

GROWTHPOINT PROPERTIES



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 30 JUNE 2017

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GROWTHPOINT 2017

Growthpoint Properties Limited (Growthpoint) is included in the JSE Top 40 Index with a market capitalisation of R70.7bn. The average value traded for the year ended 30 June 2017 was R3.8bn.

Growthpoint owns and manages a diversified portfolio of 471 properties in South Africa, 57 properties in Australia through its 65.1% holding of Growthpoint Properties Australia (GOZ), 18 properties in Romania through its 26.9% holding in Globalworth Real Estate Investments (GWI). It also has a 50% interest in the properties of the V&A Waterfront, Cape Town.

GROUP ANNUAL FINANCIAL STATEMENTS (AFS)

The statutory AFS are prepared in accordance with International Financial Reporting Standards (IFRS), JSE Listings Requirements and the requirements of the Companies Act, No 71 of 2008, as amended.



INTEGRATED ANNUAL REPORT (IAR)

The IAR incorporates an overview of our organisation and its key strategic matters, performance and governance.

The IAR should be read in conjunction with the AFS, which together provide a comprehensive overview of our organisation.



ANNUAL GENERAL MEETING (AGM) NOTICE

The booklet containing the AGM notice also includes the summarised audited AFS for FY17, relevant extracts from the IAR supporting the notice and the report to shareholders by the Social, Ethics and Transformation Committee.



ESG REPORT

The booklet containing additional information relating to environmental, social and governance elements. (This document)



NAVIGATING THIS REPORT



CREATING SPACE TO THRIVE

is essential in allowing us to extend our robust track record with clarity, and continue on the path of uninterrupted growth in distributions.

– LN Sasse, Chief Executive Officer

Combined
property assets
R122.3bn



@growthpoint.com



<http://www.linkedin.com/company/growthpointlimited>



<http://www.youtube.com/growthpointlimited>



This icon denotes cross-referencing and further reading between sections

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Growthpoint's impact

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Growthpoint Properties Limited owns and manages a diversified portfolio of 471 properties in South Africa and 57 properties in Australia through its 65.1% holding of Growthpoint Properties Australia (GOZ) and 26.9% holding in Globalworth Real Estate Investments (GWI). It also has a 50% interest in the properties of the V&A Waterfront, Cape Town. Its combined property assets are valued at R122.3bn.

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. Growthpoint is the largest primary listed SA REIT. Through our business model we create value for our stakeholders by providing growing and sustainable distributions. We are proud to have delivered uninterrupted growth in distribution to our shareholders for the past 14 years.

Registered as a public company and listed on the JSE Limited since 1987, Growthpoint has been proactive about disclosure, particularly in relation to environmental, social and governance (ESG) indicators. In our efforts to remain a conscientious and responsible corporate citizen, Growthpoint has incorporated best practices wherever possible for both operational and reporting elements of the business. Our role as one of the founding members and our continued engagement with the Green Building Council of South Africa (GBCSA) is an example of our efforts to apply best practice and demonstrate leadership.

Within the social segment, we are working to progressively improve areas relating to labour relations and transformation. From a governance perspective, we adhere to the King IV Code of Corporate Governance. There has been an increase in the number of ESG-related indicators under review, particularly from the international stakeholders and research institutions. To enhance our disclosure, we publish an online document to address some of the commonly queried indicators and provide an additional platform for our shareholders and stakeholders to engage on ESG issues.

ESG highlights

Included in the Dow Jones Sustainability Indices (DJSI)

5 138 individuals benefited from educational support



R979m spent on B-BBEE suppliers

Inclusion in the FTSE4Good Emerging Index



Level 3 B-BBEE rating

Investment Analysts' Society (IAS) Best Reporting and Communication in the Property Sector **award for four** consecutive years

8th year of inclusion in the FTSE/JSE Responsible Investment Index

Participant in Global Real Estate Sustainability Benchmark (GRESB) since 2014

Overall winner of the IAS Excellence in Financial Reporting and Communications awards 2016.

VISION, MISSION AND VALUES

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.

Our values



Growthpoint has operated as a REIT from 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 prevalent 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.

VISION, MISSION AND VALUES CONTINUED

VALUES

BEHAVIOURAL COMPETENCIES



- Strive for excellence, with high aspirations, set and achieve high performance goals for (self and team)
- "Think like an owner" attitude and go the extra mile to achieve business results
- Energetic, passionate, motivated and results orientated
- Effective at making and executing decisions appropriate to the role
- Persevere despite challenges and obstacles



- Demonstrate a consistent desire to seek and/or create new business opportunities where applicable
- Proactive and seek information on new trends and best practices
- Courageous, creative, "out of the box" approach
- Question and challenge constructively for greater results
- Ask and execute in a simpler and proficient manner for innovation



- Participate in, and contribute to building a group identity characterised by pride, trust, respect and performance
- Collaborate, engage, listen and support team members to deliver superior results
- Transparent, share accurate information and deliver on commitments and expectations
- Consistently honest and professional in all interactions
- Demonstrate respect for – and embrace – diversity of thought, ideas, culture and individual values, etc



- Demonstrate a desire to understand the client, their industry and their needs
- Attentive, reliable and professional in all client dealings
- Relationship focused, takes initiative, solutions orientated, honour deadlines and commitments
- Go the extra mile where possible, and take pleasure in delighting the client
- Determined, persuasive, and service orientated



- Accept responsibility for own actions and decisions
- Deliver results in an ethical, efficient and cost-effective manner
- Stay focused on tasks despite distractions and balance quality of work and deadlines
- Address conflict and disagreements constructively
- Receptive to feedback, implement suggestions for improvement and is open to change

PERFORMANCE HIGHLIGHTS

OUR YEAR IN NUMBERS

195.8 cents

6.5% growth
in dividend per share

R5.6bn

10.4% distributable
income growth

9.8%

growth in gross revenue

Largest South
African primary
listed REIT

21st

largest company in
the FTSE/JSE Top 40
Index

Market
capitalisation

R70.7bn



8th
year

inclusion in FTSE/
JSE Responsible
Index



Top 10 constituent of FTSE EPRA/
NAREIT Emerging Index

Investment proposition:

- Sustainable quality of earnings
- 14-year track record of uninterrupted dividend growth
- Underpinned by high-quality physical property assets
- Diversified across international geographies and sectors
- Dynamic and proven management track record
- Best practice corporate governance
- Transparent reporting
- Level 3 BEE contributor



R3.8bn

average value of
shares traded per
month

4.4% vacancies

RSA vacancies improved
from 5.7% FY16 – strong focus
on tenant retention

R122.3bn

Group property assets

35.0% LTV

gearing levels remain
conservative, increase
from 33.7% FY16

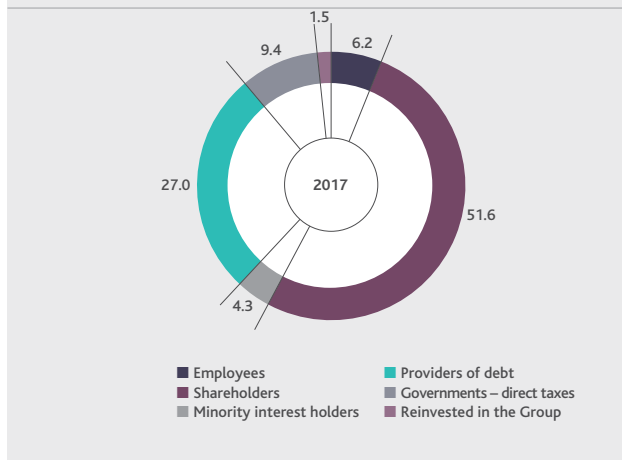
VALUE ADDED STATEMENT

	FY17 Rm	FY16 Rm	FY15 Rm	FY14 Rm	FY13 Rm
Revenue	11 565	10 570	8 322	6 959	6 215
Property and other expenses	(1 340)	(1 170)	(990)	(853)	(815)
Value added	10 225	9 400	7 332	6 106	5 400
Finance and other investment income	617	816	728	546	253
Wealth created	10 842	10 216	8 060	6 652	5 653
Shareholders	5 600	5 072	4 232	3 497	2 728
Providers of debt	2 922	2 710	2 215	1 802	1 820
Government and regulatory bodies	1 016	941	747	602	469
Employees	669	625	463	418	353
Minority interest holders	471	450	329	293	248
Reinvested in the Group (GOZ)	164	418	74	40	35
Wealth distribution	10 842	10 216	8 060	6 652	5 653

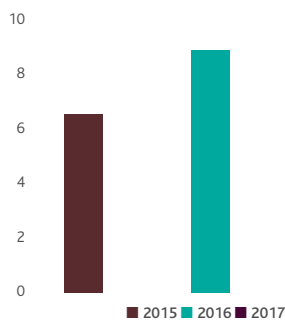
Wealth created and distributed (R million)



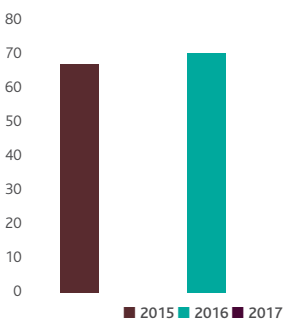
Wealth created and distributed (%)



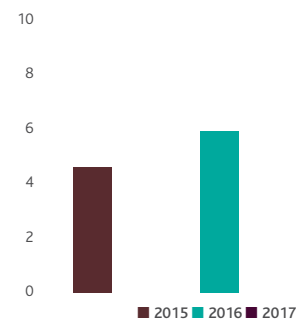
Net property income per RSA employee (R million)



Lease renewal rate (%)



Distribution per employee (R million)



ENVIRONMENTAL

Growthpoint is committed to responsible environmental conduct that goes well beyond our legal and regulatory requirements. The Board, management and staff of Growthpoint are dedicated to reducing the company’s environmental impact and continually improving our environmental performance as an integral part of our business strategy.

Growthpoint constantly monitors and advances environmental performance as our business grows and evolves. Our environmental policy focuses on climate change, carbon emissions, energy, water, waste and biodiversity. We strive to reduce our consumption and have a greater positive impact on these and other environmental considerations, wherever possible. We do this through effective environmental management, stakeholder engagement and education.

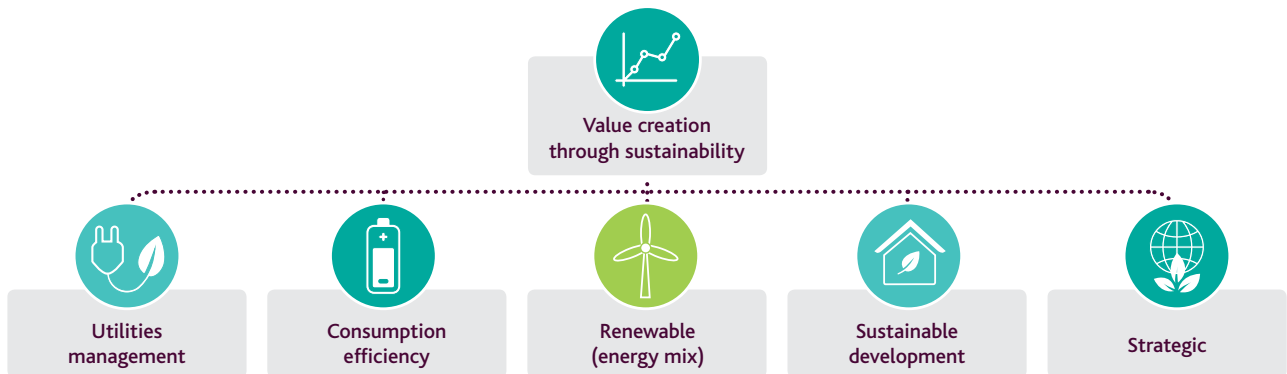
We work with staff, tenants, suppliers and others to find the best possible solutions within our business limits. Our efforts are multifaceted and ongoing. They address issues that span across the business as well as more focused projects.

We want to make a constructive contribution to national environmental objectives and carry out local and international best practices for our business, where they are suitable. Growthpoint actively addresses environmental issues as part of various national, local and international platforms as a representative of the property sector and a responsible business. We are recognised as a leader and a catalyst for a more sustainable property sector.

Growthpoint’s development responsibility matrix provides a list of indicators to be considered when developments are undertaken. It ensures compliance with national building regulations which address a variety of social considerations. We work with various partners in this regard.

Growthpoint remains aware of and is proactive in terms of environmental considerations. Awareness of and constant improvements to business operations in relation to the natural environment and our use of natural resources remains top of mind.

Our sustainable development journey and the increasing inclusion of environmental considerations in our operations helps us to do business better. As a prominent owner and manager of properties in South Africa, we are unrelenting in our efforts to provide leadership for green property development because it better accommodates the needs of our clients and ensures the long-term sustainability of our business. This is in line with our strategy.

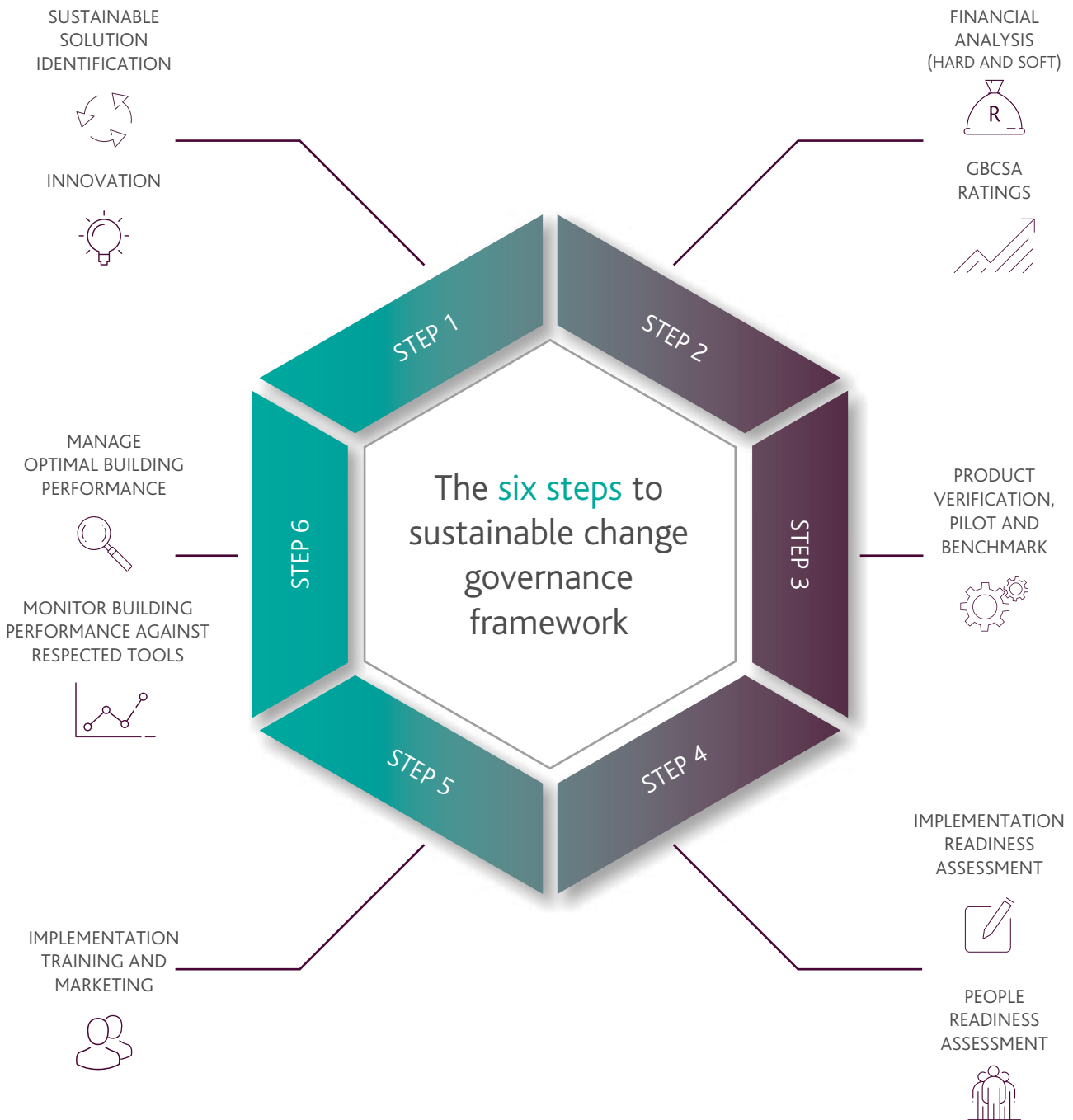


Each sector in our South African business retail, industrial, office has a different degree of focus on environmental sustainability.

Office	Retail	Industrial
Solar	Solar	Solar
GBCSA Green Star SA certification		GBCSA Green Star SA certification
Water reduction	Water reduction	Water reduction
Energy reduction	Energy reduction	Energy reduction
Waste management	Waste management	Waste management
Green addendum		
Smart utility meter installations	Electric vehicle charging stations	
GreenX5.0 campaign (energy and water)		
Greenovate Awards	Greenovate Awards	Greenovate Awards

ENVIRONMENTAL CONTINUED

With our sustainable strategic framework, we are able to identify interventions of all types and standards. These interventions then flow into a governance framework; our six steps to sustainable change. This framework ensures a suitable solution with a strong business case aligned to the quality standards of the GBCSA (where applicable), it is implemented within the Growthpoint portfolio. This allows for performance of interventions that are tracked after they are implemented.



ENVIRONMENTAL CONTINUED

Priorities and targets

Target setting is challenging because our baselines change from year to year when we acquire and sell buildings in the ordinary course of our business. Despite this, we have worked hard to strengthen our understanding of the various elements and the risks and opportunities they pose to the sustainability of our business.

During the year, we committed to setting scientific based targets (SBTs) for our Scope 1 and 2 carbon emissions, expanded our internal assessment on water, continued our drive to increase the number of buildings with GBCSA Green Star SA ratings, invested in solar power plants and developed a waste strategy. We also worked to ensure the integrity of our data monitoring and collection. Throughout the business, there is a growing awareness from our employees, tenants, supply chain and other stakeholders about environmental considerations. We are committed to working with a variety of partners, and explore initiatives that will benefit our business and community.

Energy

Growthpoint's efforts to achieve energy efficiency and our investments in renewable energy show our commitment to optimising our operations. We are investigating new and better ways to incorporate renewable energy as part of the energy mix for our buildings. We have invested more than R102m in solar energy so far. Additional funding of R27.2m has been contributed by co-owners and grants.

	FY17	FY16	FY15
Energy produced by solar (kWh)	7 037 336	2 559 482	941 834
Emissions saved (tCO ₂ e)	7 037.33	2 559.48	951.25
Annual saving (R)	8 029 105	1 928 607	1 480 663

Note: This information relates to all projects but excludes the V&A.

We want all our office buildings to use less than our internally set benchmark of 200kWh/m² a year by 2020. All new office developments should achieve a minimum 4 Star Green Star SA rating. As part of our commitment to reducing carbon emissions, Growthpoint made a COP 21 commitment to have the long-term office investment with a minimum of a 4 Star Green Star SA rating by 2020.

More solar installations were approved during the year and will be completed in FY18. They will produce a further 1 755.8MWh per annum.

Water

Water is the most basic natural resource we have. South Africa is a semi-arid country and the drought experienced across the country in the past two years has placed water scarcity under the spotlight.

We want all our office buildings to consume less water than our internally set benchmark of 0.88kℓ/m² a year by 2020. To achieve this, we undertook an initial in-house water risk review of Growthpoint's entire portfolio. We benchmark our office buildings with an energy water performance tool (EWP) developed by GBCSA and co-sponsored by Growthpoint and retail, with a tool developed by one of our utility management companies. We are still in the early stages of assessing our retail and industrial portfolios. Meanwhile, we are addressing quick wins. We should have more detail on our efforts in next year's report. Our immediate focus included extensive property audits, fixing leaks and installing water meters:

- ▶ just under 250 000 kilolitres of water was saved in FY17
- ▶ 97 office buildings were audited

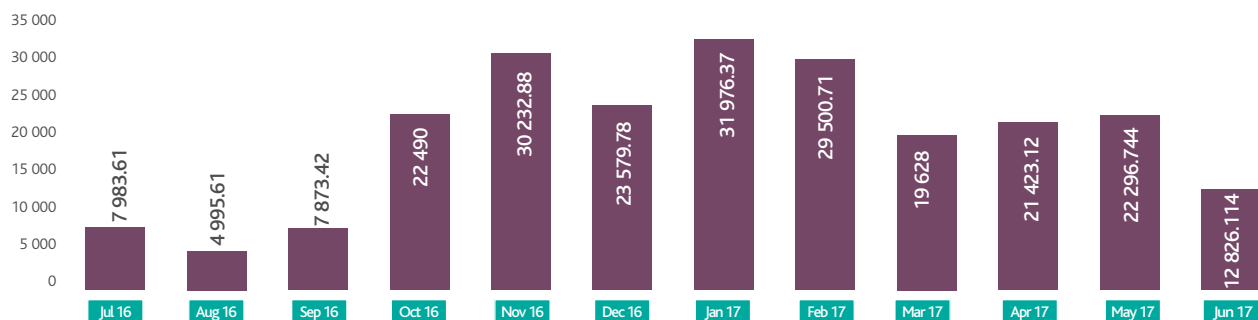
12 indicators considered in water risk assessment

- ▶ Baseline water stress
- ▶ Inter-annual variability
- ▶ Seasonal variability
- ▶ Upstream storage
- ▶ Return flow ratio
- ▶ Upstream protected land
- ▶ Flood occurrence
- ▶ Drought severity
- ▶ Ground water stress
- ▶ Media coverage
- ▶ Access to water
- ▶ Threatened amphibians

ENVIRONMENTAL CONTINUED

The significant decrease of water consumption in the office portfolio is shown in the graph below.

Monthly water savings (FY17) (volume of water saved (kℓ))



Waste

We developed a new process to collect data about the waste generated of our buildings. With a better understanding of the types of waste collected, Growthpoint will be in a better position to develop a comprehensive waste management and recycling strategy. We are reducing waste going to landfill, and improving recycling at more buildings.

To reduce the amount of waste sent to landfill, Growthpoint partnered with Life and Earth to create a wet waste diversion trial project.

During the six-month trial, which began in July 2017, Growthpoint and Life Green Group will be training and liaising with the current waste contractors in place, as well as the relevant kitchen managers and staff, to implement a new wet waste system. Four properties have undergone a waste baseline audit and have begun sorting wet waste from general waste. It is estimated that about nine tonnes of wet waste will be diverted from landfill per month for these sites.

It will be delivered to a composting plant which will in turn produce an estimated three tonnes of compost per month. The new plant takes all food waste and churns out 100% organic compost.

Carbon emissions

Reducing carbon emissions remains a focus for Growthpoint. We audit our carbon footprint yearly. We continue to work towards reducing our carbon emissions impact further and ensuring that we contribute positively to both national and international carbon reduction objectives. We will submit our commitment to SBTs in FY18, and we have started our carbon emissions assessment. Our carbon footprint includes all properties owned and managed by Growthpoint, where we have operational control. Our targets were revised with our FY15 carbon footprint as the new base year. Our current intensity per square metre is 0.16tCO₂e and we aim to reduce this by 5% over the next five years.

Carbon emissions

	FY17	FY16	FY15
Total Scope 1 and 2 (tCO ₂ e)	1 947.30	2 130.29	2 209.10
Scope 1 and 2 GLA (m ²)	13 823	13 328	12 378
Intensity GLA	0.14	0.16	0.13
Intensity revenue	0.24	0.27	0.26
Intensity per full-time employees (FTE)	3.09	3.24	2.73
GLA under review m ²	4 771 572	4 844 719	4 180 333
Number of buildings reviewed	386	390	363
Total Scope 1, 2 and 3 (tCO ₂ e)	785 532.81	834 196.42	644 351.05

ENVIRONMENTAL CONTINUED

For all buildings reviewed, electricity was purchased from Eskom or local municipalities. The verification was carried out in accordance with the international standard ISO 14064-3 (2006) specification with guidance for the validation and verification of greenhouse gas assertions.

With the looming implementation of a carbon tax in RSA, the possible risk to the business was assessed and considered to be relatively small, based on current legislation. This could, however, have a big impact on some of our clients and, if their financial stability is called into question, it could impact Growthpoint. To manage risk, we are introducing more energy-efficient systems across our portfolio. We have renewable solar power at some properties and the green addendum to our leases helps to change tenant behaviour for our mutual benefit.

Biodiversity

Growthpoint's buildings are primarily in urban areas, so our impact on biodiversity is limited.

The main area of our business that could influence biodiversity is property development. For all developments we undertake, there is rigorous engagement with local councils, and we adhere to all necessary legislative and regulatory requirements. Environmental impact assessments consider biodiversity when a project is reviewed. Growthpoint undertakes to ensure that all environmental legislation is adhered to in line with national building regulations. We also engage extensively with local authorities to ensure that all social concerns are addressed.

Projects

Green addendum

This is a partnership with tenants where any financial savings from the decrease usage of energy and water will benefit both Growthpoint and the tenant. It was implemented in the first quarter of the FY14 financial year, we continue to see growth in the uptake and it has been added to our principal lease agreements.

The green recoveries were jump started with a major light fitting project conducted in the later part of 2013 and 2014.

Building certification

Growthpoint has reached and surpassed its goal of 50 Green Star certifications using various GBCSA rating tools. A large portion of these buildings are existing office buildings. It is envisaged that Growthpoint will be close to 100 Green Star certifications in 2017, predominately with 4 star ratings. This once again highlights the quality of our portfolio and increases the marketability of our buildings. Building certification is increasingly becoming an important consideration for ESG indices and research houses.



Solar panels at Anslow, Bryanston

ENVIRONMENTAL CONTINUED

Greenovate Awards

The intention behind this programme is to expose students to key focus areas concerning sustainability within the industry, and introduce industry to the new talent available. Participants are challenged to recognise innovative solutions to environmental challenges in the property industry. Students in property studies, construction or quantity surveying were the initial target group.



This initiative is run in association with GBCSA. The competition is in its third year and was the 2016 recipient of SAPOA Excellence Award for Innovation.

For 2017, the Greenovate programme expanded to include engineering students and there are in excess of 90 students registered to participate. The two groups will not compete against one another and there will be first, second and third prizes in both categories. The number of institutions participating has increased to eight. The University of Cape Town team were the winners of the 2016 Greenovate Awards.

Ebikes pilot project

This project contributes to ecomobility and we have worked with a number of partners to provide an ebike option to staff and the broader public in Sandton and Rosebank. A hub consists of charging stations for the bikes. A hub manager is on site to release and accept bikes and issue bike helmets and cycle locks.

The hubs focus is on providing transport to the buildings' employees – with the primary use being to and from the

Gautrain, for lunch breaks or general errands in and around Sandton. The Growthpoint ebikes are supplied by GreenCycles. The imported bikes, also called pedal-assist bikes, are fitted with an electric motor and a lithium-ion battery.

Growthpoint Properties does not want to operate such ebike sharing scheme. The intention behind this pilot project is to act as a catalyst for what will hopefully become a much larger-scale project driven by the Sandton improvement district (SID). The intention is that the ebike network will be expanded across Sandton through further corporate interest. Additional information can be found on the following website <http://www.greencycles.co.za/>

Total number of bikes used	2 538
Number of days running (ex-weekend)	260
Average bike use per day	9.76

Electric vehicle charging station

Growthpoint, BMW Group South Africa and Nissan South Africa are expanding the national charging footprint for electric vehicles (EV) and plug-in electric hybrid vehicles (PHEV) with the introduction of their co-sponsored charging stations in the Western Cape. Three EV charging stations have been installed at the V&A Waterfront and one at Constantia Village Mall. The latter has also been selected by the Western Cape government as a showcase of all the green initiatives that have been implemented. The installation of these stations reinforces Growthpoint's commitment to shaping the future of individual mobility with publicly accessible charging infrastructure for electrically powered vehicles. A location has been selected for the installation of 2 EV charging stations at Brooklyn Mall.

GreenX5.0 campaign

In our efforts to ensure that all commercial buildings have a minimum rating of a 5.0 GBCSA EWP rating, the GreenX5.0 campaign was developed. Currently more than 80% of our office buildings are above the energy benchmark of the EWP performance tool. Currently, more than 65% of our office portfolio achieve above EWP for water.

External and internal stakeholder groups engagement

Growthpoint is a member of the South African Property Owners' Association (SAPOA) sustainability committee. We also participate in initiatives led by the Department of Energy, especially providing input in the Energy Performance Certification Programme and establishment of energy reduction targets in the commercial property industry. We also engage with local municipalities who represent a number of stakeholders and community interests.

As a member of the National Business Initiative (NBI), Growthpoint believes in our objective of working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action. The NBI's strategy is addressing issues of economic transition and social transformation through thought leadership, capacity building and collective action programmes and projects. Growthpoint participates in many initiatives run by the NBI, including the CEO Initiative for which the NBI is the secretariat.

Growthpoint is a founding member of the GBCSA and we continue to work with them on sustainability initiatives.

ENVIRONMENTAL CONTINUED

Financial impact of environmental events

The impact of changing weather conditions has financial implications. We have started to track this data and the cost of various incidents. This informs our risk strategy. Below is an account of the cost of weather-related damage to our properties. Please note, costs relating to the year under review could be restated if there is a case that has not been concluded at the time of reporting. Costs are allocated according to the year in which the event takes place.

Cost of environmental events

	Earthquake	Rain/ flooding	Hail	Wind	Lightning	Total
FY17		4 152 841	371 372	4 277	166 172	4 694 662
FY16		3 185 897	233 761	32 834 386	82 300	36 336 344
FY15	414 821		856 731	69 750		1 341 302
	414 821	7 338 738	1 461 864	32 908 413	248 472	42 372 308

Additional details on the environmental achievements and major projects for FY17 can be found in the 2017 IAR.

Major projects and achievements for the year under review

- ▶ Solar plant investment
- ▶ Water efficiency
- ▶ Waste management
- ▶ Green addendum
- ▶ Green building certification
- ▶ Greenovate Awards
- ▶ Ebikes pilot project
- ▶ Electric vehicle charging station.

Major project for FY18

- ▶ Green building certification
- ▶ Water efficiency
- ▶ Energy efficiency
- ▶ Thrive portfolio launch incorporating quality green building and high-performance workspace (combination of SAPOA and GBCSA ratings)
- ▶ Disclosure of our energy and water data for office with a digital platform namely the Growthpoint app
- ▶ Greenovate (engineering stream)
- ▶ Smart utility meter roll out
- ▶ Further renewable energy investigations.

OUR PEOPLE

In line with our HR strategy and in partnership with our business units, we will develop an integrated talent management strategy and plan for each functional area.

The most important assets in our organisation are our people – our human capital – and any plans to move our business forward and realise shareholder value start by focusing on them. During FY17, Human Resources (HR) achieved progress in the areas of:

- Strategic workforce planning
- Talent attraction and management
- Recruitment
- Learning and development
- Work environment
- Staff relations
- Overall improved operational efficiencies.

Employee development continues to be our key strategy in driving a high-performance culture. Over the years, we have invested in employee development with the aims of strengthening our business performance, while emphasising:

- employee performance management
- development plans
- internal talent management, and
- leadership development for managers.

Staff profile

	FY17	FY16
Employee statistics		
Number of employees	630	657
Net property income per employee (R)	9 806 349	8 713 851
Average tenure of employees (years)	7	7
Annualised attrition rate (%)	11.2	8.4
Average age of employees (years)	44	42
Minimum CTC – lowest level of employee (R pa)	96 600	95 000
Direct investment in employee training (Rm)	5.8	4.7
Total cost of employee training (Rm)	8.6	6.1
Number of employees trained	606	456
Hours of training per employee	6	6
Total number of sick days	2 011	1 951
Weighted average number of sick days per employee	3.9	2.9
Number of physical injuries	7	4
Days lost to incidents	27	6
Serious occupational injuries	nil	nil

In FY17 we realised a 3% increase in female employee numbers compared to last year. During the year, there were 28 employees on fixed temporary contracts, ranging from long-term to six-month contracts. HR dealt with 23 industrial relations cases, this year.

OUR PEOPLE CONTINUED

Overview

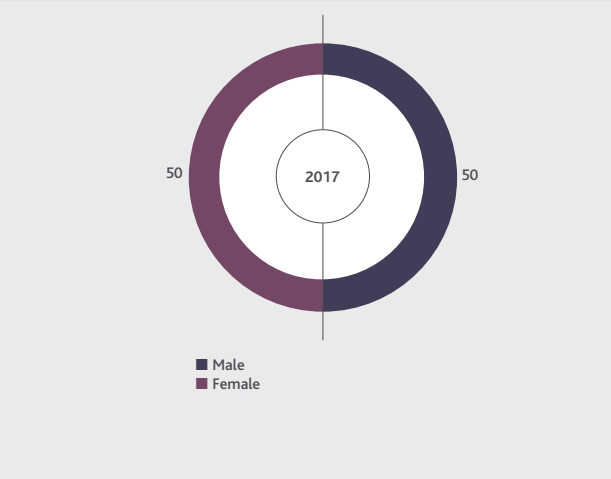
Environmental

Social

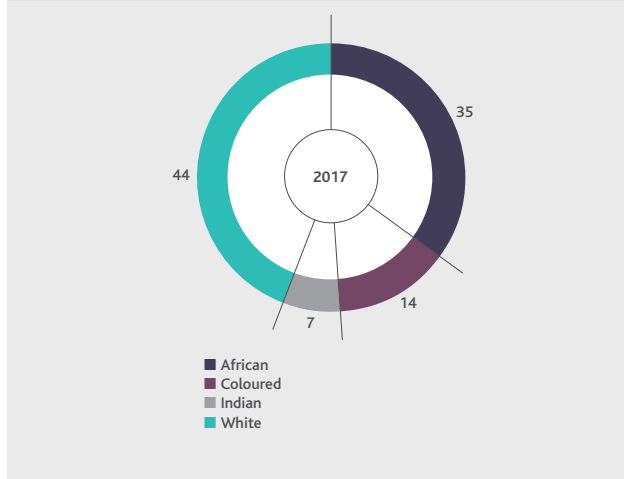
Governance

Growthpoint's impact

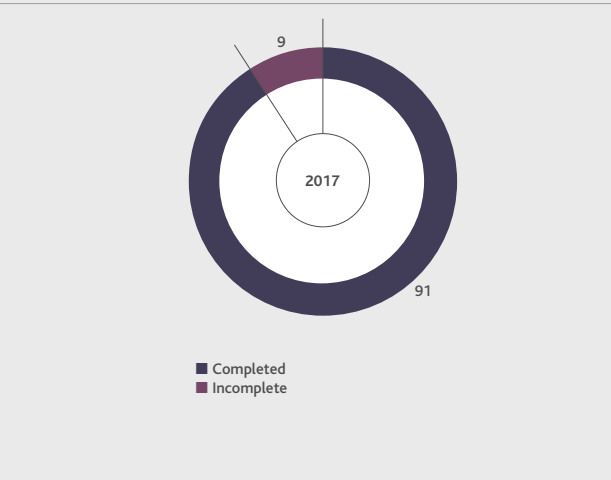
Employees by gender (%)



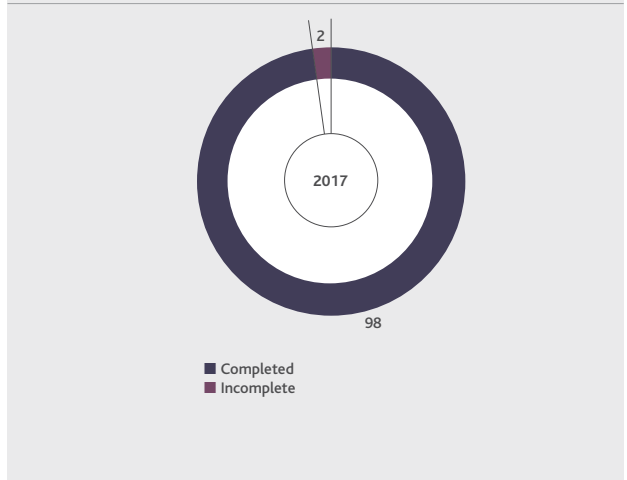
Employee race profile (%)



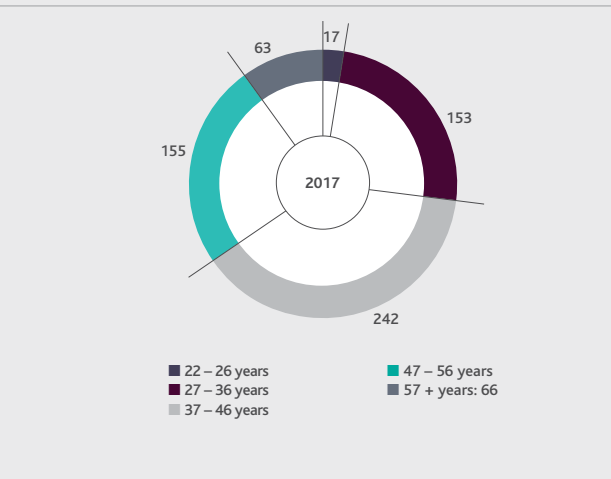
Self-review (%)



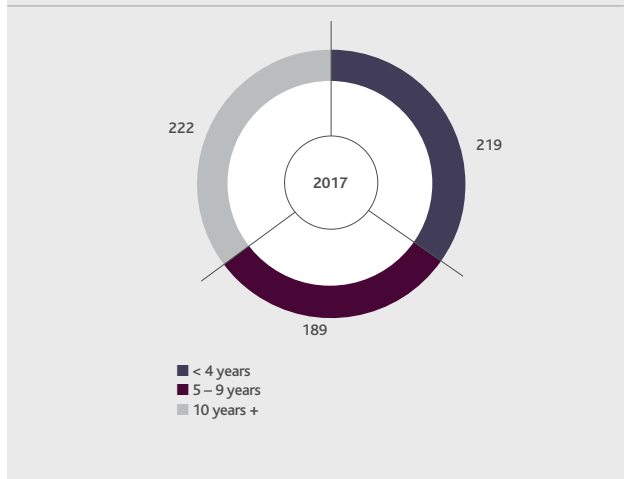
Manager reviews (%)



Employee age profile



Employee tenure



OUR PEOPLE CONTINUED

Highlights achieved for the year

Introducing an HR business partner model

This model has ensured that the HR department continues to participate in strategic planning to help the business meet current and future goals as well as performing duties such as benefits, payroll and employee relations. HR will add value to the company by overseeing the recruiting, training, advancing and placing of new and current employees.

Learning and development – allowing our employees to thrive

In FY17, our development approach comprised:

- ▶ training and development programmes bursaries
- ▶ on-the-job learning
- ▶ management development
- ▶ coaching and mentoring
- ▶ change management sessions.

During the year, 606 employees took part in various development initiatives as follows:

	Number of participants FY17	Number of participants FY16
Courses attended		
Adult basic education and training	8	14
Handyman training	11	17
Health and safety	110	127
Learnerships	20	14
Professional accreditation (EAAB)	84	59
Academic qualifications	12	16
Management development programme	3	4
Coaching and mentoring	3	2
Property courses	46	15
Computer skills	42	29
Business professional courses	82	79
Soft skills	122	57
Informal sessions	734	294
Total	1 277	727

We ensure that our people get the support and resources they need to learn and thrive in their careers. During the year, 606 employees took part in various development initiatives. Of the 606, 259 were women and 347 were men. In total, 314 were black and 292 were white.

Learning and development highlights:

- ▶ **Real estate learnership:** We successfully implemented the real estate learnership programme to ensure continued skills development for the industry. Growthpoint will benefit from a sector regulation (Estate Agency Affairs Board) and

B-BBEE perspective. However, the major beneficiaries of this initiative will be employees, who will be equipped with a recognised qualification upon completion of the programme. In total 20 employees took part in the programme, of whom 85% (17) were from designated groups, i.e. African, Indian and Coloured.

- ▶ **Academy of excellence:** This is an internal knowledge sharing programme which draws on expertise from field specialists and disseminates it to participants. The programme was successfully implemented and took place over an eight-week period, with 39 participants.

- ▶ **Young talent programme:** Piloted in 2016, the programme was a success and continued in 2017 with a 45% increase in the number of graduates taking part, which grew from five to nine.

Performance development

Performance review moderation

To ensure objectivity in the final performance reviews, we implemented a moderation process, where managers participated in the moderation of performance against:

- ▶ Company performance
- ▶ Business units objectives
- ▶ Peers.

Employee Assistance Programme (EAP)

We are proud of our EAP, a voluntary, confidential programme that helps our employees (including management) work through various life challenges that may adversely affect job performance health, and personal wellbeing. This helps our employees and optimises our success.

EAP services include assessments, counselling, and referrals for added services to employees with personal and/or work-related concerns, such as stress, financial issues, legal issues, family problems, office conflicts, and alcohol and substance use disorders.

Our programme often works with management and supervisors providing advanced planning for situations, such as organisational changes, legal considerations, emergency planning, and response to unique traumatic events.

HIV and Aids focus

Growthpoint strengthened its HIV and Aids awareness and education programmes through voluntary testing, employee education and providing access to counselling for affected employees and their families. Considering the profile of our employees, who are service, administrative, management and professional staff of an average age of 44 years, there is likely to be HIV prevalence of 3% to 6%.

OUR PEOPLE CONTINUED

Compensation and benefits

Retirement benefits

To ensure that our employees are taken care of in their retirement, we reviewed the group life cover to place more financial value in the employees' retirement benefit than in the Group life cover, while still giving those employees who wish to have higher life cover an opportunity to do so.

Growthpoint GEMS

This programme launched in 2016 to provide educational grants for dependants of qualifying employees, benefits 35 learners. More information can be found in the corporate social responsibility report on page 20.

Labour and employment practices

Growthpoint is not a unionised environment but places no restrictions prohibiting employees from freedom of association. On a quarterly basis the Social, Ethics and Transformation (SET) committee evaluates the employee headcount with a focus on employee wellness initiatives undertaken during the year, progress against employment equity targets, skills development reporting and any relevant legislative updates.

Growthpoint remains committed to operate in a manner consistent with the following international guidelines and best practices:

- ▶ The 10 principles set out in the United Nations Global Compact
- ▶ The Organisation for Economic Co-operation and Development's (OECD) anti-corruption guidelines
- ▶ International Labour Organisation protocol on decent work and working conditions
- ▶ The Employment Equity Act, No 55 of 1998
- ▶ The Broad-Based Black Economic Empowerment Act, No 53 of 2003.

All business practices are conducted in an ethical manner and in adherence with the South African legislation and the guidelines and best practices set out above. In fulfilling its functions, the SET committee reports have been received and reviewed detailing Growthpoint's

compliance with the aforementioned international guidelines and best practices.

Grievance procedure

Employees with a grievance can address their concern directly with their manager or engage with the HR department. We have a whistle-blowing hotline and encourage employees to raise concerns about workplace malpractice without fear of victimisation or reprisal.

Staff volunteerism

Our year-round staff volunteerism initiative, GSquared, is an action orientated community engagement initiative for staff. During the year, Growthpoint gave every one of its staff members eight hours to take part in community development work.

Human rights

Growthpoint is committed to upholding human rights, including freedom from discrimination of any kind. In line with our country's Constitution, we do not support any form of hate speech, and we believe every individual has the right to live the way they choose. Furthermore, our commitment to human rights includes indigenous rights. We uphold the principles of freedom from child labour and forced labour. We do not prohibit employees from freedom of association.

Access to Growthpoint owned and managed buildings is important. This includes accessibility for the disabled. A special development framework is also considered when developments are undertaken. Engagements with local council are specific to the developments under review.

Future focus

To ensure that we continue to create a space for our employees to thrive and deliver shareholder value, the following will be our focus areas for FY18:

Create a world-class HR service and work environment

In line with international best practice, and to align to the company's strategy for regional and global growth, we will

aim to create a world-class HR department and work environment. This will be achieved through functional HR leadership and advice, HR policy framework and quality HR services through which Growthpoint's people are catalysed to deliver shareholder value.

Integrated talent management plan

In line with our HR strategy, and in partnership with our business units, we will develop an integrated talent management strategy and plan for each functional area. This will encompass strategic recruitment, succession planning, forecasting and the development of internal and external talent pools.

Transformation

While the company has made strides in its junior employee levels, we recognise that we need to focus our energies on transforming the organisation from supervisory levels through to executive level. Transformation cannot be viewed in isolation from succession management. The employees that we recruit will dictate the transformation agenda for the company, which will include developing and promoting women into senior roles. Growthpoint will focus on its five-year employment equity plan. Its Diversity and Inclusion forums, established in 2016, will play a pivotal role in drafting and implementing the plan.

Strategic learning and leadership development

We will continue to develop the knowledge and skills to enable Growthpoint employees to meet the organisation's main objective of delivering shareholder value, and grow the requisite skills for our industry.

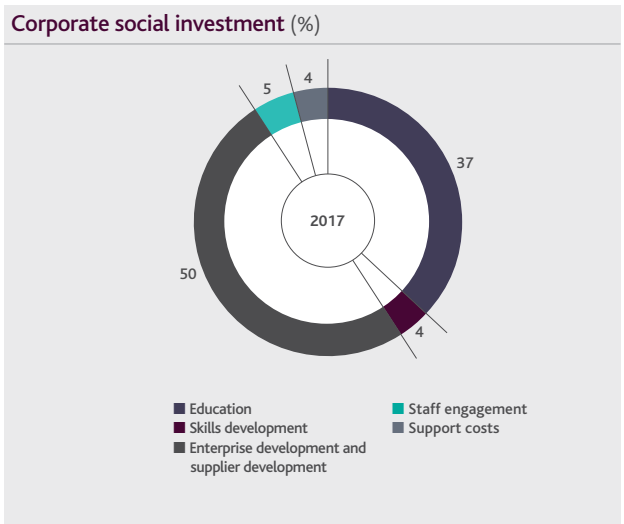
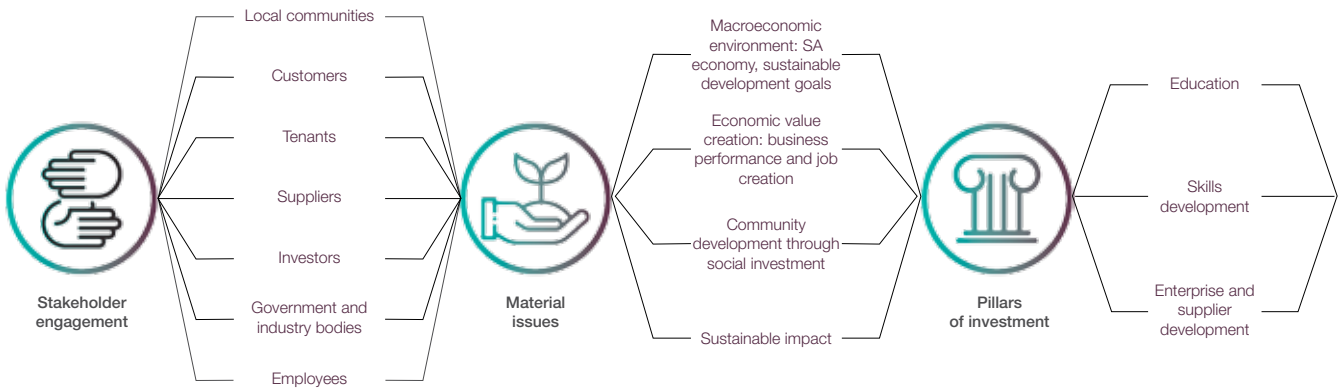
Job design

We will undertake job evaluation and a pay scale design to support HR planning and will set up both staffing and organisational structures. An integrated job design will enable us to make informed decisions about recruitment and staff development and promotion.

CORPORATE SOCIAL RESPONSIBILITY

Over the past nine years Growthpoint has focused on delivering social value through corporate social investments. This year we have invested R23.6m (FY16: R21.8m) across the country in community development programmes.

Our programmes are developed and implemented through partnerships with a diverse range of stakeholders who play a key role in addressing our materiality issues. Material to our social responsibility are the macroeconomic environment, economic value creation, community investment, employee engagement, sustainable impact considerations and stakeholder engagement.



CORPORATE SOCIAL RESPONSIBILITY CONTINUED

How we deliver value to local communities

Our approach

We focus on utilising our existing resources and working with historically disadvantaged communities to create a more inclusive society. This is achieved by empowering communities through education, skills development and job creation.



➤ Education ➤ Skills development ➤ Job creation

In line with our business strategy of optimising and streamlining the existing property portfolio, FY17 offered opportunities for us to strengthen our support in the specified pillars of social investment. We retained our investment partnerships with 70% of the FY16 beneficiaries.

Our strategic response to creating shared value is to provide rental subsidies to various NGOs. Through this form of funding we positively change the lives of communities that the NGOs service. NGOs see the subsidy as an anchor to their day-to-day business and it is important to us to see these organisations catapult in their efforts towards sustainable development. During the FY17 we created shared value of R1.9m to six organisations, reaching just less than 3 000 beneficiaries.

Our progress

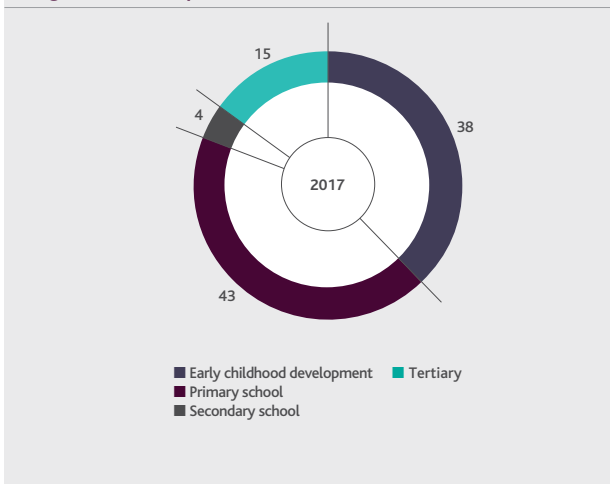
The business has made significant progress towards the delivery of social value from strategic programmes, impacting over 6 000 beneficiaries with skills, jobs and economic opportunities. We monitor the socioeconomic impact

through constant engagement with our implementation partners, by conducting site visits and the completion of monitoring and evaluation reports. Our impact data is internally verified.

Growthpoint acknowledges the challenges currently facing the country's education system with regard to the delivery of desired skills for learners, teachers and school leavers. We continue to focus our investments on education-

related programmes and are mindful that achieving a broader impact will require long-term and sustained interventions throughout the education value chain. Our efforts through Growsmart and partnerships with organisations such as Thandulwazi Maths and Science Academy, contribute towards this. Our team is excited about the launch of Growthpoint GEMS, a scholarship programme targeted at the children of our staff.

Budget allocation per level of education (%)



CORPORATE SOCIAL RESPONSIBILITY

CONTINUED

Growsmart

The provision of quality education remains critical in South Africa's journey towards development. Our Growsmart programme continues to demonstrate an effective way of creating social capital for our business and stakeholders alike. For the past eight years the programme has focused on increasing literacy and numeracy performance and we recently incorporated story writing and a science competition. For the year under review 150 schools participated with the overall winner being Levana Primary School from Lavender Hill, which received an iPad Learning Lab as their prize. Our partnership with SAILI afforded one learner a full scholarship towards their academic studies.

Advancing social impact through partnerships

Thandulwazi Maths and Science Academy

We are cognisant of the socioeconomic climate that exists in our country. Our partnership with Thandulwazi started in 2014 and to date we have invested R1.1m in various programmes facilitated by the organisation. Thandulwazi adopts a multifaceted approach towards improving the quality of maths and science teaching in schools in previously disadvantaged areas. We have Thandulwazi as a partner of choice because of their diverse programmes and level of expertise. In our journey we have built strong knowledge relationships that have realised impact.

Growthpoint GEMS

Growthpoint GEMS stemmed out of the need not just to invest in the communities in which we operate but to also be able to invest in the immediate families of Growthpoint staff. The programme was launched in 2016 with the aim to support lower-earning employees and their immediate families by providing educational grants to their children at primary, secondary and tertiary level. There were 35 learners in the 2017 intake with 40% being primary school learners.

The GEMS programme is more than a financial aid and an educational support system. It has boosted my daughter's confidence and her determination to work towards a better education... [and life]. This incredible initiative has also taught her the values of "giving back". Megan Dyce, Growthpoint employee



CORPORATE SOCIAL RESPONSIBILITY CONTINUED

Growthpoint bursary programme

Our bursary programme enables the development of professionals within the property sector. We have supported eight students directly and one student via the SAPOA bursary programme in this financial year. Upon graduation students become eligible for Growthpoint's graduate training programme.

Summary of social value created

Pillar	Targeted level/area of impact	Our investment and focus	Outputs	Outcomes	Future focus
Education	Early Childhood Development (ECD) Beneficiary example: ASHA Trust, Gauteng	R3.3m Teacher training and infrastructure	77 qualified and competent teachers 1 636 children in improved learning environments	Safe and healthy learning environment that improved learning in 20 ECD centres	Our target is to get at least three ECD centres "Department of Social Development subsidy ready" per year
	Primary school Beneficiary example: primary science programme, Eastern Cape	R3.7m Literacy and numeracy performance	3 382 beneficiaries from various programmes	Improved literacy and numeracy rates at four schools by 16.3%	System-level changes through input on policy development
	Secondary school Beneficiary example: Go for Gold, Gauteng	R0.4m Maths and science performance and career exposure	43 beneficiaries reached	Improvement in the average maths and science pass rate by 23%	Implementation of STEM-related programme in Limpopo
Skills development	Youth development Beneficiary example: Learn to Earn, Western Cape	R0.9m Formal qualification and economic activity rate	56 beneficiaries reached	82% of beneficiaries realised full-time economic activity rate	Partnering with suppliers as part of employment programmes for learnership graduates
	Employability Beneficiary example: SAPOA bursary student, Gauteng	R1.3m Professional skills development	17 university students pursuing qualifications	One graduate in full-time employment	Absorption of three graduates from bursary programme
Staff engagement	Staff volunteerism through our GSquared initiative	R1.4m	Engaged staff volunteering in their communities	418 staff members volunteered for various initiatives	Continued engagement with staff
Enterprise and supplier development	SME development Beneficiary example: Property Point SME, Gauteng and Western Cape	R11.9m	35 SME beneficiaries	47.8% revenue growth and R249m worth of market linkages realised	Supplier development programme roll out in Western Cape
	Job creation			360	Annual job creation target of 20%

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

In 2018 we look forward to working on creating opportunities for people living with disabilities. We will continue our partnership with iSchool Africa on delivering literacy outcomes by supporting Inyamazwe Full Service School and Woodford Primary School in KwaZulu-Natal. Furthermore, we will be working with The Living Link to roll out six learnership opportunities for youth in Gauteng.

“Growthpoint is pioneering in many regards with an innovative and collaborative approach that shows the authentic intent of its social development engagements.”

KERI-LEIGH PASCHAL, CEO
NationBuilder

Staff volunteerism

By giving our people the time and opportunities to volunteer, we further our common goal of supporting positive change in our communities. Our year-round staff volunteerism initiative, GSquared, is an action-orientated community engagement initiative for staff. On an annual basis Growthpoint allocates each staff member eight hours to participate in community development work. To date 418 staff have volunteered representing 66% of our employees.

Enterprise and supplier development

The strategic focus of our enterprise and supplier development programme, Property Point, is to create sustainable small businesses. For the year under review 850 entrepreneurs attended our “To The Point” sessions, 35 new businesses participated in our enterprise and supplier development programme and the total value of linkages accessed by beneficiary businesses was close to R250m. Through our programme, businesses were able to create the equivalent of 360 full-time jobs for the period.

Business activity interventions

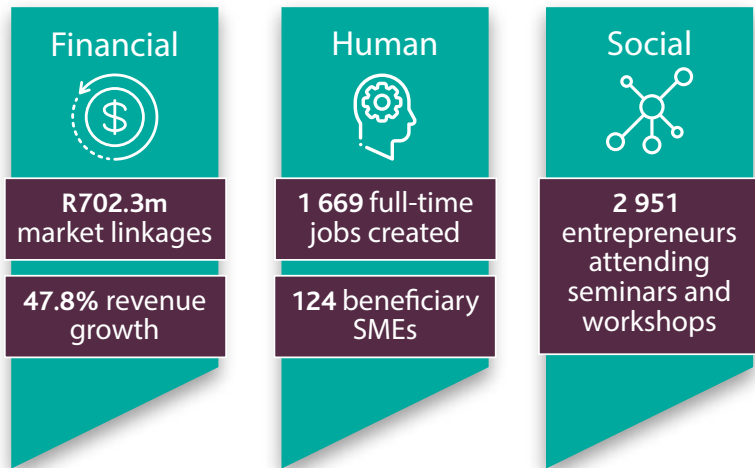
Our model of intervention for the enterprise development involves a two-year incubation programme that assist businesses to address key

constraints to their growth. Feedback from the reporting period indicate that critical constraints affecting potential growth of SMEs on the programme are; declining sales performance, difficulties in accessing channels to market both, lack of access to growth finance, insufficient business process and systems. We have developed methodologies and metrics to prioritise performance improvement opportunities. This further resulted in revenue growth rates of 46.7%.

Value created

The total B-BBEE procurement spend on qualifying small and exempted micro-enterprises amounted to R979m, almost 2X more than the industry target.

Property Point impact



Above are cumulative figures from 2008

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

Broad-based black economic empowerment and transformation

Growthpoint aligns all its broad-based black economic empowerment reporting to the Property Sector Charter. This year the business achieved a level 3 rating on the scorecard, an improvement from a level 4 in the previous year. Growthpoint has submitted its annual B-BBEE compliance report to the B-BBEE Commission and the JSE in terms of the B-BBEE Act and the report is also available on the company's website.

Element	Maximum points	Previous score	FY17 score	Opportunities
Ownership	20	19.06	19.47	B-BBEE disposal strategy Establishment of a broad-based scheme
Management control	10	4.17	3.69	Increase black female representation at Board level
Employment equity	15	4.95	5.38	Align employment equity targets for inclusive gender diversity among senior and middle management. Recruitment strategy to be aligned to the disability policy
Skills development	15	9.90	11.81	Align talent management strategy to our succession plan. Learnerships focusing on unemployed youth
Preferential procurement	20	17.34	19.30	Focus on procurement from black women-owned entities
Enterprise development	10	10	10	Focus on graduation of suppliers from enterprise development to supplier development
Socioeconomic development	2	2	2	Collaboration with our suppliers and shareholders
Economic development	15	9.75	9.03	Align with Growthpoint's strategy to invest in under-resourced areas.
Level		4	3	



PROCUREMENT AND FACILITIES MANAGEMENT

Procure to Pay

Objectives

Our Procure to Pay division creates seamless processes for the way in which we work by collaborating with various internal and external stakeholders. This division drives value in the focus areas of cost efficiencies, requests for proposals (RFPs), projects, supplier negotiation, measuring supplier performance, and B-BBEE supplier development. It ensures that key spend goes through the Procurement division, and is involved in the development phase of stakeholder projects. It is also responsible for achieving compliance through best practice processes and policies. This service leads stakeholder engagement to consolidate and leverage our company-wide spending power. Similarly, it manages supplier numbers to leverage meaningful supplier relationships. It optimises our use of working capital. Procure to Pay makes sure that contracts and service level agreements are in place with suppliers.

Key performance indicators

- ▶ Achieving total cost savings from approved projects, RFPs, and negotiations
- ▶ Ensuring quality service delivery through a regimented and fair process of supplier selection and award of business
- ▶ Implementing and recording of cost savings and cost avoidance
- ▶ Reducing lead time with suppliers and service providers
- ▶ Addressing 80% of high spend suppliers
- ▶ Improving Growthpoint's B-BBEE scorecard by 10%
- ▶ Ensuring contract compliance
- ▶ Compiling quarterly reports

Highlights for FY17

Our new management and restructured team improved efficiencies and service delivery. We appointed a strategic sourcing specialist, strengthened interdepartmental collaboration and reviewed our RFP process, for which we

have a new approach. Strategic procurement changes shifted our focus to procuring at source and fit for purpose. We also identified key procurement areas and improved our efforts to engage with stakeholders particularly on issues such as B-BBEE, cost efficiencies, and improved service delivery from suppliers. In a major project, we undertook a detailed analysis of suppliers to highlight risks and improvements. We plan to introduce a supplier scorecard for assessing key indicators and compliance issues.

Facilities Management

Objectives

Our Facilities Management division is responsible for fostering a culture of collaboration to support the delivery of maintenance solutions, value-adding client experiences and quality facilities throughout the asset lifecycle. It is guided by best practice and legislation.

Key performance indicators

- ▶ Improving customer experience with knowledge sharing, standardisation and consistency of the facilities management function across the organisation
- ▶ Maintaining all mechanical, electrical, structural and civil aspects of each asset under management within the official investment strategy
- ▶ Ensuring that all assets comply with and are maintained within Occupational Health and Safety Act (OHSA Act) requirements, local by-laws and SABS/SANS standards
- ▶ Providing operational touch points or interfaces for developments, sustainability and other infrastructure programmes
- ▶ Investing in and researching enabling technology solutions to streamline service delivery and automate integrated processes
- ▶ Maximising B-BBEE spend on services procured for operating and maintaining properties
- ▶ Continuously researching and benchmarking expenses and facilities management best practices to create value for all stakeholders.

Highlights for FY17

Growthpoint is a proud, active Platinum member of SAFMA (South African Facilities Management Association) and GBCSA. During the year, our team embarked on the SAFMA Professional Accreditation programme and the GBCSA Green Star SA Accredited Professional programme for existing and new buildings. The Growthpoint Maintenance Service Desk has proven extremely successful since launching in May 2015. It provides us with trends that help us proactively add value and improve services for our clients. A Strategic Facilities Management System/ Standard (SANS 1752:2017 Edition 1) was approved for publication in March 2017. Growthpoint is working closely with the Compliance Working Group to secure our compliance and certification to this standard. We enhanced our Risk Improvement Management System (RIMS) by adding a policy-tracking module, which supports corporate governance, policy and procedure management, compliance and risk management programmes as well as mandates and regulations such as OHSA, as it applies to the property industry. We launched our facilities management Centre of Excellence (CoE) to drive synergies and best practices and to improve collaboration between Growthpoint's retail, industrial and office sectors.

GOVERNANCE

Growthpoint upholds and applies the provisions and principles of the King Report on Corporate Governance for South Africa and Code (King IV), which are also followed for purposes of annual reporting. Governance criteria advocated by institutional investors are also considered and applied where they have merit and are in the company's best interests. These include the Code for Responsible Investment in South Africa (CRISA).

Philosophy

As part of the commitment to sound governance, the Board endeavours to ensure that the business is conducted with integrity and accountability, in line with the Code of Ethics incorporated in the Board Charter. This entails ongoing reviews of structures, policies and practices to enhance governance for the ultimate benefit of all stakeholders. The company has remained compliant with the Companies Act, No 71 of 2008, as amended (the Act). The Board Charter and the Terms of Reference of Board committees are aligned with relevant provisions of the Act and King IV, as are Growthpoint's own statutes and those of its subsidiaries. Through the governance structures and processes in place, Growthpoint's financial and other controls and supervisory oversight exercised in the organisation are appropriate and adequate.

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 in particular seeks to ensure compliance with relevant legislation and regulation, in a manner that is beyond reproach. The code is available to employees and other stakeholders, as are Growthpoint's mission and value statements. The Code of Ethics is posted on the company website (www.growthpoint.co.za).

The outcomes of Growthpoint's governance structures, covered as follows, are dealt with extensively in various sections of the 2017 IAR.

Policies promoting ethical conduct

Growthpoint has various policies in place to promote and safeguard ethical behaviour and integrity among management and employees. These policies include:

- ▶ the company's mission and value statements
- ▶ employee integrity, to encourage employee compliance with policies and standards of best practice
- ▶ an anti-corruption policy
- ▶ guidelines regarding gifts, entertainment and inducements
- ▶ whistle-blowing and protected disclosures, to encourage employees to raise concerns about workplace malpractice without fear of victimisation or reprisal
- ▶ substance abuse and sexual harassment, forbidding these practices in the organisation.

Compliance framework

Statutory and regulatory compliance is a standing item on every agenda for the Risk Management Committee and is addressed by the Head of Internal Audit and Risk Management in quarterly reports to the committee. Compliance with accounting standards and financial reporting requirements is overseen by the Audit Committee.

Compliance officers are decentralised throughout Group operations based on their expertise.

The Board receives feedback quarterly from the chairmen of all Board committees, in addition to the minutes of the preceding committee meetings.

Compliance with the Code of Ethics is monitored directly and indirectly. The Group has in place a formal mandatory authorisation process for dealings in the company's shares, formal policies and procedures for accepting and granting gifts and inducements, disclosure of conflicts of interest, anti-corruption as well as formal levels of authority and delegated signing authorities for business transactions.

During FY17, Growthpoint had no incidents of major non-compliance, fines or prosecutions linked, for example, to anti-competitive practices or other governance and economic issues, or non-compliance with its Code of Ethics.

Internal audit

The internal audit function, with the exception of internal audit for information technology (IT), is provided in-house by the Head of Internal Audit and Risk Management.

External audit

KPMG Inc. acts as external auditor for Growthpoint and its subsidiaries. The independence of the external auditor is reviewed every year by the Audit Committee with the auditors. The external auditors attend all Audit Committee and Risk Management Committee meetings and have unrestricted access to the chairmen of both committees.

GOVERNANCE CONTINUED

Growthpoint Properties Australia Limited (GOZ)

GOZ reports to Growthpoint's Risk Management Committee annually on the applicability of the King IV principles to its governance policy, as well as additional parameters required by Australian law. GOZ's governance conforms to or exceeds the principles of King IV Code. Growthpoint directors hold positions on GOZ's Board and committees as follows:

- ▶ Board: LN Sasse, EK de Klerk and F Marais
- ▶ Audit, Risk and Compliance Committee: EK de Klerk Nomination, Remuneration and HR Committee: LN Sasse (Chairman) and JF Marais

Globalworth Real Estate Investments Limited (GWI)

As GWI is not a subsidiary, it is not expected to report to Growthpoint's Risk Management Committee in respect of corporate governance. Growthpoint directors and officials hold positions on GWI's Board and committees, as follows:

- ▶ Board: LN Sasse, PH Fechter, G Muchanya
- ▶ Remuneration Committee: PH Fechter, and attendance by LN Sasse as observer
- ▶ Audit Committee: attendance by G Muchanya as observer

Non-executive director tenure and independence

King IV advocates that the independence of non-executive directors serving more than nine years be assessed. The Board has, during June and July 2017, reviewed the status of all of the non-executive directors, in terms of the JSE-applied definition of independence, including the following directors with tenures exceeding nine years who have been assessed as indicated below. Mr SP Mngconkola's tenure with the Public Investment Corporation (a major shareholder) ended during the year and he is now regarded as independent.

Directors with tenures in excess of nine years

Name of director	Year of appointment	Number of years in service	Status
MG Diliza*	2001	16 years	Not independent
PH Fechter	2003	14 years	Independent
JC Hayward	2001	16 years	Independent
HS Herman	1995	22 years	Independent
JF Marais	2003	14 years	Independent
R Moonsamy	2005	12 years	Independent
FJ Visser	2001	16 years	Independent

* B-BBEE partnership

Attendance at meetings

	Board		Risk	Property	Social, Ethics and Transformation	Remuneration	Nomination
	Board	Audit	Management				
JF Marais	6/6		3/4*			4/4	1/1
EK de Klerk	6/6	4/5		4/4	4/4	4/4	
MG Diliza	6/6			4/4	4/4		1/1
PH Fechter	6/6	5/5		4/4			1/1
LA Finlay	6/6	5/5			4/4		1/1
JC Hayward	5/6	5/5	4/4				1/1
HS Herman	5/6*			3/4#		3/4#	0/1
SP Mngconkola	6/6		4/4		4/4		
R Moonsamy	6/6			4/4	4/4		
NBP Nkabinde	6/6		4/4		4/4		
LN Sasse	6/6		4/4	4/4		4/4	1/1
G Völkel	6/6	5/5	4/4	4/4	4/4		
FJ Visser	6/6		4/4			4/4	1/1

* By invitation

Leave of absence due to ill health

GOVERNANCE CONTINUED

Board committees

Committee	Composition	Primary function
Chairman's Committee	Board's Chairman (as committee Chairman) and the Chairmen of the Board's committees	Chairmen of the committees to raise matters which they or their committees feel need to be raised with the Board. Executive management to raise matters or emerging issues for discussion of aspects of governance that might require attention from time to time
Audit Committee	Three independent non-executive directors, including the Chairman of the Risk Management Committee. The Managing Director, Financial Director, external auditor, Financial Manager and Head of Internal Audit and Risk Management are present at meetings, by standing invitation	Assist the Board in its supervisory and governance responsibilities
Risk Management Committee	Four independent non-executive directors, including one member of the Audit Committee. The CEO, Financial Director, Head of Internal Audit and Risk Management, Head of Human Resources, Chief Information Officer and external auditor are present at meetings, by standing invitation	To protect the quality, integrity and reliability of the Group's risk management
Property Committee	Four non-executive directors. It assists the Board with decisions regarding Growthpoint's property portfolio, as well as review and approval of property budgets and valuations	Assists the Board with decisions regarding Growthpoint's property portfolio, as well as review and approval of property budgets and valuations
Remuneration Committee	Board's Chairman and two independent non-executive directors. The CEO, Managing Director and the Head of Human Resources attend meetings by invitation	Helps determine the key components of remuneration, in conjunction with performance review criteria for executive directors and senior management
Nomination Committee	Members of the Chairmen's Committee	Recommends to the Board on non-executive and executive director appointments as well as the Board's composition as a whole
Social, Ethics and Transformation Committee	Five non-executive directors. The Managing Director, Financial Director, Head of Human Resources, Head of Corporate Social Responsibility, National Facilities Head and National Developments Head	Committee's scope includes the statutory duties of a social and ethics committee in accordance with the Act

GOVERNANCE CONTINUED

Average board meeting attendance: 96.7% of meetings of board and its sub-committees.

Growthpoint does not prescribe the average number of other mandates for Board members.

Additional information on Growthpoint's corporate governance can be found the 2017 IAR.

Responsible behaviour relating to political contributions and other responsible behaviours is also in our Corporate Social Responsibility Policy. No political contributions were made in FY17.

Growthpoint uses an external independently operated whistle-blowing hotline. This is made available to all stakeholders.

Policies for South Africa

Employee responsibility, business practice and compliance are stipulated and given to all employees when they commence employment. This information is also available on the company intranet. The conditions of employment stipulate the expected behaviour for all employees in a range of business undertakings.

Growthpoint undertakes not to engage in discrimination that would be unfair in terms of the Employment Equity Act or any other applicable legislation.







Policy	What it covers
Anti-corruption	A reiteration of Growthpoint's commitment to compliance by the company, and its officers, directors, employees and agents with local and international anti-bribery or anti-corruption laws that may be applicable.
Benefits	Other benefits granted to employees, rewards for exceptional performance and other gifts, long service awards, professional memberships and clothing allowances.
Board Charter	Provides the terms of reference, overall purpose and objectives of the Board, membership and responsibilities, accountability, self-assessment and Code of Ethics.
Cell phones	Eligibility, reimbursement process and levels in compliance with SARS practice.
Computer usage	This policy sets out employees' obligations to safeguard Growthpoint's competitive advantage and business continuity, as well as to ensure the ongoing confidentiality, integrity and availability of all Growthpoint's computer resources.
Corporate social responsibility	The CSR policy incorporating socioeconomic development (SED) policy provides guidelines and assistance in order to implement SED and the enterprise and supplier development (ESD) elements of broad-based black economic empowerment (B-BBEE).
Disability	Disability benefits available only to employees who become disabled during their employment at Growthpoint.
Disclosure and crisis management	Dealing with, <i>inter alia</i> , 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.
Dress	To define appropriate business attire to be adopted by Growthpoint staff.
Education bursary scheme	Provide all employees with focused educational opportunities, to enable the acquisition of qualifications necessary for career development within Growthpoint.
Environmental	Growthpoint's commitment to responsible environmental conduct. Areas of consideration include climate change and carbon emissions, energy, water, waste and biodiversity.
Flexible work hours statement	Developed to allow employees to manage accessibly to the office with consideration to personal circumstance and operational requirements of their department.
Gift declaration	Policy on gifts, entertainment and inducements in line with the Prevention of Corruption and Corrupt Activities Act, 2004 (PRECCA) was legislated to combat corruption and associated activities.
Health and safety	Prepared in line with the Occupational Health and Safety Act No 85 of 1993 to provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work.
Financial assistance	Where deemed necessary, Growthpoint may provide financial assistance to employees. 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 could provide for.

GOVERNANCE CONTINUED





Policy	What it covers
Leave	To provide clarity on leave provisions for employees. The objective is to ensure that all staff are informed of the procedures around eligibility and 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.
Medical aid	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, provided proof of such membership is provided annually.
Procurement	Stipulates the process and procedure undertaken during the procurement practices. Specific considerations are given to the size of the procurement deal as well as to B-BBEE considerations.
Retirement	Group provident fund, early retirement benefits, low-risk portfolio option, staff incentive scheme, retirement counselling and financial planning.
Recruitment	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).
Serious illness insurance	A list of serious illnesses covered as well as the terms and conditions and related benefits.
Sexual harassment	Defined in accordance with Notice 1367 of 1998 in terms of section 203(2) of the Labour Relations Act No 66 of 1995 and ensuring the proper process is undertaken in a sensitive and confidential manner.
Substance abuse	Stipulates behaviour that constitutes a breach of company policy and a breach of an employee's duty to act in good faith towards Growthpoint.
Social media	This governs the use of social media by Growthpoint Properties Limited and all its subsidiaries or affected company's employees, associates and contractors, in both a personal and professional capacity.
Travel	This policy sets out the travel and accommodation arrangements for Growthpoint employees or other authorised persons while away on business travel. This address both local and international travel.
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.

GROWTHPOINT'S IMPACT ON THE UN SDGs AND THE NDP

Growthpoint is acutely aware of its impact as a business in relation to ESG, we have thus considered the United Nations Sustainable Development Goals (UN SDGs) and the extent to which they correlate with the South African National Development Plan and the degree to which Growthpoint is having an impact on these items.

UN Sustainable Development Goals	Alignment with NDP	Growthpoint aligned activities
 <p>1 NO POVERTY</p>	<p>Two NDP objectives from Chapter 11: Social Protection</p>	<p>2017 IAR, CSR</p>
 <p>2 ZERO HUNGER</p>	<p>One NDP objective from Chapter 5: Environmental Sustainability and Resilience</p> <p>Two NDP objectives from Chapter 6: Inclusive Rural Economy</p> <p>One NDP objective from Chapter 11: Social Protection</p>	<p>2017 IAR, CSR 2017 IAR, Environmental initiatives 2017 ESG, Environment</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Six NDP objectives from Chapter 10: Health Care for All</p>	<p>2017 IAR, Our people</p>
 <p>4 QUALITY EDUCATION</p>	<p>13 NDP objectives from Chapter 9: Improving Education, Training and Innovation</p>	<p>2017 IAR, CSR 2017 IAR, Our people 2017 ESG, Our people and CSR Property Point http://www.propertypoint.org.za/Pages/Home.aspx</p>
 <p>5 GENDER EQUALITY</p>	<p>Two NDP objectives from Chapter 11: Social Protection</p> <p>One NDP objective from Chapter 12: Building Safer Communities</p>	<p>2017 IAR, Our people 2017 IAR, CSR 2017 ESG, Our people and CSR</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Two NDP objectives from Chapter 4: Economic Infrastructure</p> <p>One NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2017 IAR, Environmental initiatives 2017 IAR, CSR 2017 ESG, Environment</p>

GROWTHPOINT'S IMPACT ON THE UN SDGs AND THE NDP CONTINUED

UN Sustainable Development Goals	Alignment with NDP	Growthpoint aligned activities
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Two NDP objectives from Chapter 4: Economic Infrastructure</p> <p>One NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2017 IAR, Environmental initiatives</p> <p>2017 ESG, Environment</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Seven NDP objectives from Chapter 3: Economy and Employment</p>	<p>2017 IAR, Our people and CSR</p> <p>Property Point http://www.propertypoint.org.za/Pages/Home.aspx</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>One NDP objective from Chapter 4: Economic Infrastructure</p>	<p>2017 IAR, Group services and CSR</p> <p>Property Point http://www.propertypoint.org.za/Pages/Home.aspx</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>One NDP objective from Chapter 3: Economy and Employment</p> <p>One NDP objective from Chapter 11: Social Protection</p> <p>One NDP objective from Chapter 15: Nation Building and Social Cohesion</p>	<p>2017 IAR, Our people and CSR</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>One NDP objective from Chapter 4: Economic Infrastructure</p> <p>Three NDP objectives from Chapter 5: Environmental Sustainability and Resilience</p> <p>Four NDP objectives from Chapter 8: Transforming Human Settlements</p>	<p>2017 IAR, Environmental initiatives and CSR</p> <p>Property Point http://www.propertypoint.org.za/Pages/Home.aspx</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Two NDP objectives from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2017 IAR, Our people and CSR</p> <p>Property Point http://www.propertypoint.org.za/Pages/Home.aspx</p> <p>Commitment to Green Building Council South Africa</p>

GROWTHPOINT'S IMPACT ON THE UN SDGs AND THE NDP

CONTINUED

UN Sustainable Development Goals	Alignment with NDP	Growthpoint aligned activities
	Three NDP objectives from Chapter 5: Environmental Sustainability and Resilience	2017 IAR, Environmental initiatives 2017 ESG, Environment Commitment to COP 21
	One NDP objective from Chapter 5: Environmental Sustainability and Resilience	2017 IAR, Environmental initiatives Two Oceans Aquarium http://www.aquarium.co.za/
	One NDP objective from Chapter 5: Environmental Sustainability and Resilience	2017 IAR, Environmental initiatives 2017 ESG, Environment
	Five NDP objectives from Chapter 13: Building a Capable and Developmental State One NDP objective from Chapter 14: Fighting Corruption	2017 IAR, Environmental initiatives 2017 ESG
	Two NDP objectives from Chapter 7: South Africa in the Region and the World One NDP objective from Chapter 4: Economic Infrastructure	2017 IAR 2017 ESG Member of NBI
	One NDP objective from Chapter 9: Improving Education, Training and Innovation Two NDP objectives from Chapter 11: Health Care for All Two NDP objectives from Chapter Social Protection	

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