, we continuously review our practices and ensure that employees comply with the required standards. Where necessary from a business perspective, the following checks will be conducted from time to time:</p> <ul style="list-style-type: none"> • Verification of qualifications and experience • Credit checks • Criminal record checks • Potential conflict of interest • Other checks as may be required
Financial assistance	<p>Sets out the conditions under which Growthpoint may provide financial assistance to employees, which include undue personal hardships. Situations of undue personal hardships are those that are unforeseen/unanticipated (emergency situations), which the employee could not have provided for and no other institution will provide for.</p>
Flexible working policy	<p>Provide employees with the flexibility to work at their most productive time and to give balance to all aspects of employees' lives. This policy will apply to employees who are eligible by the nature of their role. This means that their day-to-day job will not be affected negatively by the flexible working options.</p>
Grievance policy	<p>Growthpoint is committed to promoting effective working relationships and an environment in which employees feel comfortable to raise work-related grievances, without prejudice or victimisation. A grievance can be raised in the following instances:</p> <ul style="list-style-type: none"> • When an employee has a matter affecting them as individuals in the course of their employment where they have concerns, problems or complaints; or • When an employee has matters affecting their personal dealings or relationships with colleagues (junior or senior) which affect their work.
Remuneration policy	<p>Growthpoint is committed to ensuring that its remuneration policy and philosophy is fair, responsible and aligned with all South African legislation as well as the "Equal Pay for Work of Equal Value" code of good practice.</p> <p>Job grading and payscale guideline and process</p> <p>The Paterson Grading System which is used by Growthpoint to evaluate positions and classify them according to their relative significance.</p> <p>Benefits statement</p> <p>We reward employees for the value they add through payment of an industry-competitive remuneration package, a variable performance reward and employee ownership in the form of share incentive scheme participation. Any additional benefits are granted in line with the Income Tax Act of 1962. These benefits include rewards for exceptional performance gifts, ongoing service awards, professional memberships and clothing allowances.</p> <p>Medical aid</p> <p>The requirement for all permanent employees to become a member of one of the company's medical aid schemes, unless an employee is entitled to medical benefits in terms of another scheme as a dependent and proof of such membership is provided annually.</p>
Insider information	<p>From time to time, employees may be privy to price-sensitive and unpublished information relating to the company and its clients. Trading on the basis of such information is prohibited.</p>

Human resources	
Leave policy	Leave provisions for employees. The objective is to ensure that all staff are clearly informed of the procedures regarding eligibility for leave and the leave application process. Leave types specified are annual leave, sick leave, family responsibility leave, bereavement leave, maternity leave, adoption leave, paternity leave, study leave, religious leave, special leave, unpaid leave and disability leave.
Personal relationship policy	This policy is intended to provide guidance in cases where personal relationships may exist or form between employees in the professional working environment. Boundaries between personal and business interactions are necessary to achieve a productive, comfortable and professional work environment. Growthpoint would like to encourage fair treatment and the avoidance of actual, potential or perceived favouritism, conflict of interest and opportunities for collusion in the event of personal relationships in the work environment. It is not the intention of Growthpoint to infringe on personal freedoms nor to intrude on the privacy of individuals.
Recruitment policy	Gives guidance to management on attracting the most suitable candidates to fill vacant positions. In addition, the policy aims to provide guidance on the recruitment of candidates so as to comply with the provisions of the Labour Relations Act No 66 of 1995 (as amended) and the requirements of the Employment Equity Act No 55 of 1998 (as amended).
Representing the company	All employees are required to represent the company to external persons and/or clients, and are expected to ensure that all information shared is not confidential and is factually correct.
Retirement policy	This policy provides guidance on the Group's retirement (provident and pension) fund, early retirement benefits, the low-risk portfolio option, the staff incentive scheme, retirement counselling and financial planning in the event of retirement.
Serious illness insurance policy	Growthpoint provides cover to employees with serious illnesses such as cancer, kidney failure, and heart attacks. The policy lays out the terms and conditions of this benefit.
Sexual harassment policy	Highlight whether the conduct reported is sexual harassment using the definition set out in the Code of Good Practice on the handling of sexual harassment cases. Notice 1 367 of 1998 in terms of Section 203(2) of the Labour Relations Act 66 of 1995. It further highlights the investigation process (in a confidential manner) and how a formal grievance can be laid.
Share dealings policy	Governs share dealings by Directors and executive members and the imposition of closed periods. Prior clearance to deal is required from the Board Chairman and/or Group CEO. Deal disclosure is dealt with in terms of the Listing Requirements of the JSE Limited.
Social media policy	Governs the use of social media by Growthpoint Properties Limited, its subsidiaries, and the company's employees, associates and contractors in both a personal and professional capacity.
Substance abuse policy	Stipulates behaviour that constitutes a breach of company policy and a breach of an employee's duty to act in good faith towards Growthpoint.
Travel policies	<p>International travel policy This policy sets out the travel and accommodation arrangements for Growthpoint employees or other authorised persons while away on international business travel.</p> <p>Local travel policy This policy sets out the travel and accommodation arrangements for Growthpoint employees or other authorised persons while away on local business travel.</p>

POLICIES AND GOVERNANCE DOCUMENTS *continued*

Information technology	
Information technology	Employees are required to comply with the company's practice on issues relating to the legitimate use of computers, software, electronic information and networks. In the interests of supporting the availability, integrity and confidentiality of information systems and associated data, the company has established controls to protect its computing resources.
IT governance policy	IT governance for stakeholders and its principles, practices, processes and governance structures. The purpose of this policy is to embed IT governance as a subset of corporate governance within Growthpoint, to outline the scope, required effort and responsibility with regards to developing, implementing, and maintaining Growthpoint IT governance and to identify the commitment to the development and maintenance of Growthpoint IT governance.
IT demand management policy	Outline areas of responsibility for the management of IT demand. It supports King IV requirements to oversee the adequacy and effectiveness of technology and information management with specific reference to assessing return on investment. It further ensures IT investment selection is aligned with business priorities and that all IT programmes and projects undertaken will deliver value to the business.
Information management policy	The purpose of this policy is to provide a foundation for, and allocate responsibility for information management within Growthpoint. Additionally, this policy aims to: <ul style="list-style-type: none"> • Outline the benefits of effective and efficient information management • Provide principles to assist with managing information • Provide guidance and policy for information management within Growthpoint • Define roles and responsibilities with regards to information management.
Information security policy	The purpose of this policy is to outline Growthpoint principles regarding information security management and ensure all parties are aware of their responsibilities with regards information security management within Growthpoint. This policy applies to all employees, functions and departments within Growthpoint, including third parties acting on behalf of Growthpoint. The policy serves to govern information security as part of responsible internal asset use and good governance within Growthpoint.
Acceptable usage policy	This policy applies to all users, IT staff and third parties who have physical access to Growthpoint's information system and/or are utilising their applications and computer systems.
Computer usage	Sets out employees' obligations to safeguard Growthpoint's competitive advantage, business continuity, and to ensure the ongoing confidentiality, integrity and availability of all Growthpoint's computer resources.
Information security incident response policy	This policy ensures that information security incidents are appropriately and consistently responded to. When information security incidents (including cyber security incidents) are imminent or do occur, it is imperative to ensure they are dealt with in an effective and efficient manner, to limit and reduce their impact, whether financial, reputational, regulatory, legal or otherwise.
Cyber security policy	This policy ensures that Growthpoint IoT network is secured on various levels.
Business continuity management policy	The purpose of this policy is to formalise the Business Continuity Management (BCM) programme for Growthpoint and to provide guidelines for developing, maintaining, and exercising the Business Continuity Plans (BCPs) for all divisions/departments at Head Office and the Regional Management Offices. It further ensures the establishment of basic principles and framework necessary to ensure emergency response, resumption and recovery, restoration and permanent recovery of the operations and business activities during a business interruption event.

Information technology	
Enterprise architecture policy	<p>The purpose of this policy is to embed enterprise architecture as a subset of IT governance within Growthpoint. It outlines the scope, required effort and responsibility with regards to developing, implementing and maintaining an enterprise architecture within Growthpoint. Additionally, this policy:</p> <ul style="list-style-type: none"> • Ensures that the enterprise architecture process in Growthpoint is adopted and deployed • Defines the roles and responsibilities of enterprise architecture in Growthpoint • Ensures that the enterprise architecture is optimised such that it meets Growthpoint’s business requirements • Provides a set of enterprise architecture principles for enterprise architecture decisions • Ensure compliance to Growthpoint Enterprise Architecture • Reduce the risk profile of Growthpoint Enterprise Architecture.
Data governance policy	<p>The purpose of this policy is to provide a foundation for data governance within Growthpoint. Additionally, this policy aims to:</p> <ul style="list-style-type: none"> • Outline the benefits of effective and efficient data governance • Provide principles to assist with making data governance decisions • Provide guidance and policy for data governance within Growthpoint • Stipulate the required processes and procedures for data governance within Growthpoint • Maintain the quality of data such that it supports Growthpoint’s business requirements • Allocate responsibility for data governance within Growthpoint.

SUPPLEMENTARY INFORMATION

This section contains assurance statements and key performance data critical to our ESG journey.

ASSURANCE STATEMENTS



Independent verification statement

To the directors and management of Growthpoint Properties Limited

Growthpoint Properties Limited (Growthpoint) engaged Verify CO₂ 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 CO₂.

Verify CO₂ 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 Boundary¹

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.

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

ASSURANCE STATEMENTS *continued*

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

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

² 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).

³ 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).

⁴ 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.

⁵ Municipal water consumption (2,923,977kl equivalent to 2,705tCO₂e) and office paper (13.5tCO₂e).

⁶ 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.

⁷ Includes Cat4. Courier transport (8.09tCO₂e); Cat6. Business Travel (429tCO₂e); Cat7. Employee Commute (613tCO₂e which included 110tCO₂e calculated for staff working from home in lieu of at the office).

⁸ 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) ⁹	685MWh	9 797MWh
Total electricity consumed	46 140MWh	569 470MWh
	615 610MWh	
Total municipal water consumption	2 923 977kl	
Waste generated in operations ¹⁰	Landfilled	Recycled Composted
	6 701t	4 746t 50t

⁹ 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.

¹⁰ 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 CO₂ 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 CO₂

9 September 2022

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.

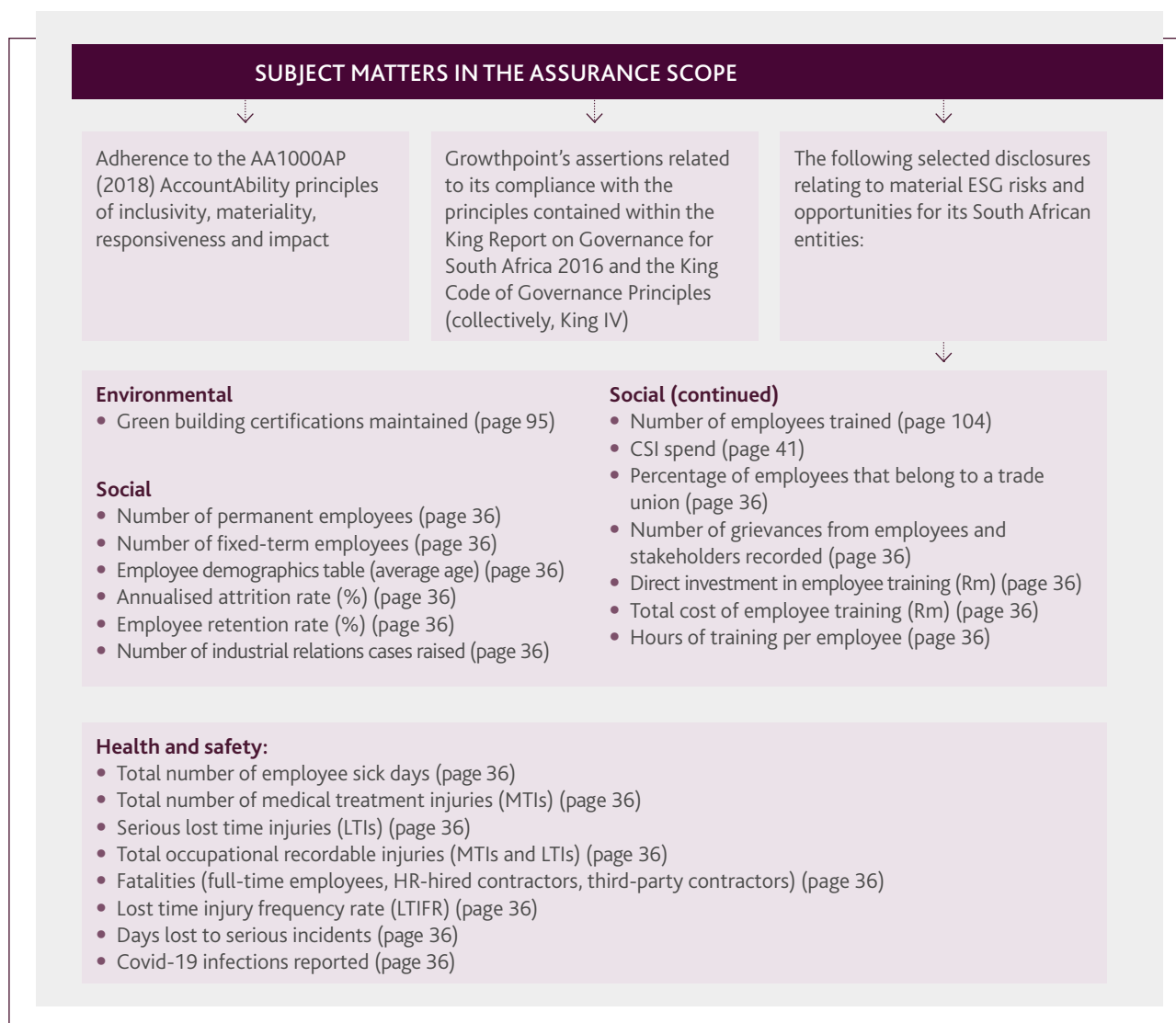
IBIS

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:

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
Testing , on a sample basis, the measurement, collection, aggregation, and reporting processes in place	Interviews 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	Inspection and corroboration of supporting evidence received electronically to evaluate the data generation and reporting processes against the assurance criteria	Assessing the presentation of information relevant to the scope of work in the ESG report for consistency with the assurance observations	Reporting 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.

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

TCFD CHECKLIST

Governance	Brief description	Page number
<p>(a) Description of the board's oversight of climate-related risks and opportunities.</p>	<p>Quarterly reports are compiled and provided to the Social, Ethics and Transformation (SET) Committee, a sub-committee of the Board. The Terms of Reference of the SET Committee are reviewed annually and ensure that ESG issues including climate change are addressed. The committee reviews quarterly Growthpoint's strategies and policies relating to ESG. The extent to which information is regarded to be pertinent to climate-related issues is provided to the Risk Management Committee. The quarterly reports that are submitted to the Board of Directors from the Board sub-committees include reports from the SET that provide updates on climate-related matters. The CEO: SA also provides information on environmental concerns including climate-related issues and ESG-related information.</p>	<p>Page 11</p>
<p>(b) Description of management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Growthpoint continually improves its sustainability practices which resulted in an ESG strategy being developed. This strategy was reviewed and approved by both Executive members and Board members. The CEO: SA is responsible for the ESG strategy in South Africa. This strategy includes monitoring and reporting on the progression of ESG factors including climate-related concerns.</p> <p>Growthpoint's Chief Operating Officer (COO) has a pivotal role in the development and implementation of organisational strategies found within various operations. The COO is an attendee of the SET Committee.</p> <p>The Sustainability and Utilities function reports directly to the COO while the ESG Manager provides guidance and engages on climate-related matters. Growthpoint's ESG Manager is responsible for the compilation of the integrated annual report and ESG report and is tasked with ESG disclosure, highlighting trends, developments, regulations, and disclosure requirements that may affect the company. The Sustainability and Utilities function alongside the ESG Manger reports quarterly to the SET Committee and the Board. Information that is deemed to be pertinent will be provided to both the Audit Committee and Risk Management Committee.</p> <p>ESG concerns are important to Growthpoint. Executive remuneration is linked to ESG performance. Objectives addressed are historic social injustices though Broad-Based Black Economic Empowerment and employment equity targets. Environmental focuses include energy reduction, investment in renewable energy supply, net zero for carbon/water/ energy/waste, and biodiversity.</p> <p>Policy review, improvement and alignment together with ethics have been our governance focus.</p>	<p>Page 8 – 9 Page 11 IAR</p> <p>Page 46 – 47 IAR</p> <p>Page 129 IAR</p>

Governance	Brief description	Page number
Strategy		
<p>(a) Description of the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p>	<p>As per a climate-related risk assessment conducted in early FY21 a:</p> <ul style="list-style-type: none"> • 1 – 10 year period is appropriately defined as short term • 10 – 20 year period is defined as medium term • 20 – 30 year period is defined as long term. <p>This time frame is related to climate risk only.</p> <p>The assessment identified ten "significant" and "severe" climate-related financial impacts relevant to properties situated in Johannesburg, Cape Town, and Durban. These risks and impacts are related to:</p> <ul style="list-style-type: none"> • Energy security • Water security • Infrastructure • Building vacancy. 	Page 94
<p>(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	<p>Each identified risk receives an exposure and vulnerability risk rating of: very low, low, medium, high, and very high. Thereafter a likelihood risk rating was allocated in the categories of: very unlikely, unlikely, moderate, likely, and almost certain.</p> <p>The identified risk will then be given a climate-related financial impact severity rating of: negligible (insignificant financial impact amounting to <R1m), minor (moderate financial impact amounting to R1m – R5m), moderate (moderate financial impact amounting to R5m – R100m), significant (major financial impact amounting to R100m – R500m), and severe (severe financial impact of >R500m). These financial impacts are associated with either financial losses or an increase in operating or capital expenditure.</p>	Page 94

Governance	Brief description	Page number
<p>(a) Description of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>A high-level climate-related risk assessment was done in FY21. Two scenarios were used to identify the impact of extreme climate-related scenarios on our operations – a Hot House World (HHW) scenario and a Disorderly Transition (DT) scenario. Tests were applied regarding resilience of our investment portfolio, business strategies, and financial planning.</p> <p>HHW assumes:</p> <ul style="list-style-type: none"> • Currently implemented policies are retained and emissions grow until 2080 to 3°C+ of warming and see severe physical risks which result in a disorderly transition • Physical risks are high and aligned to the representative concentration pathway (RCP) 8.5 scenario • Transition risks are aligned to the reference technology scenario (RTS), which reflects the realities aligning South Africa's Nationally Determined Contribution (NDC) and is consistent with current emission ambitions. <p>DT assumes:</p> <ul style="list-style-type: none"> • Net-zero emissions are achieved before 2070, allowing for a 67% chance of limiting global warming to below 2°C • Emissions reduction efforts are taken relatively late and limited by available technologies, with policies only being introduced in 2030 • Responses are sudden and unanticipated, resulting in disruption • Transition risks align with the 2° scenario (2DS) and risk is regarded as high due to the sudden nature of efforts to decarbonise • Physical risks are lower and align with the RCP 4.5 scenario, which aims to limit warming to below 2°C <p>There is another climate-related risk assessment scheduled for FY23.</p>	Page 94
Risk management		
<p>(a) Description of the organisation's processes for identifying and assessing climate-related risks.</p>	<p>The Group Chief Executive Officer identifies risks and opportunities annually based on the business model and the organisation's strategy. This is compared to the "REIT Risk Instrument" universe of risks, which is an internet-based technology risk solution built exclusively for SA REITs, after determining the risk's probability and likelihood. These are aligned with the risk that is assessed by the Risk Management Committee. The Risk Management Committee is provided with an analysis of key risks where these risks are reviewed and inform our mitigation strategies.</p>	Page 70 – 71
<p>(b) Description of the organisation's processes for managing climate-related risks.</p>	<p>Reducing our carbon footprint is a critical component of our ESG strategy. The path to carbon neutrality by 2050 is based on our 2020 emissions. To keep on track, annual targets will be set and, where necessary, adjusted in line with our net-zero objective. The two most substantial contributing factors to our carbon-neutral targets are energy efficiency (which we measure as energy intensity) and renewable energy generation. Our carbon-neutral strategy is being rolled out and applied throughout all levels of the business, and there are high expectations for implementation going forward with another climate-related risk assessment scheduled for FY23.</p>	Page 23 – 25 Page 94

Governance	Brief description	Page number
<p>(c) Description of processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>Quarterly reports are compiled and provided to the Social, Ethics and Transformation (SET) Committee, a sub-committee of the Board. The Terms of Reference of the SET Committee which are reviewed annually ensure that ESG issues including climate change are addressed. The committee reviews quarterly Growthpoint's strategies and policies relating to ESG. The extent to which information is regarded to be pertinent to climate-related issues is provided to the Risk Management Committee. The quarterly reports are submitted to the Board of Directors from the Board sub-committees and include reports from the SET that provide updates on climate-related matters. The CEO: SA also provides information on climate-related issues and ESG-related information.</p>	<p>Page 117 IAR</p>
Metric and targets		
<p>(a) Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>The climate-change risk assessment conducted proved to be informative in setting our targets and further assisting in the identification of metrics that can be utilised to maximise opportunities that are in line with our ESG strategy and carbon-neutral pathway. These include:</p> <ul style="list-style-type: none"> • Increasing renewable energy investment for energy continuity and cost reduction through the 20:20:20:2 strategy (refer "c" below) • Reducing emissions and the possible liability for all through a green addendum, which is part of our carbon neutral strategy • Design flexibility and Green Star Ratings • Utility optimisation through smart meters and the internet of things • Investing in water storage and water harvesting systems • Ensuring materials used to provide greater resistance to extreme weather events, reducing the cost of repairs. 	<p>Page 23 – 25 Page 94 Page 70 – 71</p>
<p>(b) Disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>The review of our annual carbon footprint is verified by a third party under the international standard ISO 14064-3 (2006) specification and guidance for validation and verification of greenhouse gas assertions.</p>	<p>Page 83</p>
<p>(c) Description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<p>Our 20:20:20:2 targets aim to achieve 20 net-zero buildings, 20MW of solar energy, R20m worth of green lease recoveries for Growthpoint, and two commercially implemented Greenovate Awards ideas.</p> <p>We also have focus area targets relating to:</p> <ul style="list-style-type: none"> • GHG emissions total • GHG emissions intensity • Energy intensity • Renewable energy • Water intensity • Waste. <p>These targets will assist us in achieving carbon neutrality by 2050. To keep on track, annual targets will be set and, where necessary, adjusted in line with our net-zero objective.</p> <p>We also track our performance through voluntary participation in reporting platforms such as Dow Jones, GRESB, and CDP.</p>	<p>Page 23 – 25 Page 94</p>

PERFORMANCE DATA

Environmental data Climate change

Climate-related risk	Mitigation	Theme	Financial impact	Time horizon*	Financial rating impact		Opportunities
					Hot House World	Disorderly Transition	
Energy supply and 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	<ul style="list-style-type: none"> Increase renewable energy investment for energy continuity Cost reduction through 20:20:20:2 strategy.
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	<ul style="list-style-type: none"> Engaging with National Treasury to influence taxonomy Green Addendum to reduce emissions and the possible liability for all, part of carbon neutral strategy Design flexibility and Green Star ratings.
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	<ul style="list-style-type: none"> Utility optimisation through smart meters and the internet of things Investment in water storage will ensure continuity of supply and support tenant needs Investment in water harvesting systems Influence behavioural change.
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	<ul style="list-style-type: none"> Reduce reliance on municipal energy supply and implement 20:20:20:2 strategy.
Structural damage to infrastructure and property as a result of extreme weather events and sea-level rise	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	<ul style="list-style-type: none"> Ensuring materials used provide greater resistance to extreme weather events Reducing the cost of repairs.
Increased building vacancy as a result of more frequently working from home and as a way of decreasing operational costs and emissions	Continually assesses facilities	Building vacancy – transitional risk	Decreased revenue as a result of lower tenancy	Short term	JHB – severe CT – severe DBN – severe	JHB – severe CT – severe DBN – severe	<ul style="list-style-type: none"> Ensuring safe (health), appealing space with continued energy supply.

* Short term = less than 10 years. Medium term = 10 – 20 years. Long term = greater than 20 years.

Below is a list of the buildings that have a green building certificate with an indication of the certificate attained by each asset. A total GLA of 897 383m² has been certified. This accounts for 17.28% of our portfolio.

Types of certification and GLA certified

Office	68	Healthcare	1	Industrial	2
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Building name	GLA m ²	Design GLA certified m ²	As built GLA certified m ²	Customised ratings GLA certified m ²	Interiors GLA certified m ²	EBP GLA m ²	EWP certified points received	Region	Sector
1 Frosterley (BCX Durban)	2 557					4 Star 2 937	8	KZN	Office
1 Montgomery	10 376						7	Gauteng	Office
4 Fricker Road	4 783						14	Gauteng	Office
8 Rivonia Road	5 329						11	Gauteng	Office
11 Adderley	22 513						11	Western Cape	Office
138 West Street	10 612					4 Star 10 709		Gauteng	Office
144 Oxford	37 487	5 Star 42 345						Gauteng	Office
15 Alice Lane – The Annex – TPG 50%	10 126	4 Star 22 459	4 Star 20 545					Gauteng	Office
19 Impala Road	2 725					4 Star 2 781		Gauteng	Office
100 West Street	4 288					3 Star 4 288		Gauteng	Office
200 on Main	4 601					4 Star 4 615		Western Cape	Office
23 Impala Road	1 827					3 Star 1 825		Gauteng	Office
25 Rudd Road	3 161					4 Star 3 157	6	Gauteng	Office
257 Oxford Road	3 132					3 Star 3 142		Gauteng	Office
28 Fricker Road	6 170					4 Star 6 141		Gauteng	Office
29 Richefond Circle (Marius Els)	3 383	4 Star 3 770	4 Star 3 770					KZN	Office
3 The Boulevard (3 The Terrace)	3 051						8	KZN	Office
33 Bree & 30 Waterkant	12 884					4 Star 12 929		Western Cape	Office
34 & 36 Fricker Road	4 867						13	Gauteng	Office
44 on Grand Central	7 450	4 Star 8 074					13	Gauteng	Office
50 Wierda Road	2 362					4 Star 2 362		Gauteng	Office
82 Grayston	7 255						11	Gauteng	Office

PERFORMANCE DATA *continued*

Building name	GLA m ²	Design GLA certified m ²	As built GLA certified m ²	Customised ratings GLA certified m ²	Interiors GLA certified m ²	EBP GLA m ²	EWP certified points received	Region	Sector
Anslow Park Phase 2	10 713	4 Star 11 159				4 Star 7 657	15	Gauteng	Office
Belmont Office Park	15 061							Western Cape	Office
Belvedere Office Park	5 996					4 Star 5 996		Western Cape	Office
Boundary Place	3 652					4 Star 3 658		Gauteng	Office
Bridge Park 50%	9 050	5 Star 19 274						Western Cape	Office
Centennial Place	12 348					4 Star 12 014		Western Cape	Office
Chiselhurst	2 115					3 Star 2 169		Gauteng	Office
Cintocare (Pretoria Head & Neck Hospital)	17 926			5 Star 22 121				Gauteng	Healthcare
Country Club Estate	33 331						6	Gauteng	Office
De Waterkant Centre	6 789					4 Star 6 655		Western Cape	Office
Discovery 1 & 2 - 55%	64 127	5 Star 147 217	6 Star 147 217		5 Star 147 217			Gauteng	Office
Draper on Main	5 618	4 Star 5 846						Western Cape	Office
Eastgate 20	5 734	4 Star 5 653	4 Star 15 943					Gauteng	Office
Edgecombe Office Park	4 611					4 Star 7 084	7	KZN	Office
Equity House	1 610					4 Star 1 643		Gauteng	Office
Freestone Office Park	5 509					4 Star 5 509		Gauteng	Office
Fredman Towers	14 695					4 Star 14 862		Gauteng	Office
Golf Park	32 176					4 Star 30 837		Western Cape	Office
Greenfield Industrial Park	21 815		4 Star 21 000					Western Cape	Industrial
Hatfield Gardens	25 928					4 Star 25 927	5	Gauteng	Office
Honeywell	3 818					4 Star 3 816		Gauteng	Office
Kirstenhof Office Park	3 879					4 Star 3 837		Gauteng	Office
Lakeside 2	21 708	5 Star 24 316	6 Star 24 316					Gauteng	Office

Building name	GLA m ²	Design GLA certified m ²	As built GLA certified m ²	Customised ratings GLA certified m ²	Interiors GLA certified m ²	EBP GLA m ²	EWP certified points received	Region	Sector
Lakeside 3	6 428	4 Star 6 832					8	Gauteng	Office
Lincoln on the Lake	6 428		4 Star 6 479			4 Star 6 395		KZN	Office
Mayfair On The Lake	6 171	4 Star 6 415	4 Star 6 370			4 Star 6 170	8	KZN	Office
Meadowbrook Estate/ Serra Services	17 103	5 Star 17 103				5 Star 7 419		Gauteng	Industrial
Menlyn Corner	10 222					4 Star 10 187		Gauteng	Office
Nautica	5 743					4 Star 5 791		Western Cape	Office
*Newlands on Main: Letterstedt House	13 332					4 Star 7 411		Western Cape	Office
*Newlands on Main: Mariendahl House						4 Star 5 751			
Oxford Corner	9 108						13	Gauteng	Office
Paramount Place	12 637						13	Western Cape	Office
Ridgeview Umhlanga	6 659	5 Star 6 581	4 Star 8 147			3 Star 6 658		KZN	Office
River Park	13 384						7	Western Cape	Office
Sandown Erf 169	2 069					4 Star 2 070	7	Gauteng	Office
Sandown Mews	20 936					4 Star 21 165		Gauteng	Office
Sovereign Quay	88 94						12	Western Cape	Office
Strathavon 11	10 475						11	Gauteng	Office
Sunnyside Office Park	30 149						6	Gauteng	Office
The Boulevard, Umhlanga Ridge	10 324	4 Star 6 199	4 Star 6 199					KZN	Office
The District	18 724						14	Western Cape	Office
The Estuaries	11 880					4 Star 11 811	8	Western Cape	Office
The Oval - Bryanston	10 418					4 Star 10 876		Gauteng	Office
The Oval Newlands	8 593					4 Star 8 593	8	Western Cape	Office
The Terraces	12 953						14	Western Cape	Office

PERFORMANCE DATA *continued*

Building name	GLA m ²	Design GLA certified m ²	As built GLA certified m ²	Customised ratings GLA certified m ²	Interiors GLA certified m ²	EBP GLA m ²	EWP certified points received	Region	Sector
Waterfall Park: Phase 1	8 103					4 Star 8 103		Gauteng	Office
Wierda Gables	2 159					4 Star 5 184		Gauteng	Office
Woodmead Estate	20 635						10	Gauteng	Office
Woodlands Office Park Buildings	114 708					4 Star 26 716		Gauteng	Office
Total GLA M²	897 383	333 243	259 986	22 121	147 217	336 850	28		
Total certificates		15	10	1	1	41	28		

* Two plots on one land, therefore GLA included once in total GLA m².

Green building analysis for SA portfolio excluding the V&A Waterfront

	Office	Industrial	Healthcare	Retail	T&D	Student residential	Total portfolio
Total certificates	91	3	1	0	0	0	95
Number of buildings in the portfolio	158	187	7	42	3	9	406
Number of buildings certified	68	2	1	0	0	0	71
Total GLA per sector	1 672 345	2 093 262	107 562	1 283 698	37 512	N/A	5 194 379
Total certified GLA per sector	840 539	38 918	17 926	0	0	0	897 383
Percentage of total GLA certified per sector (%)	50	2	17	0	0	0	17.28
Total GLA for certified buildings with 4 star Green Star rating and above*	1 007 901	45 522	22 121	0	0	0	1 075 544
Percentage of certified buildings with 4 star Green Star rating and above from total portfolio GLA (%)	60.27	2.17	20.57	0	0	0	20.71
Building values for certified buildings (Rm)	14 036	325	516	0	0	0	14 878

* Some buildings have more than one 4 star Green Star rating and GLA would be counted more than once.

Solar breakdown

Building name	MW peak	Installed	Approved	Under construction
33 Bree	0.11	X		
Bayside Mall	0.50	X		
Constantia Village	0.81	X		
Kolonnade (50%) (100% = 0.29MWp)	0.14	X		
Lincoln on the Lake	0.04	X		
Waterfall Mall	0.57	X		
Key West	1.02	X		
Northgate (50%) (100% = 1.06MWp)	0.53	X		
Inanda Greens	0.42	X		
Sunnyside	0.26	X		
Anslow Nestle	0.13	X		
Brooklyn Mall (75%) (100% = 1.1MWp)	0.83	X		
Vaal Mall (66.7%) (100% = 1.13MWp)	0.75	X		
GreenField	0.21	X		
144 Oxford	0.18	X		
Adcock Ingram	0.70	X		
Montclare Place	0.50	X		
GIE Mini Units	0.30	X		
Vaal Mall Ext (66.7%) (100% = 4MWp)	2.67		X	X
Kolonnade Mall Ext (50%) (100% = 2.50MWp)	1.25		X	X
Lakeside Mall	1.25	X		
Paarl Mall	2.50		X	X
Discovery 55% (100% = 0.30MWp)	0.16		X	X
Exxaro Lakeside	0.16	X		
Avroy Shlain	0.03	X		
Total	16.04	9.44		

A number of plants were commissioned late in FY22, but they were not active long enough to make a significant contribution to the MWh generated in the year under review.

Water initiative in the Western Cape

Building	Nature of project	Date commissioned	KI sourced FY22	KI filter FY22	Cost (R)
Greenacres	Borehole	April 2018	25 010	16 256	261 490
Walmer Park	Borehole	September 2019	42 000	27 976	433 264
Constantia Old Village		November 2019	7 185	7 165	673 592
Golden Acre	Domestic water standby system	January 2019			350 379
Longbeach Mall		January 2019	27 176	17 012	207 149
Middestad Mall	Domestic water standby system	January 2019			855 944
Sportsmans/Mr Price Sport	Domestic water standby system	January 2019			473 194
Bayside Mall	Domestic water standby system	May 2018			747 181
Paarl Mall		January 2019	19 827	20 007	579 245
Howard Centre	Domestic water standby system	May 2018			706 592
Gardens Centre	Domestic water standby system	May 2018			618 844
Total investment					6 653 671

Note

Maintenance cost includes monthly monitoring fee.

PERFORMANCE DATA *continued*

Performance by asset type

	Retail			Office		
	2022	% change	2021	2022	% change	2021
Energy						
Total GLA (m ²)	1 283 698	(5)	1 356 981	1 672 345	(2)	1 708 285
GLA assessed (m ²)	1 288 017	(9)	1 409 381	1 598 165	3	1 557 265
Total number of buildings	42	(9)	46	158	(5)	166
Number of buildings assessed	40	(9)	44	149	(3)	154
Total energy (MWh)	306 458	(5)	321 414	171 385	3	167 031
Energy from fuels (diesel – generators):	3 855	68	2 294	6 302	163	2 392
Total energy consumption from district heating and cooling	N/A	N/A	N/A	N/A	N/A	N/A
Purchased electricity for Growthpoint (MWh)	27 716	(5)	29 263	14 116	15	12 322
Purchased electricity for tenant-occupied space (MWh)	266 402	(6)	282 512	149 379	(1)	151 112
Total purchased electricity (MWh)	294 119	(6)	311 775	163 495	–	163 434
GHG emissions from energy	324 846	(5)	340 699	181 668	3	177 053
Solar (MWh)	8 485	16	7 345	1 588	32	1 205
GHG emissions saved from solar (tCO ₂ e)	8 994	16	7 785	1 684	32	1 277
Energy intensity per square metre (MWh/m ² /p.a.)	0.24	4	0.23	0.11	–	0.11
Energy intensity per South African revenue (MWh/Rm)	137	33	103	83	58	52
Energy intensity per FTE						
Water						
Total GLA (m ²)	1 283 698	(5)	1 356 981	1 672 345	(2)	1 708 285
GLA assessed (m ²)	1 289 540	(2)	1 312 930	1 520 712	2	1 483 817
Total number of buildings	42	(9)	46	158	(5)	166
Number of buildings assessed	40	3	39	142	–	142
Water discharge (kl)	486 846	5	464 735	394 502	–	396 223
Total water supply (kl)	1 028 819	(2)	1 045 638	785 178	(7)	843 371
Water intensity per square metre (kl/m ² /p.a.)	0.80	0	0.80	0.52	(9)	0.57
Water intensity per South African revenue (kl/Rm)	459	37	336	378	43	264
Water intensity per FTE						
Waste						
Total GLA (m ²)	1 283 698	(5)	1 356 981	1 672 345	(2)	1 708 285
GLA assessed (m ²)	1 178 421	5	1 123 794	1 108 190	26	877 922
Total number of buildings	42	(9)	46	158	(5)	166
Number of buildings assessed	33	(3)	34	90	25	72
Recycled (kg) (dry mixed recycling, glass, mixed metal cans, scrap metal, municipal waste, paper and board, plastics)	4 089 574	27	3 215 931	429 469	36	315 936
Landfill (kg)	4 571 470	30	3 504 828	1 269 055	4	1 222 258
Total waste generated (kg)	8 710 852	30	6 720 759	1 698 524	10	1 538 194
Waste intensity per square metre (kg/m ² /p.a.)	7.39	24	5.98	1.53	(13)	1.75
Waste intensity per South African revenue (kg/Rm)	3 890.51	80	2 156.85	817.78	70	481.74
Waste intensity per FTE						

Note: Information relates to South African operations excluding V&A.

Note: FY22 full-time employees (FTE): 640.

Note: FY21 full-time employees (FTE): 643.

Note: FY22 SA revenue 2021: Retail – R2 239m, Office – R2 077m, Industrial – R1 213m, Healthcare – R322m.

Note: FY21 SA revenue 2021: Retail – R3 116m, Office – R3 193m, Industrial – R1 550m, Healthcare – R289m.

Industrial			Healthcare			Total portfolio			
2022	% change	2021	2022	% change	2021	Target if applicable (FY26)	2022	% change	2021
2 093 262	(7)	2 262 728	107 562	20	89 637		5 194 379	(4)	5 417 631
2 037 467	(1)	2 066 810	4 455	-	4 455		4 928 106	(2)	5 037 911
187	(10)	208	7	17	6		408	(6)	432
188	(2)	191	1	-	1		378	(3)	390
148 090	(7)	158 904	392	-	393		626 326	(3)	647 743
536	40	383	23	69	14		10 716	111	5 084
N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
3 623	(2)	3 711	-	(102)	-		45 455	-	45 296
143 523	(7)	154 318	368	(3)	380		559 673	(5)	588 322
147 146	(7)	158 029	368	(3)	380		605 128	(4)	633 618
156 976	(7)	168 438	391	(3)	402		663 905	(3)	686 608
408	(17)	492	-	-	-		10 481	16	9 042
433	(17)	522	-	-	-		11 110	16	9 584
0.07	(5)	0.08	0.09	-	0.09	77	0.13	(1)	0.13
121	19	102	1	(13)	1		107	35	79
							978.63	(3)	1 007
2 093 262	(7)	2 262 728	107 562	20	89 637		5 194 379	(4)	5 417 631
2 045 370	(2)	2 076 966	4 455	0	4 455		4 860 078	-	4 878 168
187	(10)	208	7	17	6		408	(6)	432
189	(1)	191	1	-	1		372	-	373
523 134	(6)	555 321	-	-	-		1 404 482	(1)	1 416 279
1 108 064	(2)	1 134 822	1 917	56	1 227		2 923 977	(3)	3 025 058
0.54	(1)	0.55	0.43	56	0.28	0.5	0.602	(3)	0.62
913	25	732	6	40	4		499.74	35	371.26
							4568.71	(3)	4704.60
2 093 262	(7)	2 262 728	107 562	20	89 637		5 194 379	(4)	5 417 631
439 953	22	360 550	3 341	(25)	4 455		2 729 905	(15)	2 366 721
187	(10)	208	7	17	6		408	(6)	432
24	9	22	1	-	1		148	15	129
226 653	43	158 789	405		-		4 746 101	29	3 690 656
841 052	16	724 593	19 008	(17)	22 800		6 700 585	22	5 474 479
1 067 705	21	883 382	19 413	(15)	22 800	Zero organic waste to landfill	11 496 494	25	9 165 135
2.43	(1)	2.45	5.81	14	5.12		4.21	9	3.87
880.22	54	569.92	70.81	(10)	78.89		1 964.88	75	1 124.83
							17 963.27	26	14 253.71

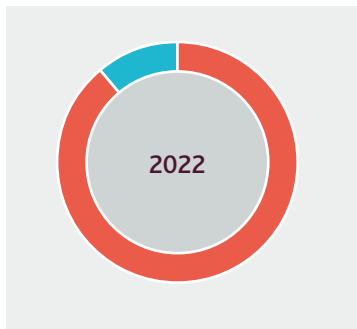
PERFORMANCE
DATA *continued*

HR data

Employee age profile	FY22	% change	FY21
≤ 20 years	–	–	–
21 – 30 years	59	1.72	58
31 – 40 years	150	(0.66)	151
41 – 50 years	211	(1.40)	214
51 – 60 years	157	1.95	154
60+ years	29	(14.71)	34
Total	606	(0.82)	611

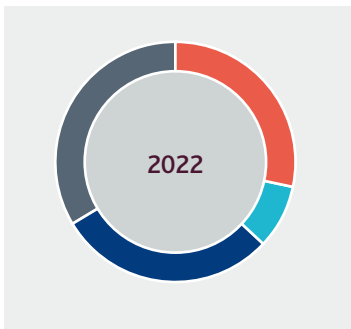
Employee diversity indicators

Foreign nationals



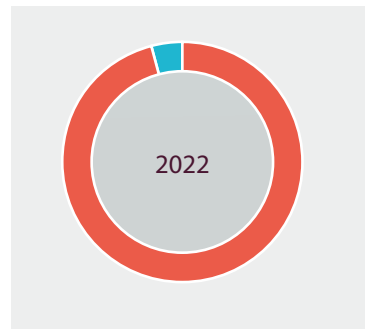
African males 8
White females 1

Employee tenure



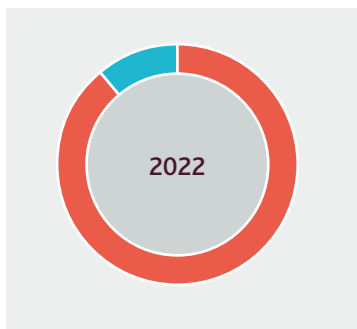
<3 years 172 6 – 10 years 178
3 – 5 years 53 10+ years 203

Manager review (%)



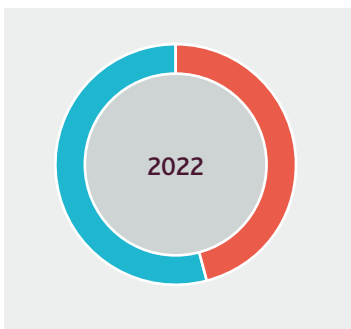
2022 2021
Complete 96 91.40
Incomplete 4 8.6

Self-review (%)



2022 2021
Complete 89 91.28
Incomplete 11 8.72

Employee per gender (%)



2022 2021
Male (2022 actual = 278) 46 48
Female (2022 actual = 328) 54 52

Industrial relation cases

Nature of case	FY22	% change	FY21
Breach of company policy and procedures	1	–	–
Dishonesty	1	–	–
Disorderly/unbecoming conduct	1	–	–
Gross negligence and dereliction of duty	2	–	–
Insubordination and unsatisfactory work performance	1	–	–
Negligence and unsatisfactory work performance	1	–	–
Theft	3	–	–
Theft and dishonesty	2	–	–
Sexual harassment	–	(100.00)	1
Unauthorised absenteeism	4	–	–
Unauthorised use of company vehicle for personal use	1	–	–
Unsatisfactory work performance	2	(50.00)	4
Unsatisfactory work performance, dereliction of duty, desertion of post and unauthorised absenteeism	1	–	–
Other*	–	(100.00)	16
Total	20	(4.76)	21

* Due to re-classification, data that may have previously been included in "Other" is now allocated to the appropriate category of offence. The information relating to "Other" in FY21, has not been re-classified.

Actions taken	FY22	% change	FY21
Dismissal with notice	1	(85.71)	7
Final written warning (six months)	1	–	–
Final written warning (12 months)	3	50.00	2
Resigned pending internal hearing	1	–	–
Summary dismissal	8	–	–
Verbal warning (six months)	1	–	–
Written warning (six months)	5	(37.50)	8
Other*	–	(100.00)	4
Total	20	(4.76)	21

Employee benefits coverage

Coverage	Yes
Life insurance	√
Healthcare	√
Disability and invalidity coverage	√
Paternal leave	√
Retirement provision	√
Stock ownership	√
Others – including employee assistance like legal advice, psychological sessions, health promotion, review session and debt advice	√

PERFORMANCE
DATA *continued*

Training

Course	Occupation level of employees trained (%)													
	Total number of employees trained		Top management		Senior management		Middle management		Junior management		Skilled		Semi-skilled	
	Male (M)	Female (F)	M	F	M	F	M	F	M	F	M	F	M	F
Development Process for Property Managers	1	6							1	1		5		
Managing Industrial Properties	9	2			6		2	2						
Working at Heights		7									2		5	
Company Secretary training	1				1									
Project Management	1				1									
GSSA Accredited Professional New Building		1												1
Equality, Diversity and Inclusion training	15	12	3	3	11	9			1	1				
Leadership Development		1						1						
Power BI	8	5			2	3	5	1	1				1	
Manager development programme	1				1									
Dyna management training	6	9					6	9						
First Aid Level 1	61	7					21	2	2	2		1	38	2
Leading High-Performance Teams	1	3	1			1		2						
Certificate in Shopping Centre Management	1	1								1	1			
Basic Fire Fighting	51	4					21	3			1	1	29	
Compliance and Regulation	14	16			11	10	2	5			1			1
Computer training	56	33				2		1		1	1	2	55	27
HR systems training	3	10			3	1								9
POPIA training	53	9					6		2	5			45	4
Coaching	2	4				1	1	2			1	1		
Onboarding programme	7	27			2	2		2	1	4			4	19
Business conduct	24	44				2	15	12		2	4	20	5	8

Course	Occupation level of employees trained (%)													
	Total number of employees trained		Top management		Senior management		Middle management		Junior management		Skilled		Semi-skilled	
	Male (M)	Female (F)	M	F	M	F	M	F	M	F	M	F	M	F
Evacuation/Emergency Procedures	35	5			4		21	5						8
Minute Taking		2						1					1	
Negotiation Skills	5	7					3	3				2	4	
Enterprises University of Pretoria		1						1						
Unlock the Value of Assets	21	8			11	3					2	11	1	
Unlocking Access for Capital Real Estate	1						1							
Wellbeing at Work	1				1									
Edge Expert Online training	1	4			1			1					3	
PPRA CPD	28	38	3		7		14	30				4	8	
Property Practitioner Act training	12	27				1	7	19				5	8	
Finance and Tax training	5	10						1						5 9
Real Estate NQF L4	1	4				2	1	1	2					
Further Education and Training Certificate Real Estate NQF4	1	5				1	1				2			2
Social Media training	1	8							1	8				
Fundamentals of Facilities Management	7				1		6							
Adult Basic Education and Training (ABET)	4													4
Staff bursaries – various qualifications	6	10		1	2	1	2		2	7				1
CIMA		1						1						
Fraxion	5	8			2				2	7				1 1
MRI	60	224			21	127	30	13	7	65				2 19
PSAROS training		1				1								
	513*	569*	7	3	89	170	167	115	24	108	33	58	202	105

* Includes employees who had multiple training.

PERFORMANCE DATA *continued*

Full-time employees only – FY22

Occupational level	Male						Female						Total females	Grand total
	African	Coloured	Indian	White	Foreign national	Total males	African	Coloured	Indian	White	Foreign national			
Top management	2	1	0	12	1	16	1	0	0	2	1	4	20	
Senior management	3	1	0	17	1	22	1	0	2	7	0	10	32	
Professionals, specialists and middle management	6	4	10	35	1	56	15	20	8	38	0	81	137	
Skilled workers, supervisors and junior management	32	11	5	32	2	82	26	17	7	38	0	89	171	
Other	76	17	3	3	3	102	69	37	12	27	0	145	247	
Total	119	34	18	99	8	278	112	74	29	112	1	328	606	

Full-time employees only – FY21

Occupational level	Male						Female						Total females	Grand total
	African	Coloured	Indian	White	Foreign national	Total males	African	Coloured	Indian	White	Foreign national			
Top management	2	1	0	12	1	16	1	0	0	2	1	4	20	
Senior management	2	1	0	18	1	22	0	0	2	7	0	9	31	
Professionals, specialists and middle management	6	5	9	34	1	55	14	18	10	37	0	79	134	
Skilled workers, supervisors and junior management	36	13	6	32	1	88	22	13	5	39	0	79	167	
Other	83	18	3	4	4	112	65	42	14	27	0	147	259	
Total	129	38	18	100	8	293	102	73	31	112	1	318	611	

Please note, the above tables relate to the full-time employees only. The total number of employees is 640 comprising 606 full-time employees, 34 contractors/fixed-term employees and graduates.

New hires

	FY22	% change	FY21
New hires for the period	43	(41.89)	74
Average hiring cost	88 443	71.76	51 492

	FY22			FY21		
	Male	Female	Total	Male	Female	Total
Percentage of new hires that were male and female	24%	76%	100%	42%	58%	100%
Race of new hires:						
African	7	22	29	15	22	37
Coloured	1	6	7	7	11	18
White	2	4	6	5	8	13
Indian	0	1	1	4	2	6
Foreign nationals	0	0	0	0	0	0
Total new hires	10	33	43	31	43	74
Positions filled by internal candidates	5	15	20	4	13	17

GROWTHPOINT'S IMPACT ON THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND NATIONAL DEVELOPMENT PLAN (NDP)

UN SDGs	Alignment with NDP	Growthpoint aligned activities
 <p>1 NO POVERTY</p>	<p>2 NDP objectives from Chapter 11: Social Protection</p>	<p>2022 IAR: Stakeholder engagement, operations, corporate social responsibility</p> <p>2022 ESG: ESG strategy, corporate social responsibility, environmental, stakeholder engagement and operations</p>
 <p>2 ZERO HUNGER</p>	<p>1 NDP objective from Chapter 5: Environmental Sustainability and Resilience</p> <p>2 NDP objectives from Chapter 6: Inclusive Rural Economy</p> <p>1 NDP objective from Chapter 11: Social Protection</p>	<p>2022 IAR: CEO: SA overview, stakeholder engagement, corporate social responsibility</p> <p>2022 ESG: ESG strategy, CEO: SA overview, corporate social responsibility, stakeholder engagement and operations</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>6 NDP objectives from Chapter 10: Healthcare for All</p>	<p>2022 IAR: Our people, GPPH</p> <p>2022 ESG: ESG strategy, our people, GPPH and ESG, performance data</p>
 <p>4 QUALITY EDUCATION</p>	<p>13 NDP objectives from Chapter 9: Improving Education, Training and Innovation</p>	<p>2022 IAR: CEO: SA overview, our people, corporate social responsibility</p> <p>2022 ESG: ESG strategy, SET Committee chairman review, CEO: SA overview, our people, corporate social responsibility</p>
 <p>5 GENDER EQUALITY</p>	<p>2 NDP objectives from Chapter 11: Social Protection</p> <p>1 NDP objective from Chapter 12: Building Safer Communities</p>	<p>2022 IAR: Our people, corporate social responsibility</p> <p>2022 ESG: ESG strategy, CEO: SA overview, our people, corporate social responsibility</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>2 NDP objectives from Chapter 4: Economic Infrastructure</p> <p>1 NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2022 IAR: Strategy, Chairman's review, CEO: SA overview, retail, industrial, V&A Waterfront</p> <p>2022 ESG: ESG strategy, CEO: SA overview, environment</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>2 NDP objectives from Chapter 4: Economic Infrastructure</p> <p>1 NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2022 IAR: Strategy, CEO: SA overview, operations</p> <p>2022 ESG: ESG strategy, SET Committee chairman review, CEO: SA overview, environment</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>7 NDP objectives from Chapter 3: Economy and Employment</p>	<p>2022 IAR: Our people, corporate social responsibility</p> <p>2022 ESG: ESG strategy, SET Committee chairman review, CEO: SA overview, our people, corporate social responsibility</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>1 NDP objective from Chapter 4: Economic Infrastructure</p>	<p>2022 IAR: CEO: SA overview, operations, retail, corporate social responsibility</p> <p>2022 ESG: ESG strategy, CEO: SA overview, environmental, corporate social responsibility, stakeholder engagement, and operations</p>

UN SDGs	Alignment with NDP	Growthpoint aligned activities
 <p>10 REDUCED INEQUALITIES</p>	<p>1 NDP objective from Chapter 3: Economy and Employment</p> <p>1 NDP objective from Chapter 11: Social Protection</p> <p>1 NDP objective from Chapter 15: Nation Building and Social Cohesion</p>	<p>2022 IAR: CEO: SA overview, our people, corporate social responsibility</p> <p>2022 ESG: ESG strategy, our people, corporate social responsibility, stakeholder engagement and operations</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>1 NDP objective from Chapter 4: Economic Infrastructure</p> <p>3 NDP objectives from Chapter 5: Environmental Sustainability and Resilience</p> <p>4 NDP objectives from Chapter 8: Transforming Human Settlements</p>	<p>2022 IAR: CEO: SA overview, operations, corporate social responsibility</p> <p>2022 ESG: ESG strategy, SET Committee Chairman review, CEO: SA overview, environment, supplementary information</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>2 NDP objectives from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2022 IAR: CEO SA overview, operations</p> <p>2022 ESG: SET Committee Chairman review, CEO: SA overview, environment, stakeholder engagement, and operations</p>
 <p>13 CLIMATE ACTION</p>	<p>3 NDP objectives from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2022 IAR: Strategy, Chairman's report, growing income streams, governance</p> <p>2022 ESG: ESG strategy, SET Committee Chairman review, CEO: SA overview, environment, stakeholder engagement, and operations</p>
 <p>14 LIFE BELOW WATER</p>	<p>1 NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2022 IAR: V&A Waterfront</p>
 <p>15 LIFE ON LAND</p>	<p>1 NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2022 IAR: Operations</p> <p>2022 ESG: ESG strategy, environment</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>5 NDP objectives from Chapter 13: Building a Capable and Developmental State</p> <p>1 NDP objective from Chapter 14: Fighting Corruption</p>	<p>2022 IAR: Stakeholder engagement, operations, our people, corporate social responsibility</p> <p>2022 ESG: ESG strategy, environment, our people, corporate social responsibility, stakeholder engagement, and operations</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>2 NDP objectives from Chapter 7: South Africa in the Region and the World</p>	<p>2022 ESG:</p>
	<p>1 NDP objective from Chapter 4: Economic Infrastructure</p> <p>1 NDP objective from Chapter 9: Improving Education, Training and Innovation</p> <p>2 NDP objectives from Chapter 11: Health Care for All</p> <p>2 NDP objectives from Chapter Social Protection</p>	<p>2022 IAR: Stakeholder engagement, our people, corporate social responsibility</p> <p>2022 ESG: ESG strategy, SET Committee Chairman review, CEO: SA overview, our people, corporate social responsibility</p>

ABBREVIATIONS

AFFO	Adjusted funds from operations
ABET	Adult basic education and training
ACTSA	Association of Corporate Treasurers of Southern Africa
Acucap	Acucap Properties Limited
AdmedGap	Hospitalisation gap cover
AFS	Annual financial statements
AGM	Annual general meeting
AI	Artificial intelligence
AIM	Alternative investment market of the London Stock Exchange
Alsi 40	JSE/Actuaries All Share Top 40 Companies Index
ADI	APN Industria Reit
A-REIT	Australian Real Estate Investment Trust
ASIB	Automatic Sprinkler Insurance Bureau
ASISA	Association for Savings and Investment South Africa
ASX	Australian Stock Exchange
AUD	Australian Dollar
B-BBEE	Broad-based black economic empowerment
BCi	RMB/BER Business Confidence Index
BER	Bureau for Economic Research
BOE	Bank of England
BPO	Business process outsourcing
BPR	Best practice recommendations
bps	Basis points
c.	circa
CAGR	Compound annual growth rate
CCI	Consumer Confidence Index
CCIRS	Cross-currency interest rate swap
CDP	Carbon Disclosure Project
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CGU	Cash-generating unit
CIPC	Companies and Intellectual Property Commission
COBIT	Framework for the governance and management of IT

CO₂	Carbon dioxide
COO	Chief Operating Officer
COE	Centre of Excellence
CPI	Consumer price index
CRAR	Commercial rent arrears recovery
CRISA	Code for Responsible Investment in South Africa
CRM	Customer relations management
CSI	Corporate social investment
CSOS	Community Schemes Ombud Service Act
CSR	Corporate social responsibility
CSSA	Chartered Secretaries South Africa
C&R	Capital & Regional
CVA	Company voluntary agreements
DFI	Development finance institutions
DIA	Debts Issuers Association
DIPS	Distributable income per share
DJSI	Dow Jones Sustainability World Index
DPS	Distribution per share
DRIP	Distribution reinvestment plan
DTIC	Department of Trade, Industry and Competition
EAAB	Estate Agency Affairs Board
EAP	Employee assistance programme
EBIT	Earnings before interest and tax
EBP	Existing building performance
ECD	Early childhood development
EE	Eastern Europe
EMTN	Euro Medium-Term Note
EPRA	European Public Real Estate Association
ERM	Enterprise risk management
ERS	Executive retention scheme
ESG	Environmental, social and governance
EUR	Euro
EVP	Employer value proposition

ABBREVIATIONS

continued

EWP	Energy and water performance
FCTR	Foreign currency translation reserve
FECs	Forward exchange contracts
FTSE/JSE RI	FTSE/JSE Responsible Investment Index
FFO	Funds from operations
FY	Financial year
G2	Growthpoint gives
GAI	Governance assessment instrument
GAV	Gross asset value
GBCSA	Green Building Council of South Africa
GBP Sterling	Pounds Sterling
GCTC	Guaranteed cost to company
GDP	Gross domestic product
GEPF	Government Employees Pension Fund
GHPH	Growthpoint Healthcare Property Holdings
GLA	Gross lettable area
GOZ	Growthpoint Properties Australia Limited
GPRE	Globalworth Poland Real Estate N.V.
GWI	Globalworth Real Estate Investments
Group Exco	Group Executive Management Committee
Growthpoint	Growthpoint Properties Limited
GRESB	Global Real Estate Sustainability Benchmark
GSIS	Growthpoint Staff Incentive Scheme
GSAH	Growthpoint Student Accommodation Holdings
HHTS	Healthy Heads in Truck & Sheds
IAR	Integrated annual report
IAS	Investment Analysts Society
IASB	International Accounting Standards Board
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
Income Tax Act	Income Tax Act, No 58 of 1962
IoD	Institute of Directors

IoT	Internet of things
IDR	Industria REIT
IRM	Installation repair and maintenance
ISO	International Organisation of Standards
ITO	IT outsourcing
IT	Information technology
IT&C	Information technology and communications
ITS	Integrated transformation strategy
JCCI	Johannesburg Chamber of Commerce and Industry
JIBAR	Johannesburg Interbank average rate
JSE	Johannesburg Stock Exchange
JSE Listings Requirements	Listings Requirements of the JSE Limited
JV	Joint venture
King IV™	King IV Report on corporate Governance for South Africa 2016
KPA	Key performance area
KPI	Key performance indicator
kWh	Kilowatt hours
LEED	Leadership in Energy and Environmental Design
Lango	Lango Real Estate Limited
LTI	Long-term incentive
LTV	Loan to value ratio
Manco	Management Committee
MOI	Memorandum of Incorporation
Moody's	Moody's Investor Services
MSCI	Morgan Stanley Capital International
MWP	Megawatt peak
MWth	Megawatt thermal
NABERS	National Australian Built Environment Rating System
NAV	Net asset value
NBI	National Business Initiative
NDP	National Development Plan
NDR	Non-distributable reserve

ABBREVIATIONS

continued

NGO	Non-government organisation
NPAT	Net profit after tax
NPI	Net property income
NRV	Net reinstatement value
NTA	Net tangible assets
OCI	Other comprehensive income
OHSA	Occupational Health and Safety Act No 85 of 1993
pa	Per annum
PI	Property Investment Group
PFI	Property Industry Foundation
PIC	Public Investment Corporation (SOC) Limited
PMS	Performance Management System
PoPIA	Protection of Personal Information Act
PV	Photovoltaic
QLFS	Quarterly labour force survey
RBA	Reserve Bank Australia
REIT	Real Estate Investment Trust
Remco	HR and Remuneration Committee
RFP	Request for proposal
RIMS	Risk information management system
SA	Republic of South Africa
SA Exco	SA Executive Management Committee
SABS	South African Bureau of Standards
SARB	South African Reserve Bank
SA REIT	South African Real Estate Investment Trust
SAFMA	South African Facilities Management Association
SAIBPP	South African Institute of Black Property Practitioners
SANS	South African National Standards
SAPOA	South African Property Owners Association
SAPY	South African listed property index
SASRIA	South African Special Risk Insurance Association
SBTs	Science-based targets
SENS	Securities Exchange News Service

SLA	Service level agreement
SME	Small medium enterprises
SOP	Standard operating procedure
STI	Short-term incentive
Sycom	Sycom Property Fund
tCO₂e	Tonnes of carbon dioxide emissions
The Act	Companies Act, No 71 of 2008
TCFD	Task Force Climate-related Financial Disclosure
TFR	Total fixed remuneration
TR	Total return
TRem	Total remuneration
The Board	The Board of Directors of Growthpoint Properties Limited
The company	Growthpoint Properties Limited
The Group	Growthpoint Properties Limited Group
TSR	Total shareholder return
TVET	Technical and vocational education and training
UN SDG	United Nations Sustainable Development Goals
USD	United States Dollar
US	United States
V&A	V&A Waterfront
VAT	Value added tax
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WALE	Weighted average lease expiry
WAN	Wide area network
WCDE	Western Cape Department of Education
WHO	World Health Organisation
WTTC	World Travel and Tourism Council
WULA	Water user licence application

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GROWTH-POINT
PROPERTIES



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