



GROWTHPOINT
PROPERTIES



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
30 JUNE 2019

Report scope and boundary

This report covers the period from 1 July 2018 to 30 June 2019 (FY19) 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 businesses, excluding its share in the V&A Waterfront (V&A).

In preparing these reports we have endeavoured to present a holistic and integrated representation of Growthpoint South Africa'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 Group, as well as its performance with regard to financial, human and environmental issues.



Navigation



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



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@growthpoint



This icon denotes cross-referencing and further reading between sections

Inside this report

Our reporting suite



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.



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 FY19, 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.)



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Environmental, social and governance report

Growthpoint owns and manages a diversified portfolio of properties including 450 properties in South Africa and 57 properties in Australia through its 66% holding of Growthpoint Properties Australia (GOZ). It also has a 50% interest in the properties of the V&A Waterfront, Cape Town, and owns 60 properties in Poland and Romania through its 29.8% stake in Globalworth Real Estate Investments (GWI), which is listed on the London Stock Exchange (AIM). The Group's combined property assets are valued at R139.4bn of which 30.3% by book value are located offshore.

Growthpoint has operated as a Real Estate Investment Trust (REIT) since 1 July 2013. The REIT structure is a tax regime that provides the "flow through", on a pre-tax basis, of the net property income to investors, in the form of a taxable dividend. Growthpoint is the biggest primary listed SA REIT. Through our business model we create value for our stakeholders by providing sustainable

distribution growth. We are proud to have delivered uninterrupted growth in distributions to our shareholders for the past 16 years.

This report covers the period from 1 July 2018 to 30 June 2019 (FY19) for the financial reporting entity, Growthpoint Properties Limited. The report provides an overview of the operations and performance of all the SA businesses excluding the V&A Waterfront and Funds Management.

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. Growthpoint is a committed and responsible corporate citizen and 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 have a positive impact in areas relating to labour relations and transformation. In terms of governance, we adhere to the King IV™* Code of Corporate Governance while applying best practice wherever possible. ESG-related issues are being put under the microscope by a variety of stakeholders, particularly our 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.

Our earnings are generated from our property portfolio's rental stream. We distribute 100% of our revenue profits twice a year in the form of dividends. These regular distributions should continue to provide sustainable annuity income.

REIT distribution

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

- Distributions received by resident shareholders are taxed as a dividend for income purposes, but are not exempt in terms of the usual dividend exemption and are accordingly exempt from dividend withholding tax. The dividends represent income in the hands of the recipient.
- Distributions received by non-resident shareholders are not taxed as a dividend for income tax purposes as the dividends are exempt 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.

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How we performed in 2019

Financial highlights

<p>RSA total GLA</p> <hr/> <p>5 392 006 2019</p> <p>5 437 316 2018</p>	<p>RSA renewal success rate</p> <hr/> <p>70.1% 2019</p> <p>66.6% 2018</p>	<p>RSA properties</p> <hr/> <p>450 2019</p> <p>454 2018</p>	<p>RSA LTV increased 1.5%</p> <hr/> <p>36.9% 2019</p> <p>35.4% 2018</p>
	<p>FINANCIAL</p> <hr/> <p>CSR IMPACT Collective investment in CSR</p> <hr/> <p>R40.9 million</p>	<p>HUMAN</p> <hr/> <p>CSR IMPACT Value of scholarships to employees' children</p> <hr/> <p>R4.7 million</p>	<p>SOCIAL</p> <hr/> <p>CSR IMPACT Total number of beneficiaries</p> <hr/> <p>5 217</p>
<p>Inclusion in FTSE/JSE Responsible Index</p> <hr/> <p>10th year 2019</p>	<p>Average monthly value of traded shares</p> <hr/> <p>R4.9 billion 2019</p>		
<p>RSA property assets</p> <hr/> <p>62.1% 2019</p>	<p>RSA EBIT</p> <hr/> <p>69.6% 2019</p>		
<p>Investment proposition</p> <ul style="list-style-type: none"> • Sustainable quality of earnings • 16-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 2 B-BBEE contributor 		<p>RSA interest cover increased</p> <hr/> <p>3.8x 2019</p>	<p>RSA property assets</p> <hr/> <p>R78.3 billion 2019</p>
		<p>Market capitalisation</p> <hr/> <p>R72.1 billion 2019</p>	

Vision, mission and values

Our vision

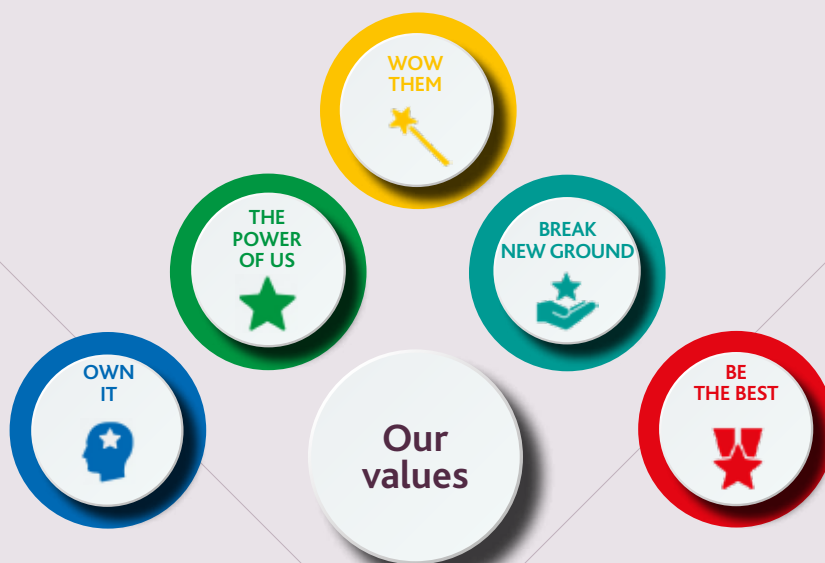
To be a leading international property company, providing space to thrive.

Our mission

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

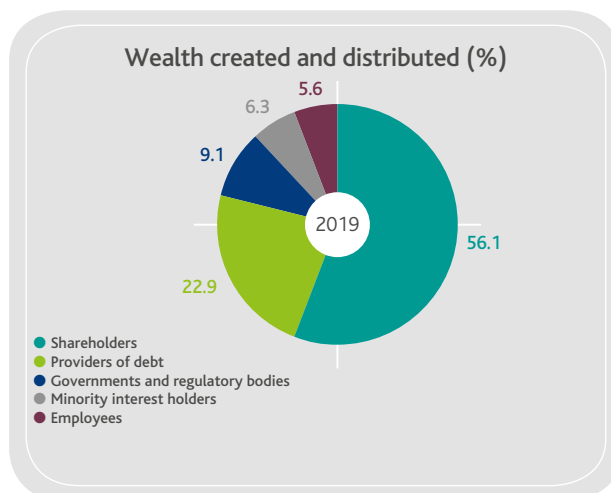
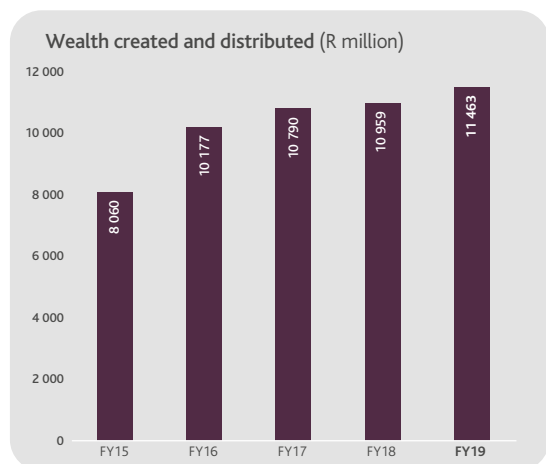
Growthpoint has operated as a Real Estate Investment Trust (REIT) from 1 July 2013. The REIT structure is a tax regime that provides “flow through” on a pre-tax basis of the net property income to investors in the form of a taxable dividend.

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.



Value added statement

	FY19 Rm	FY18 Rm	FY17 Rm	FY16 Rm	FY15 Rm
Revenue	12 313	11 817	11 565	10 570	8 322
Property and other expenses	(1 554)	(1 426)	(1 340)	(1 170)	(990)
Value added	10 759	10 391	10 225	9 400	7 332
Finance and other investment income	704	568	565	777	728
Wealth created	11 463	10 959	10 790	10 177	8 060
Shareholders	6 430	6 108	5 548	5 033	4 232
Providers of debt	2 627	2 597	2 922	2 710	2 215
Government and regulatory bodies	1 042	1 176	1 016	941	747
Employees	644	623	669	625	463
Minority interest holders	720	455	471	450	329
Reinvested in the Group (GOZ)	–	–	164	418	74
Wealth distribution	11 463	10 959	10 790	10 177	8 060



CEO: RSA overview

Our vision “to be a leading international property company providing space to thrive”, undertaken within the context of our values, which are “Own it”, “Be the best”, “Break new ground”, “Wow them” and “The power of us”, sets the scene for why and how we choose to conduct our business. Environmental, social and governance (ESG) issues are considered throughout the company and with conscious intent. This is a strategy for creating value through sustainability that has been in place for several years now, which is further detailed on page 11.

In FY19, Growthpoint retained its AA MSCI ESG rating, which classifies it as a leader in ESG and places it among the top 28% of assessed real estate management and services companies internationally.

It is safe to say that ESG issues are receiving increased attention from shareholders and other stakeholders. This is evident in the increase in ESG related queries and information requests. Companies are expected to account for their impact beyond the bottom line. The investment community is also increasingly utilising ESG indicators in its investment models.

Following the listing of our green bond in the green segment of the interest rate market on the JSE, we have seen an increase in interest in green funding opportunities. We believe that Growthpoint is well placed to take advantage of its sustainability efforts when it comes to green funding. To the extent that the opportunity is suitable for the business, we will actively engage with funders on this issue.

We find ourselves continually reviewing our ESG disclosure to meet the growing need for publicly available information. Striking a balance between reporting what we believe is material to our business versus the general perception of what is important is a challenge. There are often sector and company nuances that need to be factored in when reviewing the detail. We are willing to engage with stakeholders but implore assessors to review all information in the context of the nature, size and location of the business. This will enable a much better

understanding of the relevance and impact of the way we manage our business.

We are proud of our steadfast governance approach. Policies such as our corporate social responsibility policy prohibiting company donations to political parties and politicians have served us well in this election year, ensuring that the organisation conducts itself as a responsible corporate citizen.

The proposed changes to legislation to facilitate “land expropriation without compensation” could fundamentally affect our investment case. We have noted the potential impact on international investment for Growthpoint and its ability to raise funding offshore. We are keenly watching land reform developments and have actively contributed to the public participation process via the South African Property Owners Association (SAPOA) because of the significance of this issue for our SA business. It is our firm belief that land reform will be implemented responsibly and constitutionally.

Our annual remuneration and AGM roadshows have been valuable for us and provided additional insight into the business for major shareholders. There is continual engagement with stakeholders on our B-BBEE initiatives and transformation strategy. A detailed list of the nature of our engagement with various stakeholder groups can be found in our FY19 integrated report on page 14.

The most critical elements for Growthpoint in the past year have been a focus on our people and delivering a superior service to our clients. Our culture

and strong values guide us in our day-to-day activities. By living these values continuously, we will keep improving and achieve our goals.

We are proud of the fundamental steps that have been taken to demonstrate how important ESG issues are to Growthpoint. These have now been included in targets for executive directors. The responsibility resides with everyone, but our senior management is the first group, outside some specific divisions, to be held to account with specific targets linked to remuneration. Taking ESG thinking and action beyond this level, the intention is to permeate all levels of the organisation with specific ESG related KPIs for employees. Details of the implications for executives can be found in the remuneration report in our FY19 integrated report on page 113.



Estienne de Klerk
CEO: RSA

Some of the focus areas for our human resource department have been job grading and wage benchmarking, succession planning, skills development, staff retention and workforce transformation. We see opportunity in transformation through diversity and inclusiveness, which has been integrated into our transformation strategy.

Transformation is critical for our SA business. Growthpoint has always had transformation as a core strategy and has, over the years, been a transformation leader in the listed property sector. Increasingly, we are delivering skills to our industry through the way we train and empower people in our business. Our employee profile has changed significantly over the years and today, we have 374 black employees out of a total of 624 (60%) permanent and temporary employees. We have achieved progress in building a diverse management team, but there is still work to be done and Growthpoint has a succession plan that will help to achieve this. A more detailed review of our progress on transformation can be found on page 9. A detailed report on our transformation strategy can be found on our website at

<https://growthpoint.co.za/corporate-social-investment/b-bbee-certificates/>

We are continually working to ensure that Growthpoint benefits from a depth of management that can replenish the existing team as the opportunity arises.

Our efforts in this regard were rewarded with Growthpoint achieving a level 2 B-BBEE rating as measured by the Property Sector Charter scorecard for the reporting period. This is an improvement from our previous scoring of a level 3.

We had planned to initiate a staff satisfaction survey this year, but in November 2018 we asked all our staff to engage in an ethics barometer survey which we undertook with GIBS and Feedback Rocket. The study is aligned to a similar exercise done by the Harvard Business Review and was designed to help us understand the impact of attitudes and behaviours within the business. We believe that it has been a productive exercise.

It resulted in rich and transparent feedback from the 62% of our employees who participated in the survey and we value their input tremendously. The vital insights, taken in conjunction with our engagement on the diversity and inclusion forum, have clearly defined areas within Growthpoint where the most effort needs to be invested. We believe the best approach is to work on the information we have already been given before conducting other surveys. More information on the survey can be found in the our people section on page 23.

There has been a review of our sustainability goals for FY20. Our new strategy, 20-20-20-1, is to achieve 20 net-zero buildings, 20MW of solar energy, R20m worth of green lease recoveries, and one commercially implemented Greenovate Award innovation in FY20.

A review of climate change risks and opportunities was undertaken in the year and provided a level of assurance that we are giving the necessary attention to the primary climate change concerns but also highlighted a few peripheral concerns that we may want to factor into our assessments in future.

As part of the review of the potential impact of the carbon tax effective from 1 June 2019, we have taken inventory of our generators to monitor their fuel consumption as well as our energy generation capacity. This is the indicator for which Growthpoint would be liable for tax in the current phase of the legislation and we expect the impact to be minimal. However, we also saw an opportunity to evaluate our carbon emissions reduction progress in line with our submissions to the Science Based Targets initiative. Although we have not received an approved emissions reduction target, we have submitted our model to the initiative and continue to engage with it.

Operating in a region that has a single electricity company that is in operational and financial distress as well as being heavily reliant on fossil fuel places Growthpoint at an environmental disadvantage to our international counterparts. That said, we continue to invest in renewable energy with over R200m earmarked for solar plant projects.

Our efforts have been acknowledged with our continual inclusion in various ESG indexes such as FTSE4Good Index and the FTSE/JSE SRI, of which we have been a component for a decade. We participate in the Global Real Estate Sustainability Benchmark and have achieved good performance on platforms such as the CDP. Growthpoint is a constituent of the Dow Jones Sustainability Index and won the Best Reporting and Communication Awards – Property Sector at the Analysts Society of South Africa (IAS) Excellence in Financial Reporting and Communications Awards 2018.

Participant in:



Disclaimer

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CEO: RSA overview continued

We are incredibly proud of the work undertaken for our GEMS programme. This programme provides financial support to low-income earning staff to further their children's education. Funding of more than R4.7m has been provided to date, with 61 students taking part in the third year of the programme.

The number of volunteer hours invested by staff has almost doubled in the year under review to 926 hours. This indicates that more of our people are using the opportunity to take one day a year to contribute to CSI initiatives. It is also encouraging to see an increase in executive and senior management participation in these efforts.

We have made extensive efforts to engage with various stakeholders. Our "market day" initiative in FY19 was well received. The objective was to enable manufacturers, businesses and suppliers to showcase their products and services to one another and Growthpoint. It boosted collaboration between our vendors and manufacturers, and suppliers are now working together to optimise costs, deliverables and connectivity. We are looking to replicate this effort nationally.

Our procurement department has sourced green cleaning products and it is working closely with our sustainability team on a waste request for proposal to ensure that all waste is dealt with appropriately and that our landfill activity is kept to a minimum. This is in line with best practice, the recent changes to waste legislation, and our commitment to sustainability. Our procurement policies are playing a key role in transforming our supply chain. They are designed to elevate our B-BBEE preferential procurement and have delivered value.

We are also actively involved in developing suppliers in the greater supply chain through our procurement system and Property Point, our enterprise and supplier development programme. This year, we commissioned StratEcon Applied Economic Research to measure the economic contribution of Property Point between 2008 and 2018, and we are proud of the tangible impact our decade-long commitment has had, including a R1.58bn cumulative contribution to SA's GDP and the creation of more than 2 200 direct and indirect jobs.

This year we changed the minimum target for green building certification in our office buildings from a minimum 4-Star Green Star rating to a minimum 5-Star Green Star rating. The focus for FY20 is the re-certification of pilot and phase 1, 2 and 3 certifications.

We recognise that additional information is sought relating to the environmental impact of our building development. We are working on providing this information in next year's ESG report.

Growthpoint continues to engage in strategic partnerships for mutual benefit. We are a member of the SA REIT Association (SA REIT), the South African Property Owners Association (SAPOA), South African Council of Shopping Centres (SACSC), the National Business Initiative (NBI) and the Green Building Council of South Africa (GBCSA), to name a few.

Our ESG efforts align with the UN Sustainable Development Goals, some more than others, as well as SA's National Development Plan objectives. Growthpoint is committed to being a responsible corporate citizen.

Transformation progress

OBJECTIVES	TARGET SET	TIMELINE	FY18	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	Growthpoint is exploring opportunities to set up a broad-based structure which can include a staff scheme, current corporate social investment (CSI) initiatives and strategic partners	No B-BBEE deals has been concluded at this stage. We have however achieved 33.84% voting rights in the hands of black people and 21.06% 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	18.41%	Achieved 20.59%
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	11% disposals to >50% black-owned entities	Not achieved During the period there has been no disposal to >50% black-owned entities

OBJECTIVES	TARGET SET	TIMELINE	FY18	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	43% black Board members 21% black female Board appointees	Achieved 45% black Board members 21% black female Board members
Diversify Executive Directors	<ul style="list-style-type: none"> 25% black Executive Directors 	June 2020	25% black Executive Directors	Achieved 25% black Executive Directors
Diversify executive management	<ul style="list-style-type: none"> 27% black executive management with at least 50% being black female 	June 2020	20% black executive management 10% being black female executive management	Achieved 25% black Executive managers, 10% black female Executives

OBJECTIVES	TARGET SET	TIMELINE	FY18	FY19
EMPLOYMENT EQUITY				
Diversify senior management	<ul style="list-style-type: none"> Increase black senior management from 15% to 28% 	June 2020	Increased to 32%	Achieved. Increased to 34%
Diversify middle management	<ul style="list-style-type: none"> Increase black middle management from 32% to 45% 	June 2020	Increased to 67%	Achieved, remained at 67%
Diversify junior management	<ul style="list-style-type: none"> Increase black junior management from 69% to 77% 	June 2020	Increased to 86%	Achieved, increased to 90%

CEO: RSA overview continued

OBJECTIVES	TARGET SET	TIMELINE	FY18	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	A training committee has been established to align our skills development programmes to our business needs	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) 40% minimum to be achieved 	June 2018	Achieved	Achieved
Implement a disability learnership programme	<ul style="list-style-type: none"> 0.3% of leviab amount is spent on disabled people A minimum of 40% must be achieved 	June 2018	Disability learnership implemented with Sparrow FET College	Achieved
PREFERENTIAL PROCUREMENT				
Segmentation of procurement spend	<ul style="list-style-type: none"> 40% procurement spent with companies who are at least 51% black owned 	Ongoing	Achieved 25%	Achieved 22.61%
	<ul style="list-style-type: none"> 100% of all suppliers must be B-BBEE rated with 80% of suppliers on a minimum of a level 4 	Ongoing	Achieved 96%	Achieved 48.47%
	<ul style="list-style-type: none"> 12% procurement spend on companies who are at least 30% black women-owned 	Ongoing	Achieved 9.7%	Achieved 10.34%
Continued support and funding of Property Point	<ul style="list-style-type: none"> 1% net profit after tax (NPAT) towards enterprise development 	Ongoing	Contributed 1.8% NPAT towards enterprise development	Contributed 5.62% of NPAT toward enterprise development
	<ul style="list-style-type: none"> 2% NPAT towards supplier development 	Ongoing	Contributed 3.3% of NPAT towards supplier development	Contributed 11.5% of NPAT toward suppliers development
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	Contributed 3.3% of NPAT towards small enterprise development (SED)	Contributed 9.63% of NPAT toward small enterprise development (SED)

Environmental approach

Growthpoint is not alone in this challenging environment, and it is our firm belief that the only way to differentiate ourselves is through exceptional service. We thus strive to be creative in our dealings with clients and always challenge ourselves to find better ways to do things.

Our new strategy, 20-20-20-1, is to achieve 20 net-zero buildings, 20MW of solar energy, R20m worth of green lease recoveries for Growthpoint, and one commercially implemented Greenovate Award innovation in FY20.

The installation of additional solar energy capacity will lighten the burden of administered costs for clients while simultaneously reducing CO₂ emissions. There has been an increased focus on the latter, highlighted by the carbon tax that took effect on 1 June 2019. Although the tax impact is currently limited for

Growthpoint, it has prompted us to assess our carbon strategy in line with submissions made to the Science-Based Target Institute (SBTI).

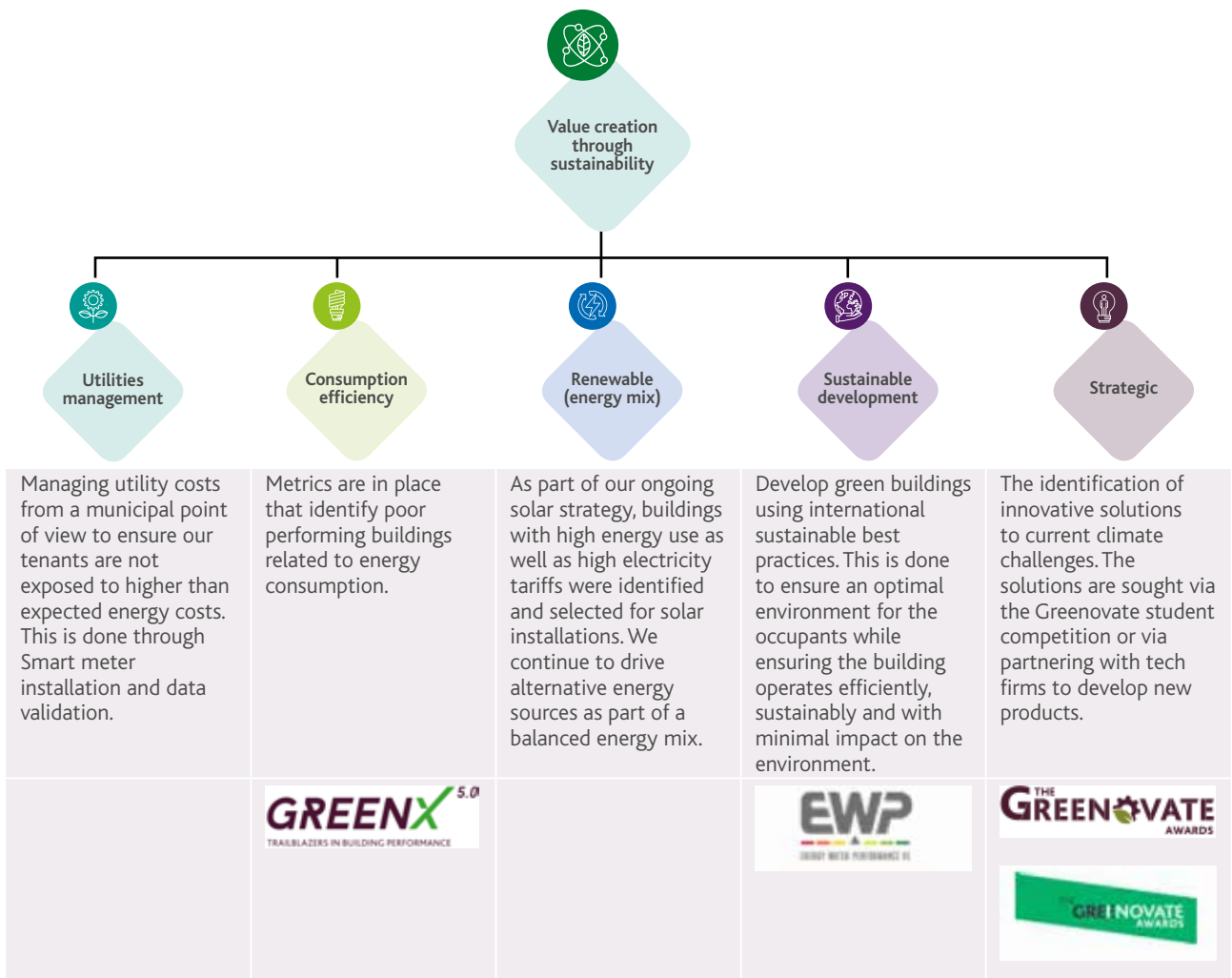
Utilities management has become a science in its own right and is a key focus area as we strive to mitigate the effects of ever-increasing administered costs. Ensuring that environmental and utility management issues are considered, measured and controlled is integral to our business operations, in addition to simply being good business.

Growthpoint has long been committed to ensuring responsible operations when it comes to its impact on the environment. Having established a dedicated Utilities and Sustainability team, we are continually looking at ways to sharpen our environmental focus and improve our operations. We have an environmental policy that guides our

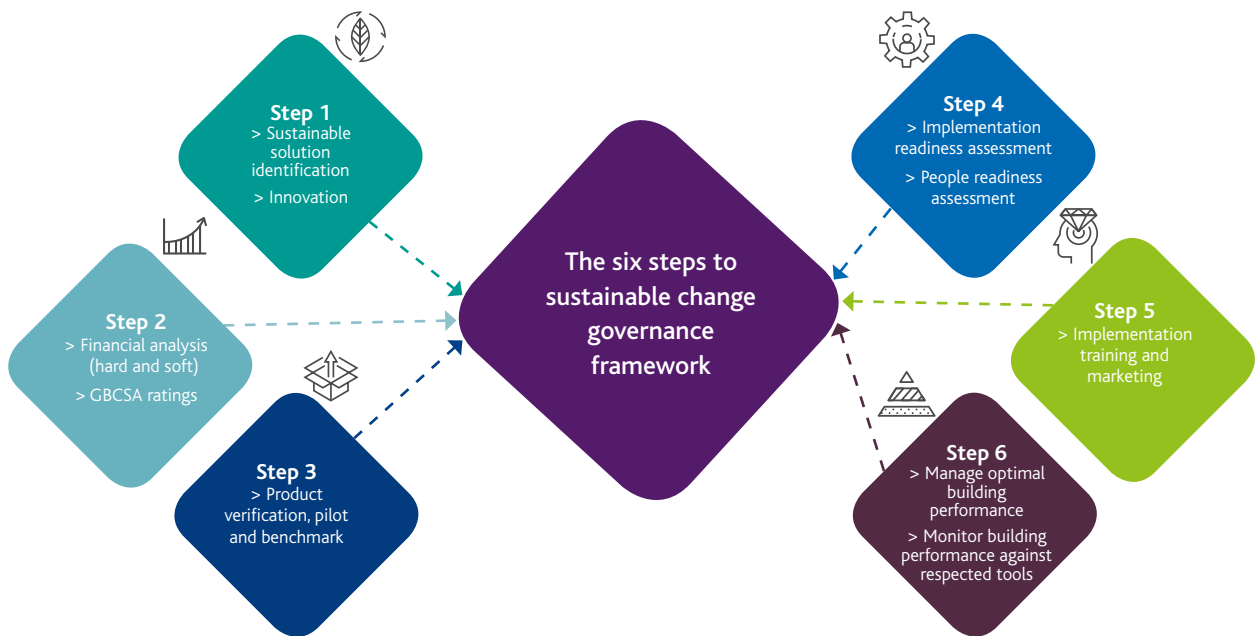
activities in the key areas of climate change, carbon emissions, biodiversity and the nexus consisting of energy, water and waste. However, we are looking to review and enhance our position and be more specific about our approach to these issues.

We made public commitments at COP21 and are engaging with the SBTi regarding our submission to set science-based targets for our carbon emissions. We are also targeting zero organic waste to landfill by 2022 for our entire portfolio, and continue to invest in renewable energy such as solar power plants for our buildings.

Our policy of “value creation through sustainability” is applied using our six-step sustainable change governance framework, which provides a practical way for us to address environmental and sustainability concerns.



Environmental approach continued



There are several factors addressed across the business, and some nuances that need to be added for the specifics of a sector or pilot project which, if viable, is then extended to the other sectors.

Projects covered across all three sectors (industrial, offices and retail) include:

- ISO 50001 compliance
- Utility optimisation to reduce energy and water consumption
- Power factor corrections
- Solar energy
- GBCSA Green Star SA certification
- Waste management and reduction
- Green Addendum recoveries
- Smart meter installation and management
- Smart data collection and representation (Power Bi)
- Zero organic waste to landfill.

In addition to these projects, our office sector conducts its GreenX5.0 campaign and our retail sector is working on urban farming and exploring waste-to-energy plant management.

Some 75% of our portfolio has smart meters measuring water and electricity consumption and is managed by an external party. We anticipate that within the next two years all our buildings will have smart meters.

With support from all levels of management in the business, we are challenged to ensure that significant focus areas and concerns are reviewed regularly. This ensures that any risks and opportunities are addressed and optimised and that Growthpoint continues to conduct business as a responsible corporate citizen.

We recently commissioned an external review of climate change risks and opportunities to ascertain if all relevant factors are included in our internal reviews of climate change effects. This process assured us that we are giving the necessary attention to the primary concerns, but did also highlight a few peripheral issues that we may want to factor into our assessments in future.

Quarterly reports are provided to the Board and to the Social, Ethics and Transformation (SET) Committee. Environmental issues and their business and social impacts form part of the committee's responsibility.

Following the listing of our Green Bond in the Green Segment of the Interest Rate Market on the JSE, we have seen increased interest in green funding opportunities. We believe that Growthpoint is well placed to take advantage of our sustainability efforts when it comes to

green funding, and to the extent that an opportunity is suitable for our business, we will actively engage with funders on this issue.

Engaging external and internal stakeholder groups

Growthpoint employs a continuous engagement approach with our various stakeholders about using environmental resources. Our tenants are the biggest stakeholder group impacted by our operations and are encouraged to work with us to improve utility use through programmes such as the Green Addendum. In FY19 we have paid much attention to increasing the knowledge of our facilities management teams and tenants. The impact of our efforts has varied.

Our sustainability team has amplified its collaboration with our Procurement department to increase awareness of environmental considerations when engaging with larger suppliers in our supply chain. One of the primary services we outsource is cleaning, and we are pleased to report that environmentally friendly products are being incorporated by our service providers.

Through enhanced collaboration, we are also working to ensure that reporting is continually improved. This provides

ongoing learning and system and process enhancement opportunities. As part of this objective, we will be piloting a reporting platform that will assist in the electronic collation of information about energy, waste, water and carbon emissions, among other things, and enable more accurate reporting as well as more efficient use of employees' time.

We continue to work with industry bodies such as the South African Property Owners Association (SAPOA), SA REIT Association (SA REIT) and the National Business Initiative (NBI) to address industry, national and international issues. Issues under discussion over the past year have included updates in the Best Practice Recommendations for reporting by REITs, tax issues, social transformation, as well as environmental considerations. The matters reviewed can be linked to the UN Sustainable Development Goals

(SDGs) and the National Development Plan (NDP). At Growthpoint, we see the opportunity for collaboration that will be beneficial for the parties engaged, as well as for our society as a whole. Growthpoint is also a founding member of the Green Building Council South Africa (GBCSA) and we continue to work with it on sustainability initiatives.

Priorities and targets

Growthpoint wants to be a positive contributor to the efforts being made to keep the global temperature increase below 1.5°C. By focusing on energy, water, waste and carbon emissions we believe we can do so through continually working to reduce consumption, enhance efficiencies and change behaviour.

We have set targets in recent years that need to be reviewed and updated in FY20. Many will need to be aligned with the

science-based targets on carbon emissions to which we have committed. Although we have not received an approved goal, we are engaging with the SBTi on the model we have submitted.

The focus for FY20 for Green Building certification is the re-certification of pilot projects and phase 1, 2 and 3 ratings.

Energy

Our initial sustainability target was to use less than 200kWh/m²/pa in our office buildings by 2020. This objective was based on best practice at the time it was set. We have now gone below this target and are currently at an average of 145kWh/m²/pa. Our intention in FY20 is to set new goals for energy consumption per square metre in each sector. Due to the diverse nature of our buildings, it is challenging to set a single target applicable to the entire portfolio.

Energy used	FY19	FY18	FY17	FY16
GLA assessed (m ²)	4 772 477	4 592 583	4 771 572	4 844 719
Number of buildings	366	373	386	390
Total energy (MWh)	688 930	740 629	793 293	824 606
Energy from fuels (MWh)	151	129	129	207
Purchased electricity for Growthpoint (MWh)	34 895*	1 644	1 951	2 037
Purchased electricity for tenant occupied space (MWh)	653 884	734 984	791 213	822 362

* FY19 includes vacant space.

Solar power produced	FY19	FY18	FY17	FY16
Energy produced by solar (MWh)	11 057	11 944	7 037	2 559
Emissions saved (tCO ₂ e)	11 494	11 346	7 037	2 559
Annual saving (R)	17 044 852*	13 806 735*	8 029 105	1 928 607

* Growthpoint's interest accounts for 81.7%.

In FY19, we had hoped to add 15MWh solar energy generation capacity. This did not happen, but we intend to install more than 20MWh in FY20. To date, we have invested R125m* in solar projects and proposed R200m for solar investment in FY20 and FY21.

Towards the end of 2018, we saw the re-occurrence of periodic "load shedding" by electricity supplier Eskom. This has placed additional strain on business operations and prompted a renewed focus on renewable energy investment. We are limited to 1MW AC supply to each building without applying for a licence to

allow for the installation of a bigger plant. This is a deterrent as it is a costly and time-consuming process to obtain licences. The process of notifying municipalities of the intended installations is also onerous, with slow turnaround times being a challenge.

However, we remain positive that the 1MW limit will be increased, and Nersa has approved feeding renewable energy into the grid. The infrastructure for this is not yet in place in some major municipalities, but we are also optimistic that this will be resolved soon.

We are researching battery backup options to couple to our solar PV systems. Cost and low return on investment are proving to be the most significant deterrents in this process.

We continue to explore energy efficiencies. The easily implemented options have been addressed and the next step is establishing a more detailed approach to optimising HVAC systems, elevators and lighting. Post-FY19, we implemented a metering and verification system for utilities and environmental indicators as part of the optimisation process. We intend to invest R3.5m in

Environmental approach continued

various efficiency initiatives, including power factor correction and maintenance and lighting upgrades.

Water

An initial sustainability target was for our office buildings to use no more than 0.88kl/sqm/pa by 2020. We are glad to report that they have gone below this to an average of 0.83kl/m²/pa. In FY20 we will set a new benchmark for each sector. Again, though, due to the diverse nature of our buildings, this is not a one-size-fits-all approach.

We have water data for 381 of the 461 buildings in our portfolio. In FY19, a total of 3 379 981kl of water was used.

An extensive audit plan is being developed to assess water consumption and to implement further water efficiencies. Delayed repairs to municipal water infrastructure have a direct impact on our tenants and business continuity. We are looking for ways, through our audit process, to help identify water issues and work with municipalities to limit waste from undetected or unaddressed leaks.

South Africans are generally unaware of the country's water challenges, so behaviour change is needed. The low cost of water is a contributor to wasteful behaviour. Looking at the cost of water, it does not always seem possible that we will generate a return on our investments in water initiatives, but we know from experience that inefficient water management impacts us in expensive ways that go beyond the actual costs. We still strive to apply our resources to achieve maximum impact for our business, greater society and the environment.

A major initiative is investigating the possibility of implementing reverse osmosis, which we have done successfully in a Cape Town multi-tenant office building, in a second building in Gauteng.

Other than that, we are going back to basics for water management and focusing on simple initiatives with maximum potential impact. These include:

- Identifying which buildings are high consumers
- Establishing the reasons for high consumption
- Pinpointing initiatives to reduce consumption
- Investigating the viability of rainwater and greywater harvesting
- Using timers for irrigation systems and moisture sensors
- Training our teams and building users after the installation of an initiative.

Waste

We have set a waste target of zero organic waste to landfill by 2022 for our entire portfolio. As part of these efforts, we have implemented a guideline on solid waste and materials management at a building level, which is the responsibility of our facilities managers. The purpose of this policy is to encourage operational practices that reduce the amount of solid waste going to landfill. At the very least, it covers the ongoing handling of consumables, hazardous materials, movable and electronic goods and construction waste from alterations and tenant installations. It contains specific guidelines on waste minimisation procedures and management of the different types of waste.

Our waste reporting portal is now fully functional, allowing waste vendors to upload data and enabling Growthpoint to track the amount of waste generated at its different properties. Standardising the information has resulted in more accurate and comparative data.

We installed an anaerobic digester at N1 City Mall which converts organic waste into energy, and solid and liquid compost. Additional details on this can be found under the projects section of this report.

In FY19, a total of 12 550 tonnes (FY18: 16 811 tonnes) of waste was recorded for 151 of our buildings, which equates to 50.4% of our buildings with a total GLA of 2 732 944m². Some 65.6% currently goes to landfill.



Carbon emissions

Carbon emission reduction has become a pivotal sustainability consideration. We undertake a carbon footprint assessment annually for the buildings that we own and manage. This is 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. For all buildings reviewed in FY19, electricity was purchased from Eskom or local municipalities, or solar power was provided from one of our solar plants dedicated to the property on which it is placed.

Reducing our carbon footprint is a crucial objective. We are doing this in line with national and international carbon emission reduction objectives. We revised our reduction targets in 2015 to achieve a 5% reduction in our intensity per square metre (0.16tCO₂e/m²) over the next five years. This relates to our Scope 1 and 2 emissions. As mentioned earlier in this report, in FY17, we committed to setting science-based targets and have since submitted our methodology for consideration by the SBTi. We are currently engaging with the SBTi on this matter.

Carbon emissions table

	FY19*	FY18*	FY17*	FY16*
Scope 1 and 2 (tCO ₂ e) – Growthpoint regional offices	1 141	1 595	1 947	2 130
Scope 1 and 2 GLA (m ²) – Growthpoint regional offices	18 348	14 868	13 823	13 328
Total Scope 1 and 2 (tCO ₂ e) including vacant space	36 292	–	–	–
Total Scope 1 and 2 GLA (m ²) including vacant space	385 900	–	–	–
Intensity GLA (tCO ₂ e/sqm)	1.98**	0.11	0.14	0.16
Intensity revenue (tCO ₂ e/Rm)	4.22**	0.19	0.24	0.27
Intensity per full-time employee (FTE)	60.54**	2.50	3.09	3.24
GLA under review (m ²)	4 772 477	4 592 583	4 771 572	4 844 719
Number of buildings reviewed	366	373	386	390
Total Scope 1, 2 and 3 (tCO ₂ e)	733 199	711 681	785 532	834 496

* Independently verified.

** Includes vacant space where previously included in Scope 3.

All our 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 commitment in line with COP21 to have all its long-hold commercial buildings attain a minimum 4-Star Green Star SA rating by 2020. This year, we increased the target for green building certification in our office buildings to a minimum 5-Star Green Star SA rating.

We also take a responsible approach to the refrigerants used in our HVAC systems. No gasses that are considered illegal or are in contravention of the Montreal Protocol are used.

Carbon tax

Growthpoint falls into the “other” category for carbon tax, which thus carries a limited implication for the business. The impact on our tenants could be significant, however, as they are responsible for the emissions from their energy use. To help lessen this exposure, we are introducing more energy-efficient systems across our portfolios. We have invested in renewable solar power at some properties which will primarily benefit tenants. The Green Addendum to our leases also helps to change tenant behaviour for our mutual benefit.

The exercise of gathering information on our back-up generators for submission to the Department of Environmental Affairs

has provided a more accurate assessment of our potential tax liability in terms of the new Carbon Tax. We still predict minimal, if any, emissions tax for the current phase of Carbon Tax implementation.

Biodiversity

Growthpoint's biodiversity impact is limited. Not only do we adhere to the National Building Standards relating to environmental issues but, with our operations being primarily in urban areas, the likelihood that they will affect any International Union for Conservation of Nature (IUCN) Red List of Threatened Species is little to none.

The main area of our business that could influence biodiversity is property development and we intend to disclose more detail of the environmental impact of projects in the next year. There is, however, rigorous engagement with local councils, and we adhere to all necessary legislative and regulatory requirements for each project. We also engage consultants who assist us with ongoing assessments of our environmental impact for the duration of big projects. This responsibility also extends to health and safety and other risk elements. Environmental impact assessments consider biodiversity when a project is reviewed, and Growthpoint undertakes to ensure that all environmental legislation is adhered to.

We have developed a xeriscaping guideline which entails the installation/ planting of indigenous plants within our gardens. This ensures that we limit the need for artificial watering as the selected plants use naturally occurring water for sustenance.

Projects

Green Addendum

This is a partnership programme with tenants, in terms of which any financial savings from the decreased use of energy and water as a result of our efficiency interventions benefit both the tenant and Growthpoint. The agreement helps to achieve specific, environmentally sustainable development objectives. It does not just cover green certifications but also looks at changing behaviour for the benefit of all. This initiative has been very successful in our office sector and we have now adjusted the addendum to apply to our retail and industrial sectors as well. We look forward to greater participation in the next financial year.

In total, 672 tenants have signed on to participate in the Green Addendum, covering 414 223m² of GLA. Since its inception in 2014, there has been a collective saving more than R70m for both Growthpoint and the signatories of the addendum. Growthpoint's portion for FY19 was R10m (FY18: R9.7m).

Environmental approach continued

Building certification

Growthpoint has more than 100 buildings with Green Star SA certifications, and together they have 112 certifications. This excludes the Victoria & Alfred Waterfront, which has 12 green-certified buildings. A large number of these buildings are 4-Star rated existing office buildings and they account for 19.84% of the office portfolio's total GLA of 1 058 292m² GLA. We spent more than R3.1m in attaining these certifications in FY19.

We have a couple of industrial buildings participating in the pilot programme to develop an industrial rating tool for the GBCSA. This is ongoing. The discussion on Green Star certifications for retail continues as there is still no certification for that sector. Our efforts to make our shopping centres more efficient remain a focus, and we are looking at various sustainability initiatives. One of the key objectives stated in FY19 is the re-certification of existing buildings that come up for renewal. In addition, all our new developments must achieve our new target of a Design and As-Built GBCSA rating of 5-Star or better.

As part of our 20:20:20:1 approach, we have identified 20 buildings across our portfolio to be certified as Net Zero for carbon/water/waste/ecology. This will be a major factor in increasing our green rating level.

Greenovate Awards

The intention behind this programme is to expose students to critical focus areas concerning sustainability within the built environment and to introduce the industry to the new talent and innovation that is available. Participants are challenged to find innovative solutions to current and future environmental challenges that the property sector needs to address. Students in property studies, construction, quantity surveying and engineering are the current target group.

This is an initiative that we run in association with the GBCSA. Other like-minded businesses also partner with us and contribute to the sponsorship of the programme. The competition is currently in its fifth year and a total of R130 000 in prize money is available for the winners of Greenovate 2019.

Greenovate 2018 had 37 participants and Greenovate Engineering 2018 had 28 students participating. The University of Cape Town team won the awards for both streams. We are pleased with how this initiative has developed and grown over the years. It started with three tertiary institutions and now attracts entrants from nine universities. We see this as an inspiring collaboration between academia and business.

As part of our 20:20:20:1 strategy, we are considering previous winning submissions for one project that can be developed and commercialised for the industry in FY20. This will close the gap between academic theory and economic application.

Lighting project

Most of our buildings now have LED lighting as part of the Green Addendum initiative that benefits both Growthpoint and our tenants. As part of our ongoing assessment of lighting, in FY19 Growthpoint invested R4.9m (FY18: R0.9m) in lighting projects. The estimated energy saving is expected to be 931 595kWh (FY18: 655 367kWh).

E-bikes pilot project

E-bike use in FY19 was almost double that in FY18 and the distance covered was more than 6 000km. A more efficient booking system was the major contributor to this increase. We moved from a manual booking system to a QR scanning system that issues users with a bike licence. This carbon-free mode of transport has reduced carbon emissions by 1.53 tonnes.

The e-bike hub consists of charging stations and e-bikes with an on-site manager. GreenCycle supplies and manages the movement of bikes and issues bike helmets and cycle locks to users. The hub focuses on providing transport to employees in our 1 Sandton Drive and 138 West Street buildings in Sandton Central – with the main reasons for use being to get to and from the Gautrain station, to go on lunch breaks and to run general errands in and around Sandton. Growthpoint has invested R330 100 in this initiative in the past year. Additional information can be found on the following website <http://www.greencycle.co.za/>.

	FY19	FY18	FY17
Total number of rides taken	5 583	3 283	2 538
Distance covered (km)	6 141	3 611	2 792

Electric vehicle charging station

We have worked to accommodate electric vehicles by providing dedicated EV charging bays at Constantia Village in the Western Cape and Brooklyn Mall in Gauteng. Although this has been done to encourage EV use within our client base, the uptake has been low. As a result, we are not expanding our charging footprint. Should the need present itself, we will relook at this initiative in future.

GreenX5.0 campaign

This campaign was developed as part of our efforts to ensure that all commercial buildings have a minimum of a 5.0 GBCSA EWP rating. Currently, more than 91% of our office buildings are 5.0 or above on the energy and water benchmark scale.

Anaerobic digester

This technology is being applied in a pilot project at N1 City Mall and has been running since October 2018. The objective is on-site transformation of organic waste using a small-scale waste transformer. Tenant throw their organic waste into separate bins, which are collected daily. The waste is shredded and transformed into biogas. The biogas is used to generate clean electricity, which is fed back into the mall to power its operations. The residual heat will be used for hot water in the mall, while the recovered nutrients in the waste are turned into fertiliser for landscaping on the premises.

G-Eco

The G-Eco project, which converts organic waste to compost, was piloted in FY18 and proved to be excessively expensive.

However, we continue to engage with stakeholders to find opportunities for collaboration on this venture and we hope to be able to implement this solution at sites where it makes business sense for all involved.

Urban farming

Growthpoint has entered into an agreement with the African Sustainable Development Association (A-SDA) and VICINITY to pilot a small scale "urban farm" on the rooftop of Brooklyn Square in Tshwane that will also have associated retail kiosks to sell produce in Brooklyn Mall and Brooklyn Square. We hope to prove the urban-farming and local-sourcing concepts, and simultaneously

design the foundations of a scalable and replicable business.

Key project objectives:

- Enhancing the fresh produce supply to restaurant tenants of Brooklyn Mall and Brooklyn Square
- Creating a unique restaurant and retail experience for the Brooklyn customer with an urban farming and fresh produce concept, as well as technology and masterclasses that enable more urban farming in Tshwane
- Converting unused parking space into a commercial asset
- Enabling Sustainable Development Goal 11 – Sustainable City Transformation.

This project was initiated towards the end of FY19 and only operated for two months of the period. Statistical data for FY20 will be included in the next report, allowing for a better understanding of the impact of the project.

The financial impact of environmental events

We track the five-year cost of environmental events resulting from changing weather conditions and their financial implications according to our insurance claims. This information has allowed us to identify preventative measures such as the type of materials that need to be used when repairing or refurbishing properties in high impact high weather-risk nodes.

We recently commissioned an external review of climate change risks and opportunities to determine if we have included the appropriate factors in our internal reviews of climate change. This process assured us that we are giving the necessary considerations to the primary concerns but also highlighted a few peripheral considerations we may want to start factoring into our assessment soon. Any climate change risks and opportunities are, like any other risk or opportunity, relayed to the Risk Management Committee as and when deemed necessary. These issues are also tabled at the Social, Ethics and Transformation Committee.

The following tables reflect the cost of weather-related damage to our properties. Those relating to FY19 could be restated if there is a case that has not been concluded at the time of reporting. Costs are allocated to the year in which the event took place.

Environmental approach continued

Cost of environmental events

	Sector							
	FY19				FY18			
	Office R	Retail R	Industrial R	Total R	Office R	Retail R	Industrial R	Total R
Rain/flood	–	7 975	–	7 975	–	–	124 024	124 024
Hail	–	–	–	–	377 586	–	1 814 342	2 191 928
Wind	548 557	364 999	109 192	1 022 748	1 535 172	2 593 902	14 380 130	18 509 204
Lightning	36 820	–	–	36 820	–	–	–	–
	548 557	372 974	109 192	1 030 723	1 912 758	2 593 902	16 318 496	20 825 156

	Region											
	FY19						FY18					
	Gauteng R	KZN R	Western Cape R	Eastern Cape R	North West R	Total R	Gauteng R	KZN R	Western Cape R	Eastern Cape R	North West R	Total R
Rain/flood	7 975	–	–	–	–	7 975	124 024	–	–	–	–	124 024
Hail	–	–	–	–	–	–	2 191 928	–	–	–	–	2 191 928
Wind	957 748	–	–	–	65 000	1 022 748	4 668 335	13 840 869	–	–	–	18 509 204
Lightning	36 820	–	–	–	–	36 820	–	–	–	–	–	–
	1 002 543	–	–	–	65 000	1 067 543	6 984 287	13 840 869	–	–	–	20 825 156

	Earthquake/ sinkhole R	Rain/ flood R	Hail R	Wind R	Lightning R	Total R
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

We have provided an additional breakdown of information for FY18 and FY19 per sector and region.

MAJOR PROJECTS AND ACHIEVEMENTS FOR THE YEAR UNDER REVIEW

- Installing smart water meters in 33 buildings
- Installing a waste-to-energy plant at N1 City Mall, which is a first in SA and converts organic waste into energy as well as solid and liquid compost
- Terminating the G-Eco pilot and proving that it is financially viable to develop a medium-scale wet waste treatment facility but that this will require collaboration with other users, such as shopping centre anchor tenants
- Implementing the ISO 50001 energy management system in our office portfolio.

MAJOR PROJECTS PLANNED FOR FY20

- R20m in green lease recoveries for Growthpoint
- 20MW of installed solar PV capacity
- 20 certified Net-Zero buildings (waste/water/carbon/ecology)
- Commercialising one winning Greenovate concept
- Reducing energy and water-use even further through strategic interventions
- Implementing a portfolio-wide energy management system (ISO 50001)
- Training building managers on new energy and water-saving systems implemented
- Installing smart water and electricity meters in the properties of all three sectors to the value of R14m (approximately 194 meters), and having them in all buildings by 2022
- Re-certifying pilot project and phase 1, 2 and 3 existing buildings' performance and certifying new EBPs
- Continued engagement with the GBCSA and industry partners to develop an industrial building rating tool
- Zero organic waste to landfill by 2022.

Green building certifications

Below are lists of the different building certifications by category. The total GLA certified is 1 058 292m². The buildings with more than one certification have only been accounted for once in the total.

Design				
Building	GLA m ²	Region	Sector	Level of certification
Exxaro	21 708	Centurion, Pretoria	Office	5 Star
Meadowbrook Estate	17 103	Meadowbrook, Germiston	Office	5 Star
Bridge Park	9 050	Milnerton, Cape Town	Office	5 Star
Discovery 1 and 2 (55%)	64 127	Sandhurst, Sandton	Office	5 Star
The Boulevard, Umhlanga Ridge*	10 324	Umhlanga Ridge, Durban	Office	4 Star
44 on Grand Central*	7 450	Midrand	Office	4 Star
Anslow Park Phase 2*	10 713	Lyme Park, Sandton	Office	4 Star
Eastgate 20*	4 556	Kramerville, Sandton	Office	4 Star
Lakeside 3 - Aecom*	6 428	Centurion, Pretoria	Office	4 Star
Mayfair On The Lake*	6 171	Umhlanga Ridge, Durban	Office	4 Star
Ridgeview Umhlanga*	6 659	Umhlanga Ridge, Durban	Office	5 Star
The Annex - TPG 50%	10 126	Sandton	Office	4 Star
Draper on Main	5 925**	Claremont, Cape Town	Office	4 Star
Total	180 339			

*More than one certification.

**GLA registered on 1 July 2019.

As built				
Building	GLA m ²	Region	Sector	Level of certification
Greenfield Industrial Park*	21 815	Claremont, Cape Town	Industrial	4 Star
The Boulevard, Umhlanga Ridge*	10 324	Umhlanga Ridge, Durban	Office	4 Star
Lincoln on the Lake*	6 425	Umhlanga Ridge, Durban	Office	4 Star
Eastgate 20*	4 556	Kramerville, Sandton	Office	4 Star
Mayfair On The Lake*	6 171	Umhlanga Ridge, Durban	Office	4 Star
Ridgeview Umhlanga*	6 659	Umhlanga Ridge, Durban	Office	4 Star
Total	55 950			

Existing building performance pilot

Building	GLA m ²	Region	Sector	Level of certification
Central Park Midrand	34 338	Midrand	Office	4 Star
Ditsela Place	2 987	Hatfield, Pretoria	Office	4 Star
Fredman Towers	14 857	Sandton	Office	3 Star
Grayston Office Park	13 632	Sandton	Office	4 Star
Kirstenhof Office Park	3 854	Sunninghill, Sandton	Office	5 Star
Lumley House	2 742	Parktown North, Johannesburg	Office	4 Star
200 on Main*	4 601	Claremont, Cape Town	Office	4 Star
Centennial Place*	12 191	Milnerton, Cape Town	Office	4 Star
Lincoln on the Lake*	6 425	Umhlanga Ridge, Durban	Office	4 Star
The Place	35 396	Sandton	Office	3 Star
Total	131 022			

*More than one certification.

Environmental approach continued

Existing building performance				
Building	GLA m ²	Region	Sector	Level of certification
10 Riviera Road	1 293	Killarney, Johannesburg	Office	4 Star
11 Adderley	22 190	CBD, Cape Town	Office	4 Star
25 Rudd Road	3 157	Illovo, Sandton	Office	4 Star
33 Bree and 30 Waterkant	12 941	CBD, Cape Town	Office	4 Star
44 on Grand Central*	7 450	Midrand	Office	4 Star
50 Wierda Road	2 362	Wierda Valley, Sandton	Office	4 Star
1 Frosterley*	2 509	Wierda Valley, Sandton	Office	4 Star
Belmont Office Park*	15 092	Rondebosch, Cape Town	Office	4 Star
Chislehurst	2 169	Chislehurst	Office	4 Star
Country Club Estate*	33 142	Woodmead, Johannesburg	Office	4 Star
Edgcombe Office Park*	4 608	La Lucia, Durban	Office	4 Star
Grayston Place	5 184	Sandton	Office	4 Star
Grosvenor Corner	13 891	Parktown North, Johannesburg	Office	4 Star
Honeywell	3 818	Midrand	Office	3 Star
Illovo Corner	10 817	Illovo, Sandton	Office	3 Star
Inanda Greens Business Park	40 774	Wierda Valley, Sandton	Office	4 Star
Merck Longmeadow	4 163	Edenvale	Office	4 Star
Oxford Corner	9 108	Rosebank, Sandton	Office	4 Star
Paramount Place*	12 638	Claremont, Cape Town	Office	3 Star
River Park	13 383	Mowbray, Cape Town	Office	3 Star
Riviera Road Office Park (50%)	4 857	Killarney, Johannesburg	Office	4 Star
Sandown Erf 159 –162	2 514	Sandhurst, Sandton	Office	4 Star
Sunnyside Ridge*	30 141	Parktown, Johannesburg	Office	4 Star
The District*	18 632	Woodstock, Cape Town	Office	4 Star
The Estuaries*	11 812	Montague Gardens, Cape Town	Office	4 Star
The Oval Newlands	8 598	Newlands, Cape Town	Office	4 Star
Wierda Gables	2 173	Wierda Valley, Sandton	Office	4 Star
12 Alice Lane (50%)	8 772	Sandton	Office	4 Star
3 The Boulevard (3 The Terrace)	3 051	Westville, Durban	Office	4 Star
34 and 36 Fricker Road	4 844	Illovo, Sandton	Office	4 Star
4 Fricker Road	4 796	Illovo, Sandton	Office	4 Star
8 Rivonia Road	5 329	Illovo, Sandton	Office	4 Star
82 Grayston	7 358	Bryanston, Sandton	Office	4 Star
9 Frosterley Crescent	1 138	La Lucia, Durban	Office	4 Star
Advocates Chambers	7 445	Sandton	Office	4 Star
Albion Springs	3 784	Rondebosch, Cape Town	Office	4 Star
Belvedere Office Park	5 996	Bellville, Cape Town	Office	4 Star
ENS House	18 000	Foreshore, Cape Town	Office	3 Star
Eton Office Park	8 883	Bryanston, Sandton	Office	4 Star
Golf Park	30 838	Mowbray, Cape Town	Office	4 Star
Hatfield Gardens*	25 927	Hatfield, Pretoria	Office	4 Star
Inyanda 1, 3 and 4	23 196	Parktown North, Johannesburg	Office	4 Star
Menlyn Corner	10 188	Menlyn, Pretoria	Office	4 Star
Peter Place Office Park	8 771	Bryanston, Sandton	Office	4 Star
Pinmill Farm	22 938	Kramerville, Sandton	Office	4 Star
Sandton Close 2	12 484	Sandton	Office	4 Star
Sovereign Quay	8 795	Greenpoint, Cape Town	Office	4 Star
The Terraces	12 830	CBD, Cape Town	Office	4 Star
The Towers (50%)	12 912	Sandton	Office	4 Star
1 Sixty Jan Smuts	16 655	Rosebank, Johannesburg	Office	4 Star
100 West Street	3 850	Sandton	Office	4 Star
103 Central Street	2 338	Houghton, Johannesburg	Office	4 Star
3021 William Nicol	6 646	Houghton, Johannesburg	Office	4 Star
33 Fricker Road	6 353	Illovo, Sandton	Office	4 Star

Existing building performance continued

Building	GLA m ²	Region	Sector	Level of certification
Boundary Place	3 658	Illovo, Sandton	Office	4 Star
Brookfield Office Park	7 600	Brooklyn, Pretoria	Office	4 Star
Freestone Office Park	5 468	Kramerville, Sandton	Office	4 Star
Georgian Crescent	6 367	Bryanston, Sandton	Office	4 Star
Ogilvy	9 155	Bryanston, Sandton	Office	4 Star
Rosebank Office Park	4 226	Parktown North, Johannesburg	Office	4 Star
Strathavon 11	9 188	Strathavon, Sandton	Office	4 Star
Pharos House	5 503	Westville, Durban	Office	4 Star
Roggebaai	13 113	Foreshore, Cape Town	Office	4 Star
Tygerberg Park (THOP)	11 681	Platteklouf, Cape Town	Office	4 Star
138 West Street	10 743	Sandown, Sandton	Office	4 Star
19 Impala Road	2 743	Chislehurst	Office	4 Star
23 Impala Road	1 825	Chislehurst	Office	3 Star
257 Oxford Road	3 154	Illovo, Sandton	Office	4 Star
Equity House	1 624	Dunkeld West, Johannesburg	Office	4 Star
Sandown Erf 169	2 069	Sandhurst, Sandton	Office	4 Star
The Oval – Bryanston	10 952	Bryanston, Sandton	Office	4 Star
Waterfall Park: Phase 1	8 103	Bryanston, Sandton	Office	4 Star
28 Fricker Road	6 177	Illovo, Sandton	Office	4 Star
200 on Main*	4 601	Claremont, Cape Town	Office	4 Star
Centennial Place*	12 191	Milnerton, Cape Town	Office	4 Star
Anslo Park Phase 2*	10 713	Lyme Park, Sandton	Office	4 Star
De Waterkant Centre	6 631	Greenpoint, Cape Town	Office	4 Star
Nautica	5 830	Granger Bay	Office	4 Star
Lincoln on the Lake*	6 425	Umhlanga Ridge, Durban	Office	4 Star
Newlands on Main	13 225	Claremont, Cape Town	Office	4 Star
Total	766 498			

*More than one certification.

Energy water performance benchmark

Building	GLA m ²	Region	Sector	Points out of 10
11 Adderley*	22 190	CBD, Cape Town	Office	7
25 Rudd Road*	3 157	Illovo, Sandton	Office	6
1 Frosterley*	2 509	Umhlanga Ridge, Durban	Office	8
Belmont Office Park*	15 092	Rondebosch, Cape Town	Office	6
Country Club Estate*	33 142	Woodmead, Johannesburg	Office	6
Edgcombe Office Park*	4 608	La Lucia, Durban	Office	7
Paramount Place*	12 638	Claremont, Cape Town	Office	7
River Park*	13 383	Mowbray, Cape Town	Office	7
Sunnyside Ridge*	30 141	Parktown, Johannesburg	Office	6
The District*	18 632	Woodstock, Cape Town	Office	8
The Estuaries*	11 812	Montague Gardens, Cape Town	Office	8
3 The Boulevard (3 The Terrace)*	3 051	Westville, Durban	Office	8
Hatfield Gardens*	25 927	Hatfield, Pretoria	Office	5
Lakeside 3 – Aecom*	6 428	Centurion, Pretoria	Office	8
Mayfair On The Lake*	6 171	Umhlanga Ridge, Durban	Office	8
Total	208 881			

Net Zero

Building	GLA m ²	Region	Sector	Level of certification
Greenfield Industrial Park*	21 815	Claremont, Cape Town	Industrial	Net Zero carbon
The District*	18 632	Woodstock, Cape Town	Office	Net Zero water
Total	40 447			

* More than one certification.

Our people

Growthpoint is committed to creating a diverse and transformed work environment that provides equal opportunities to all its employees while also giving special consideration to employees from designated groups.

Growthpoint is taking steps to promote equal opportunities in the workplace by eliminating discrimination in all its employment policies and practices, and by implementing affirmative action (AA) measures to redress imbalances in employment experienced by designated groups and to ensure their equitable representation in the workplace. The company also implemented an employment equity (EE) plan in 2018 to ensure that its transformation objectives are met. This plan is effective for a three-year period from 2018 to 2020 and sets out annual objectives.

2019 EE objectives

Timeframe	Objectives	Responsibility	Due date	Progress in FY19
FY19	Succession management: <ul style="list-style-type: none"> Implement a robust succession management plan Ensure that a minimum of 60% of the training is spent on PDIs Ensure that all those on the succession plan have a development plan 	Exco and all managers	Jun 2019	<ul style="list-style-type: none"> Succession plan implemented for all Exco positions More than 70% of our training budget was spent on developing employees from designated groups
	HR policy and practice audit: <ul style="list-style-type: none"> Audit all HR policies and practices to ensure there are no barriers to transformation Design a plan to address all identified barriers 	HR	Dec 2019	<ul style="list-style-type: none"> 60% of policies audited
	Achieve numerical goals for year two	Exco and all managers	Dec 2019	<ul style="list-style-type: none"> Progress being made at the top three levels

2018/2019 numerical goals

Employment category	2017 base		2018/19 targets		2018/19 actuals	
	AIC %	W %	AIC %	W %	AIC %	W %
Top management	12	88	27	73	16	84
Senior management	17	83	27	73	25	75
Professionally qualified/middle management	35	65	41	59	38	62
Skilled technical/junior management	65	35	72	28	47	53

The regress at junior management levels from the 2017 base when compared to the actuals can be attributed to terminations of some AIC candidates at that level which have not been replaced in line with workload and implementation of job grading.

We are continuing our endeavours to create a positive work life experience for each of our employees while protecting the interests of the organisation and ensuring that it meets its set objectives. We strive to be an employer of choice.

Employee value proposition (EVP)

Our employee value proposition is based on total rewards and development opportunities, which includes some of the following:

- Career advancement opportunities
- 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
- Personal development opportunities

- Educational assistance for qualifying employees' children
- Work/life balance, which is crucial and supported by our flexible work hours and conditions of work
- Employee wellness programme
- Share options for all our employees.

Highlights

Agility was an essential attribute in our Human Resources service delivery this year, as we worked to meet the changing needs of the business and our people.

This year Growthpoint implemented the job grading system and undertook its first-ever ethics barometer survey, in line with our goal of creating a world-class work environment. The ethics barometer will play a key role in helping to determine staff satisfaction. The feedback received from our people has defined the areas that we need to work on. Not only is it a valuable tool on which to base our

engagement with employees, but it will also act as a benchmark against which we measure our progress in future.

Career advancement for Growthpoint's people came into sharp focus this year, as did our consequence and underperformance management procedures.

During the year we achieved progress in most of our areas of responsibility, including:

- Talent attraction and recruitment
- Providing industrial relations advice
- Employee relations management
- Assessment of employee satisfaction through the ethics survey
- Helping our leaders to manage talent
- Advancing our EE plan objectives
- Implementing job grading
- Drafting a new remuneration policy
- Managing organisational change.

Employee engagement and satisfaction

We engage with our employees in several informal and formal ways, including one-on-one conversations and attendance by the HR team members at business unit meetings where issues of concern are flagged for resolution. While employee engagement most often lies with our line managers, we understand that this is not always their focus and the HR team partners with line managers to enable continuous engagement.

In cases of voluntary staff turnover, we conduct exit interviews, which have proved to be insightful and have formed the basis for resolving issues to enable better employee relationships and retention.

Ethics barometer survey

While we had planned to initiate a staff satisfaction survey this year, in November 2018 we asked all our staff to participate in an ethics barometer survey, which we undertook with GIBS and Feedback Rocket. The study is aligned to a similar exercise done by the Harvard Business Review and was designed to help us understand the impact of attitudes and behaviours within the business. We believe that this has been a productive exercise.

It resulted in rich and transparent feedback from the 62% of our employees who participated in the survey. We value their input tremendously. The vital insights, taken in conjunction with our engagement on the Diversity and Inclusion Forum, have clearly defined areas within Growthpoint where the most effort needs to be invested. We believe the best approach is to work on the information we have already been given, before conducting other surveys.

In conducting the ethics barometer survey, we set out to send a message that Growthpoint is an environment where employees can and should speak up, and we intend to respond to their honest feedback in a manner that underlines the fact that their opinions are genuinely valued.

Overall, the results found that Growthpoint is ethically fit. Growthpoint scored well with regards to avoidance of misconduct and treatment of customers. However, the results also showed that we need to work on the treatment of employees and our organisational culture and practices, and this will require our full attention going forward.

The ultimate purpose of the ethics barometer is to enable us to measure and improve our ethical conduct concerning employees, customers, suppliers and broader society. For each one of these elements, we will select three actions based on the feedback received from our employees, and work on them to improve relations within the organisation. This will be our focus in the coming year.

Job grades

We implemented job grading during the financial year that enables us to manage talent in alignment with pay. Our new job grading measurement tool and system became necessary to measure reward in relation to the market. It eliminates arbitrary performance measurement and rewards. It also allows every person employed by Growthpoint to understand the relative importance of a job within the organisation.

As the job grading system is new to Growthpoint, we are aware that it will require continuous communication to ensure that staff gain a full understanding of how it works, and we will prioritise this in the year ahead. This is especially important in the light of our new remuneration structure for staff excluding Executives, which is currently in draft form and aligns with our new job grading. We expect it to be finalised in the year ahead.

Industrial relations

This year, we strengthened our focus on industrial relations and performance management, and there was an increase in the number of cases we had to deal with. In FY19, there were 31 industrial relations matters relating to misconduct and performance management, compared to 40 in FY18.

We dismissed 11 employees as a result of poor performance and misconduct. An ethical business it is essential to manage underperformance and ensure consequence management is applied. Staff performance is linked to pay and this needs to reflect in our industrial relations and fair disciplinary procedures.

Good industrial relations improve the morale of employees. Employees work with passion when they feel that the interests of both employer and employees are aligned and this increases productivity.

Staff turnover

We track our voluntary staff turnover, which this year was 6.7%. This is in line with the market, and we are comfortable with this figure. Including dismissals, total staff turnover was 11.3%.

Grievance procedure

Employees with grievances can raise their concerns directly with our HR department, which will advise them on how best to address the matter. However, communication about our grievance procedure is an area that we can work on and give more prominence to. Awareness of the procedure has to date been mostly informal but as we grow as an organisation, we need to develop and state it clearly, and this will be a focus in the coming year. Labour and human rights issues can be addressed through our whistleblowing hotline, and we encourage employees to raise concerns about workplace malpractices without fear of victimisation or reprisal.

Anti-corruption and bribery

We have a formal, board-approved policy against corruption and bribery. Growthpoint has a zero-tolerance approach to this behaviour. Whenever someone joins the company, we highlight our policy to them during their onboarding sessions, and it is reiterated regularly at business unit meetings. We also reinforce it through consequence management, including dismissal. We make it easy, safe and anonymous to report any incidents or concerns in this regard to our independently operated whistleblowing hotline.

Our people continued

Growthpoint has a whistle-blowing 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!)

Any whistle-blower will remain anonymous! 0800 167 463



Transformation

Growthpoint is faring well in achieving the transformation targets stated in its transformation strategy. This document is available on our website at <https://growthpoint.co.za/BBEEReports/GrowthpointTransformationStrategy.pdf> and details our transformation commitments. It puts numbers to our targets and timeframes to our key focus areas as we work to achieve transformation.

From an HR perspective, we manage transformation internally, and in 2018 we implemented a three-year EE plan and appointed a Diversity and Inclusion Forum. The plan will go a long way towards ensuring that we achieve reasonable progress in the transformation of our organisation. The forum has been established to ensure that the company meets its objectives of being a diverse and inclusive organisation. Its goal is to ensure an employee base that is ultimately representative of the population of the country and to identify and eliminate barriers to transformation. While the forum is a legislated requirement in terms of the Employment Equity Act, participation by staff is voluntary, and our forum is staff-driven and enjoys the representation of employees from all occupational levels.

The forum monitors progress in terms of our set numerical goals and transformation objectives, but also examines areas where goals are not being met, the reasons for this and the interventions necessary to improve.

In addition this year, our ethics barometer survey engaged staff across the board on employment equity matters, and the results have added to the depth of insight that the forum has available to it to achieve its purpose.

We are making good progress in transforming our senior, middle and junior management. Our transformation challenges remain at the executive level. We already have a shortage of skills in our industry and a high level of skills circulation, and South Africa is now also facing a flight of skills due to a wave of emigration and semigration. While we continue to make gradual headway in our transformation at this level, we have to be realistic about the progress that can be made through succession planning when there is no turnover of executive staff.

Talent and succession management

We ensure that our work environment and conditions are attractive and conducive to optimising employee potential. Ensuring that potential employees are aligned to our culture and values is key to this success.

Career development is vital for our employees and career advancement came into sharp focus. We matched people with positions in the light of changing business needs and as staff members advanced their skills and knowledge. This meant that in FY19, we were able to promote 21 people.

Training and leadership development

We refined our entire training budget and focus this year to prioritise succession planning and employment equity. Emphasis was placed on learning and development, especially among our graduate associates and our junior and middle management staff. This is evident from our focus on learnerships during the year.

We identify knowledge and skills gaps in the company and address them with performance development plans as part of our succession management and career development. We have multiple initiatives at the leadership level, including informal coaching and mentoring.

Learning and development allows our employees at all levels to thrive. In FY19, our development approach comprised:

Courses attended	Number of participants FY19
Adult basic education and training	12
Handyman training	59
Health and safety	177
Learnerships	58
Professional accreditation (EAAB)	17
Academic qualifications	43
Management development programme	4
Coaching and mentoring	1
Property courses	50
Computer skills	127
Business professional courses	53
Soft skills	102
Informal sessions	345

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 others. 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. Growthpoint is not a unionised environment but places no restrictions on employees' freedom of association.

Health and safety

We strive to advance the rights of our employees to have a safe and healthy working environment, and we do this at the highest levels. Our Risk and Compliance Officer ensures that we prioritise health and safety. With the Occupational Health and Safety Act in mind, we have appointed a senior executive as chairperson of our Health and Safety Forum to ensure that we comply. Our Chief Operating Officer chairs our annual panel, on which the HR department is also represented, to investigate relevant concerns and identify suitable interventions. Our health and

safety representatives are also given additional training annually to increase their skills.

Employee Assistance Programme (EAP)

We value our employees and are proud to offer a programme to support them and optimise our success. This voluntary, confidential programme helps all our employees and management work through various life challenges that may adversely affect their job performance, health and personal wellbeing. The services offered through our EAP to employees with personal and/or work-related concerns include assessments, counselling and referrals for added services. Their concerns could include a wide range of issues such as stress, financial issues, legal issues, family problems, office conflicts, or alcohol and substance abuse problems.

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

Employee wellness

Wellness is not an event, it is an ongoing process, so we strive to be purposeful in how we deal with employee wellness. The main health concerns highlighted through our wellness programme include lifestyle and mental health issues as well as cancers, and employee wellness initiatives are designed around these.

HIV/Aids focus

We respect the confidentiality of every employee. Growthpoint does not discriminate based on HIV/Aids status, nor do we test employees. The conditions of affected and infected employees are managed and supported by our extensive employee wellness programme. Based on information provided by our biggest medical aid, the HIV prevalence rate within our organisation is between 3% and 6%.

Human rights

Growthpoint believes human rights are sacrosanct and is committed to upholding them, including 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. Furthermore, our commitment to human rights includes indigenous rights. We stand against child labour and forced labour, and all our employees are aged 18 years or above. Growthpoint is committed to good corporate citizenship.

Policies and procedures

This year we started a journey of discovery, aligned with the restructuring, which will form the basis of our new policies. We are creating systems to ensure a standard approach for our employees regarding:

- employment equity
- succession management
- rewards and recognition
- job grading and pay scale
- disability and dread disease.

Supporting our staff in tough times

It would be disingenuous to believe that SA's economic challenges are not having an impact on our staff. Growthpoint has worked to aid our employees in dealing with the financial and social impact this has on them. We continuously ask ourselves if our remuneration is successful in rewarding our people. We take the inflation rate and our results into consideration, and we strive to give our employees average salary adjustments at the rate of CPIX or higher. Despite selling a significant number of SA properties to streamline our portfolio strategically, we have found ways to minimise the risk of retrenchment for our staff. Our EAP services also support our people who are trying to manage the stress of the burdens the economy is placing on them.

Growthpoint GEMS

Growthpoint GEMS aims to provide financial support to the children of our lower-income earning staff to enable them to pursue a quality education. The programme is run as a CSI initiative and is now in its third year. This year we funded R4 751 295 worth of scholarships and we have raised the qualifying salary limit to R370 000 per annum cost-to-company for the 2020 academic year.

Staff volunteerism

Our employees have reported that they are particularly proud of our CSI initiatives and impacts. Growthpoint Gives (G-squared) is a charitable project driven by staff volunteerism and run as part of Growthpoint's corporate social responsibility (CSR). This initiative has been created especially for employees who wish to make a positive change in their communities. Every staff member is allocated eight paid hours a year to take part in volunteer initiatives. The value that our people place on this initiative can be seen in the increased staff involvement this year, which is detailed in the CSR report on page 31.

Future focus

Throughout this report, we have mentioned several strategic priorities for FY20. They include embedding our new job grades and finalising our new salary scale and remuneration policy. Growthpoint will continue to strive for progress towards the targets set in our employment equity plan and transformation strategy. We are also prioritising policies to avoid pitfalls of the challenging economic environment which demands streamlined performance. The results of our ethics barometer survey will focus our efforts to improve our engagement with employees and to enhance our organisational culture and practices.

Our people continued

Staff profile

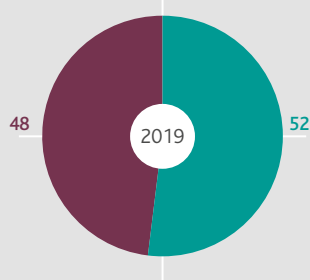
Employee statistics

	FY19	FY18
Number of employees	627	638
– full-time employees	601	610
– contractors	26	28
Net property income per employee (R)	10 657 541	10 550 820
Average tenure of employees (years)	8	8.7
Annualised attrition rate (%)	11.3	10.5
Voluntary turnover	6.7	7.6
Average age of employees (years)	42	44
Minimum CTC – lowest level of employee (R pa)	108 000	104 025
Direct investment in employee training (Rm)	4.6	3.9
Total cost of employee training (Rm)	6.5	7.7
Number of employees trained	740	253
Hours of training per employee	10	3
Total number of sick days	2 041	2 201
Weighted average number of sick days per employee	3.3	3.6
Number of physical injuries	–	2
Days lost to incidents	–	–
Serious occupational injuries	–	–
Fatalities	–	–
– full-time employees	–	–
– Third-party contractors	1	–

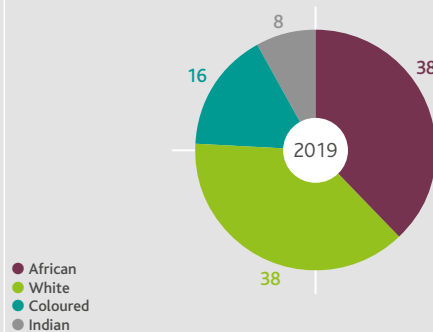
Employment equity summary

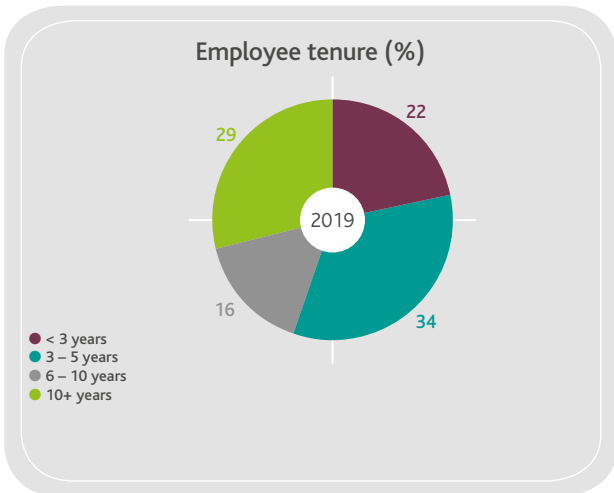
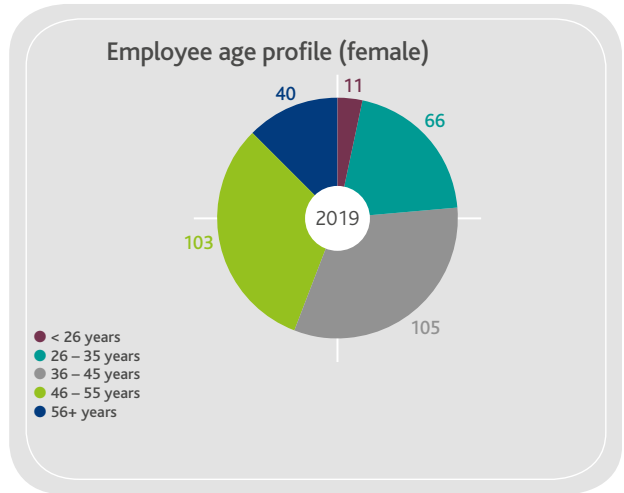
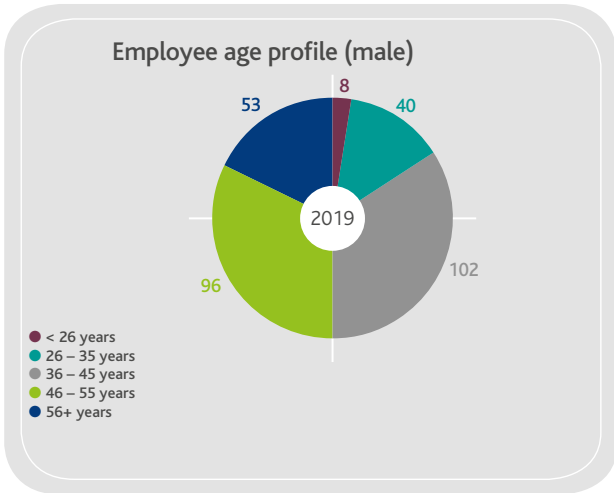
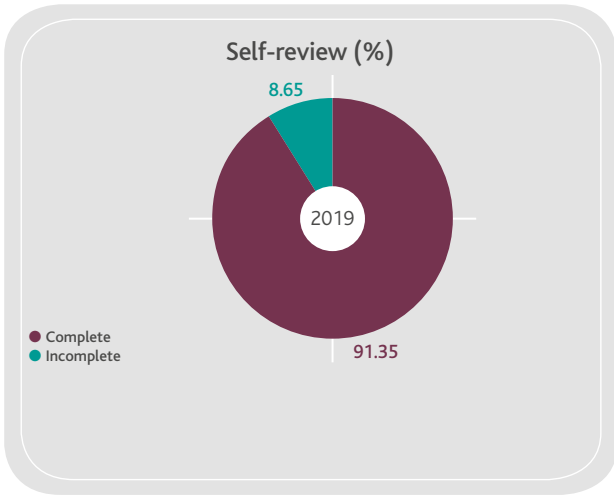
Occupational level	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	1	–	11	1	–	–	2	16
Senior management	1	1	2	6	–	–	2	4	16
Professionals, specialists and middle management	4	3	8	43	11	15	9	44	134
Skilled workers, supervisors and junior management	25	11	6	40	14	10	6	39	151
Other	97	19	3	21	73	38	13	43	307
Total	128	35	19	121	99	63	30	132	624

Employee per gender (%)



Employee race profile (%)





Corporate social responsibility report

Growthpoint's societal purpose is to make a sustainable impact in South Africa by supporting education initiatives and entrepreneurship development. We ensure that our engagements with communities are aligned to our company values, "Wow Them", "The Power of Us", "Own It", "Break New Ground" and "Be the Best" are not just placards in our corridors but rather qualities that our stakeholders can identify us by. We strive to create an inclusive society where Growthpoint as a business has its responsibility to play an active role and is making a difference for the community at large as well as our staff.

CORPORATE SOCIAL INVESTMENT

Early childhood development (ECD)

For the past three financial years, Growthpoint has funded the training of early childhood centre practitioners. This year we commissioned an impact assessment to ascertain if the funding we are providing is being used to address the needs initially highlighted by the beneficiary organisations, and if the outcomes address Growthpoint's primary objective of "improving education outcomes by creating a more inclusive society". The ECD focus relates to the SA government's NDP, where one of the objectives is to "lay a solid foundation" through the upskilling of ECD practitioners. The impact assessment will be used to further evaluate the alignment of our CSI strategy with the needs of ECD centres.

Corporate social investment projects Sparrow Further Education and Training (FET) learnership

This year we launched a Business Administration and End User Computing learnership with Sparrow FET college. We funded 12 previously disadvantaged, unemployed learners with disabilities. The learnership comprises six months of classroom studying and a simulated practical component, followed by six months of workplace experience and job coaching, all in preparation for the learners to enter full-time employment.

iSchool Africa iPad learning lab programme

Through our partnership with iSchool Africa over the past five years, we have donated nine iPad learning labs with a total value of R2 064 935 to under-resourced schools across three provinces.

This initiative has resulted in the distribution of 168 iPads and the training of over 100 teachers, and had a positive influence on the education of 4 500 learners.

Schools funded:

- Primrose Park Primary, Athlone, Cape Town (Growsmart winner)
- Mandlakazulu Primary School, KwaMashu, KwaZulu-Natal
- Bernard Isaacs Primary School, Coronationville, Gauteng
- Vanguard Primary School – Vanguard, Western Cape (Growsmart winner)
- Inyamazwe Full Service School – Ladysmith, KwaZulu-Natal
- Woodford Primary School – Bergville, KwaZulu-Natal
- Parkfields Primary School – Athlone, Western Cape
- Liwa Primary School – Nyanga, Western Cape (Growsmart winner).

Genesis Safe Place

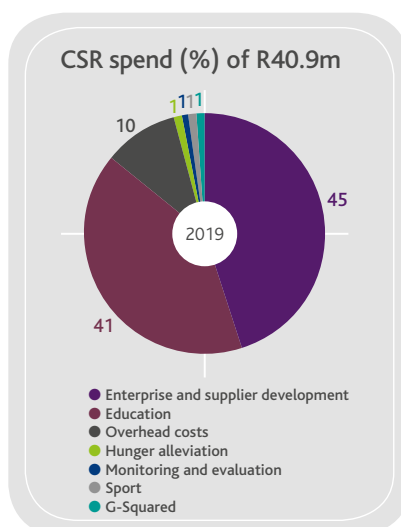
Growthpoint provided R550 000 funding to Genesis for the establishment of a Safe Place in the Harding community in KwaZulu-Natal. This "run-to" facility supports vulnerable residents and is a place of refuge for those who feel threatened or are in immediate danger of experiencing violence. Besides immediate shelter, it also helps to transfer people to an appropriate place where their needs and care will be attended to. It is one of a cluster of safety pods that work in partnership with local stakeholders such as the South African Police Service, Department of Social Development and local community organisations.

Growsmart

Celebrating its 10th year in the Western Cape, the acclaimed Growsmart literacy competition is our leading educational initiative, in collaboration with the Western Cape Education Department (WCED). It is also being offered for a second year in the Eastern Cape with the Eastern Cape Department of Education (ECDOE), and plans are in place to extend the programme to Limpopo in 2020.

Along with its geographic expansion, the programme has also increased the number of subjects covered. Starting with English literacy, it now includes story writing, mathematics, natural sciences, and debating in the Western Cape.

In total, 259 schools participated in 2018, and R1 159 000 in prize money was awarded, R920 000 in the Western Cape and R239 000 in the Eastern Cape.



Winning schools – 2018

In 2018, Liwa Primary School from Nyanga emerged as the literacy competition winner from among 160 competing schools in the Western Cape finals, which were held at the V&A Waterfront. Despite being located in a notoriously dangerous neighbourhood, Liwa Primary School's hardworking and talented team rose above the difficult circumstances in the community and excelled, winning a new iPad learning lab worth R350 000 to further improve education at the school. The top team's members also won R20 000 each to further their education, and their mentor was awarded R10 000.

In the Eastern Cape, the first-ever Growsmart Eastern Cape champion was Triomf Primary. The school emerged as the winner from among 60 competing schools in this life-changing literacy competition to win R75 000. The winning team members also received R10 000 each to further their education, and their mentor won R5 000.

Newspaper publication

Four CAPS-compliant, curriculum-based newspapers which enhance teaching and learning within the classroom are given to every learner in the Growsmart programme. In 2010 there were 80 schools registered for Growsmart, and in nine years this number has more than tripled, resulting in more than 378 000 newspapers being produced for the 94 541 participating learners in the 2019 school year.

Published books 2018

In the Western Cape, we have already published five Children Writing to Grow Smart books containing stories from Growsmart learners, and the sixth for publication in 2019 is currently being edited. The first book with stories from Eastern Cape learners is also being edited for publishing.











Bursary and scholarship recipients

We are incredibly pleased to have provided bursaries for 21 learners since 2011. Progressing on their education journey, three of these young bursary recipients have gone on to enrol in tertiary education.

Growsmart works closely with bursary partners and schools to provide scholarships for Growsmart alumni. Growsmart is actively looking to increase its partnerships with schools and bursary institutions to provide even more opportunities for the learners to receive support, ensure that they finish their schooling and ultimately further their education. This year, we are happy to welcome four new bursary partners:

- South African College Junior School
- South African College High School
- Bishops Diocesan College
- Allan Gray Orbis.

Three-year investment

	ECD	PRIMARY	SECONDARY	TERTIARY	SKILLS DEVELOPMENT
SPEND	 R8.9 million	 R16.7 million	 R6.6 million	 R6.4 million	 R34.4 million
REGION	 Eastern Cape, Gauteng	 Western Cape, Eastern Cape, KwaZulu-Natal	 Western Cape, Limpopo, Gauteng	 Gauteng, Western Cape, KwaZulu-Natal	 Western Cape, Gauteng
TYPES OF PROGRAMMES	<ul style="list-style-type: none"> • Teacher training and development 	<ul style="list-style-type: none"> • Literacy programmes • Teacher training and development • Bursaries 	<ul style="list-style-type: none"> • Bursaries • Maths and science programmes 	<ul style="list-style-type: none"> • Bursaries 	<ul style="list-style-type: none"> • Bursaries • Learnerships
BENEFICIARY ORGANISATIONS	<ul style="list-style-type: none"> • Thandulwazi Maths and Science Academy • ASHA Trust • Rise Against Hunger • Education Africa • Ray Mhlaba, PEN • Loaves and Fishes 	<ul style="list-style-type: none"> • Growsmart • iSchool Africa • Primary School Science Programme • GEMS 	<ul style="list-style-type: none"> • PROTEC • Christel House • GEMS 	<ul style="list-style-type: none"> • SAPOA • Growthpoint Bursary Programme • GEMS 	<ul style="list-style-type: none"> • The Living Link • Learn to Earn • Sparrows

Corporate social responsibility report continued

Success story: Micaela Jephta

In January 2013, Growsmart bursary winner Micaela started at Christel House. "I was quite nervous on my first day because the school was so big. Everyone was so kind and the school is so lovely, I soon felt more relaxed".

Micaela enjoyed playing volleyball and using all the learning facilities at Christel House, and in 2018 she won the school's Christel Award.

In 2019, a further Growsmart bursary has enabled Micaela to begin an LLB at Stellenbosch University.

She said: "I feel that coming from a public school in Hanover Park made me more appreciative of the opportunity that I had at Christel House. I will forever be grateful to Growsmart for the opportunity that I was given. At my old school, the average number of students was about 50 in a class and suddenly, I was in a class with 30 students. I loved the computer rooms and the library; there was so much for me to read. Also, by starting at the primary school (grade 7), it allowed me to get used to all my peers and the culture of Christel House. The teachers are amazing, and they always go the extra mile. I was very blessed to have been granted the opportunity to attend Christel House."

Growthpoint GEMS

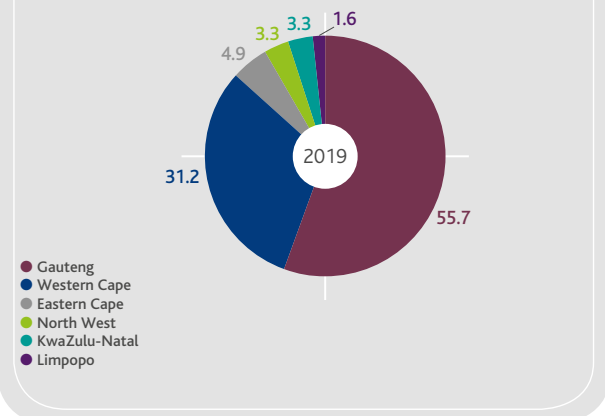
This flagship internal programme provides financial support to lower-income earning staff to further their children's education. For the period under review we have funded scholarships to the value of R4 751 295. The programme has already assisted many children to gain adequate assistance for their current schooling along with additional support in fundamental subjects such as maths and science.

For the first time this year, our Growthpoint GEMS learned fundamental coding skills with a Sphero robotics programme during the June 2019 school holidays – skills needed to make them efficient 21st century digital citizens.

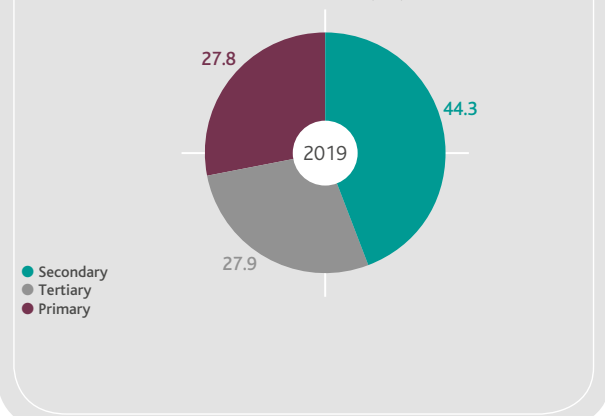
There are 61 students in the Growthpoint GEMS programme.

The qualifying salary limit for the parents and guardians of Growthpoint GEMS has been increased to R370 000 per annum cost-to-company for the 2020 academic year. When the programme commenced, the initial qualifying salary limit was R300 000 per annum.

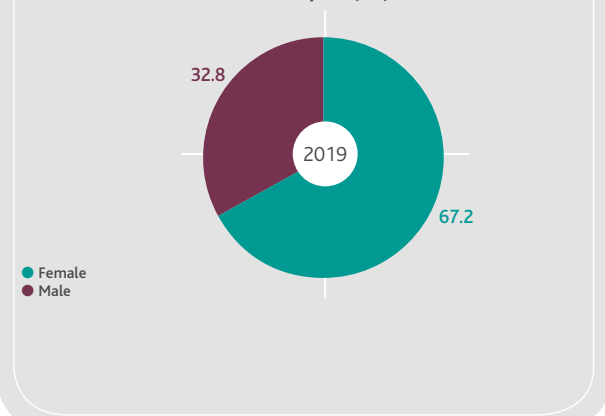
Regional split (%)



Education level (%)



Gender split (%)



Leadership camps

These key events play a pivotal role in the programme. In January, students have the opportunity to prepare themselves for the academic year and are provided with tools to track their achievements throughout the year. They also enable students to engage with each other and discuss the issues that they face both at home and in the classroom. Since starting the leadership camps, we have seen growth in each student's confidence levels.

Growthpoint GEMS proudly celebrated its first graduate at the end of 2018, after Clinton Bvumbi completed his Diploma in Business Management with distinction and then went on to enrol for a BCom in Business Administration.

"Allow me to thank Growthpoint for the opportunity I was given. If it were not for you, I would not be here today."
 Clinton Bvumbi



G-Squared staff volunteering initiative

G-Squared (G²) is intended to increase awareness among staff about Growthpoint's involvement in community development and to encourage and enable staff volunteerism. During the period under review we increased our volunteered hours from 490 to 926 hours with executive management actively participating. The increase in staff volunteering was due to the type of initiatives that we supported and our swift and urgent responses to the disasters in Mozambique, KwaZulu-Natal and Alexandra Township.

Robben Island experience

Two Growthpoint executives experienced the life of a Robben Island political prisoner for two days, an experience organised by Education Africa to raise funds for Model United Nations debates in high schools around SA.

STAKEHOLDER ENGAGEMENT

A stakeholder engagement session was held in April 2019 for beneficiary organisations funded by Growthpoint to help us better understand issues surrounding their environments, and for everyone to get to know each other better. Together, we focused on sharing our CSR strategy, increasing understanding of The Theory of Change, and building social enterprises for sustainability.

"Wow, what a great couple of days! Thank you so much for the conference that you facilitated last week. It was great to connect with all your partners and particularly with your Growthpoint personnel. Thank you for your generosity in making this happen. I am sure I was not the only one who appreciated the kindness of your company in what you do."

We at Genesis would like to extend our gratitude to all at Growthpoint for your support for our projects and for the undeniable "heart" that you have for our community. I personally have derived some real encouragement from the seminar last week. Your team and facilitators were all outstanding."

Genesis Safeplace Director

List of events for G-Squared

	Period	Number of staff	Hours logged	Meals	Beneficiaries
Mandela Day PE	July	10	31	500	500
Mandela Day DBN	July	16	65	600	600
Mandela Day JHB	July	21	93	300	300
Mandela Day CPT	July	9	36	1 540	1 540
Tomorrow's Women in Property	September	19	57		23
Joseph Gerard Old Age Home	November	25	125		32
Rise Against Hunger	November	62	186	25 000	96
G-Squared JHB – Rise Against Hunger	May	55	165	16 000	61
G-Squared PE – Rise Against Hunger	May	14	42	5 000	19
G-Squared CPT – Rise Against Hunger	May	28	84	10 000	38
G-Squared DBN – Rise Against Hunger	May	14	42	5 000	19
		273	926	63 940	3 228

Corporate social responsibility report continued

ENTERPRISE AND SUPPLIER DEVELOPMENT

Growthpoint develops sustainable small businesses through our Property Point initiative. Launched in 2008, its sustained action has changed the small business landscape in SA's property sector. It has mobilised transformation and helped to build effective entrepreneurial ecosystems within the sector. Its demand-led approach is built through market understanding and successfully achieves market uptake of small businesses into supply chains.

The award-winning Property Point enterprise and supplier development programmes have also successfully accelerated small business growth, as demonstrated through the precise and provable measurement – internal and external – of their real impacts.

This year, Property Point commissioned StratEcon Applied Economic Research to measure its economic contribution from 2008 to 2018. Its success has exceeded anything we thought possible. It is making a real difference to the growth and sustainability of many small businesses, with meaningful knock-on impacts. Highlights from the research report are:

R1.58bn cumulative contribution to total GDP

R1.14bn cumulative access to markets

2 598 jobs created (direct and indirect)

78% accelerated revenue growth in year two after a business joins the programme

R14.20 return on investment for every R1 spent on Property Point sponsorship

Needless to say we are pleased at Property Point's significant positive impact on economic stimulus, creating jobs, facilitating small business access to private sector markets and building accelerated revenue growth for small businesses. Growthpoint remains committed to growing businesses and our economy to help address SA's societal problems of inequality and inequity.

The full research report quantifying Property Point's economic contribution to SA can be requested on www.propertypoint.org.za.

Case study: TT Holdings

At just 23 years old, with no work experience but armed with his BSc Quantity Surveying and burning ambition, Thapelo Tlhapane from Rustenburg, North West, registered TT Holdings in 2015 and embarked on his business journey.

"My first client, TSK, was my former employer and a Property Point graduate company. When I started my business, I knew I wanted to get into the Property Point programme. It did not work out the first time as I did not meet the minimum requirement. However, I tried again the following year and was accepted," explains Tlhapane.

As a youth with little practical work or business experience, the Property Point programme became the blueprint for building TT Holdings from the ground up.

Overcoming the challenge of inexperience meant learning to network, understanding the value of market linkage support and practical exposure to the business environment. Tlhapane's mentorship focused on the technicalities of running a business.

From working in a town house, TT Holdings now has two branches; Johannesburg and Rustenburg. It works with most of the mines in the North West, taking advantage of localisation and has nine staff members, with one *ad hoc* employee in Bloemfontein.

Tlhapane credits the programme for helping his own personal growth and maturity, traits that have helped him grow his business by retaining customers and becoming a principal agent who determines the scope of work and appoints suppliers on projects.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND TRANSFORMATION

Industry review

Growthpoint remains committed to transformation in the property sector. For the reporting period Growthpoint achieved a level 2 B-BBEE rating as measured by the Property Sector Charter scorecard. This is an improvement from our previous scoring of level 3. FY20 is the final year covered by our current transformation strategy and our performance against the set targets can be viewed on page 9. Key lessons have been learned on our transformation journey, which we will apply to the next version of our strategy, which we be effective from FY21. Having exceeded the targets set by the Property Sector Charter Codes, especially for enterprise and supplier development, we are confident that the next three years will yield improved transformation and diversification within the business, as the leaders in transformation in the sector.



Procurement and facilities management

Growthpoint's business processes and management are consciously directed at addressing environmental, social and governance (ESG) concerns. Two key areas where we are making an impact are procurement and facilities management. These divisions work to ensure that we operate as a responsible corporate citizen in alignment with our values and corporate culture.

The largely negative perception of South Africa's management of ESG issues remains highlighted in the challenging economic environment in which we currently operate. Added to this is the perceived political risk and the growing focus of investors on ESG, so Growthpoint tries to give comfort to stakeholders regarding our operations through continual enhancement of our disclosure on ESG indicators.

Our procure-to-pay division is committed to attaining cost efficient services from credible and skilled vendors and simultaneously ensuring that we perpetuate our contribution to B-BBEE advancement. Our vendor approval process has been enhanced and the recently implemented system enables notifications regarding governance and other issues to be adhered to by providing timely reminders for certifications to be updated. A lot of work has been done over the past few years to enhance our procurement processes and ensure that they add value to all stakeholders. For FY19 a total of R6.3m was spent on procurement. Through continual engagement with our vendors we also ensure that they are aware of and implement the required levels of pay and safety.

Growthpoint's facilities management teams provide a core service to ensure operational continuity, compliance, health and safety as well as tenant comfort and satisfaction in our buildings. The people in this division are skilled and committed to delivery in a culture of customer service.

Procurement

This important division optimises our collaboration with our many internal and external stakeholders. It focuses on cost efficiencies, Requests for Proposals (RFPs), projects, negotiations with suppliers and the measurement of supplier development. It ensures that critical operational spend goes through the Procure-to-Pay division and is involved in the development phase of stakeholder projects. It is responsible for achieving compliance with best practice processes and policies, and for engaging with stakeholders to consolidate and leverage our company-wide spending power. Similarly, it manages supplier numbers to leverage meaningful supplier relationships. It enhances our use of working capital. Procure-to-Pay also ensures that contracts and service level agreements are in place with suppliers.

It is important to note that we continually engage with our suppliers on compliance issues. There has been clear communication of our expectation that there will be compliance on issues such as the minimum wage, health and safety, human rights, labour practices and B-BBEE levels. These indicators are a few of the requirements that need to be met in order to qualify as a vendor for Growthpoint.

We work with suppliers to assist them in their compliance endeavours, and engage in supplier development in the greater supply chain with business and Property Point. In all our efforts we remain cognisant of possible risks from a supply chain perspective. Our efforts to streamline processes and optimise efficiencies without compromising on quality are ongoing.

Key objectives:

- Replacing manual order books with an electronic order system to elevate system controls and risk minimisation
- Identifying potential RFPs and achieving total cost savings through RFPs and negotiations
- Ensuring quality service delivery through regular meetings with suppliers to review performance
- Upholding fair supplier selection and awards through stringent RFP processes
- Reducing lead times with suppliers and service providers
- Identifying high-spend suppliers
- Improving Growthpoint's B-BBEE scorecard
- Ensuring contract compliance
- Compiling quarterly reports
- Developing suppliers in the greater supply chain through our procurement system and with Property Point
- Looking at any risks from a supply chain point of view.

Highlights for FY19

The implementation of our procurement system went well. Greater regulatory compliance and a streamlined RFP process has been achieved by using an automated notification system to identify suppliers that need to provide proof of their regulatory compliance.

We led the sourcing of green cleaning products, which have now been integrated into the business.

Growthpoint's "market day" initiative was a resounding success. It enabled manufacturers, businesses and suppliers to showcase their products and services to each other and to Growthpoint. It boosted collaboration between our vendors, and manufacturers and suppliers are now

Procurement and facilities management continued

working together to optimise costs, deliverables and connectivity. A specific market day focused on our hygiene value chain in Johannesburg was held and since participants found it so beneficial, we will roll this out nationally in future.

There is a waste RFP scheduled for the latter part of 2019. This effort is being undertaken in collaboration with our sustainability department to ensure that all waste is dealt with appropriately and that our landfill activity is kept to a minimum. It will be guided by best practice and recent changes to waste legislation. This reinforces the importance we place on sustainability considerations.

Facilities management

This division is responsible for fostering a culture of collaboration that enhances the performance of our assets. It does this by delivering maintenance solutions, value-added client experiences and quality facilities for the whole lifecycle of each asset, guided by best practice and legislation. By tracking and managing the capital and operational budgets, the facilities management team continues to keep the physical assets safe and functional within the prescribed budgets. It also focuses on driving down costs without compromising service levels.

Key objectives:

- Improving customer experience through knowledge-sharing, standardisation and increasing the consistency of the facilities management function across the organisation
- Maintaining all mechanical, electrical, structural and civil aspects of each asset under management within the investment strategy
- Ensuring that all assets comply with, and are maintained within, the provisions of the Occupational Health and Safety Act (OHSA), local by-laws, and SA Bureau of Standards (SABS/ SANS) standards

- Providing operational touchpoints or interfaces for development, sustainability and other infrastructure programmes
- Investing in and researching technology solutions to streamline service delivery and automate integrated processes
- Maximising B-BBEE spend on services and products procured for operating and maintaining properties
- Consistently striving to enhance and improve the client experience
- Continuously researching and benchmarking expenses and facilities management best practices to create value for all stakeholders
- Constant measurement of our asset performance to minimise risk to our buildings, clients and staff
- Ongoing staff development and succession planning.

Highlights for FY19

The built environment continues to evolve with the introduction of new technology, artificial intelligence (AI), the Internet of Things (IoT) and infrastructure challenges. However, many positive strides were made over the past year by our dedicated and competent facilities management teams who have all aligned themselves with the company's goals. They drive a professional client and customer service culture throughout the business and extract maximum value from our assets through optimum pricing models.

Considering the water crisis experienced in the Western Cape, Growthpoint undertook and completed a successful project to future-proof our buildings in Cape Town against any further water shortages.

This was achieved by installing additional storage tanks and introducing water-saving initiatives to provide the buildings with water treated to potable standards for non-potable use and sanitary flushing purposes. To secure water stability,

Growthpoint has undertaken a water user licence application (WULA) process to register and license all boreholes in the portfolio.

Due to the electrical supply challenges experienced this year, and specifically load shedding, Growthpoint has taken action to support and ensure the continuity of power to our clients by securing bulk diesel storage facilities and introducing a dedicated diesel replenishment team.

Good progress was made by our contract administration team and all reports are managed electronically. Management processes now include updated KPIs. We also introduced an electronic KPI management module for effective and consistent supply-chain management across the portfolio with the aim of improving overall service delivery. Along with that, our lift intercom systems and smart metering systems are now remotely monitored through the national call centre to improve the overall operational effectiveness for our clients.

Carbon footprint reporting is included on Growthpoint's Risk Improvement Management System (RIMS) for accurate and effective reporting and includes indicators such as diesel and waste.

Multiple roofing replacement projects were undertaken and managed, many in support of PV panel installations. For the inland portfolio, a team was established to carry out Infra-Red electrical compliance inspections and reports.

There was a continuous drive to ensure Automatic Sprinkler Insurance Bureau (ASIB) compliance throughout the Growthpoint portfolio.

Governance

The Growthpoint Properties Limited Board of Directors (the Board) has the responsibility of leading the company with integrity and to ensure a sustainable business. In an environment with increasingly regulatory pressure due to corporate failures, the company acknowledges the need to maintain a balance between the expectation of interests, regulators and other stakeholders and the need to deliver competitive financial results in a challenging economic environment.

Growthpoint upholds and applies the provisions and principles of the King IV Report on Corporate Governance for South Africa (King IV) and follows these for the 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 interest. These include the Code for Responsible Investment in South Africa (CRISA).

Creating value with good corporate governance

Our good governance standards are reflected in Growthpoint's track record of consistent performance over the past 16 years, which assures our stakeholders of our predictability, accountability, transparency and sustainability.

Growthpoint has the advantage of a stable management team and Board. While we are confident that the Board has the appropriate balance of knowledge, skills and experience, as well as independence for objective and effective governance, we assess both separately.

The Board considers its current composition to be suited to the company's business, but has commenced an independent skills profiling and assessment process, to enable good succession planning as we rejuvenate the Board. This will help ensure that the skillsets of new and future directors are complementary to those of the current directors and identify skills gaps to be addressed in the future.

The Board has resolved that to ensure independence that the maximum tenure of a director on the Board would be 12 years, effective at the financial year end of the 12th year. However, if requested by shareholders, a director's tenure could be extended, but they would be required to resign at each subsequent AGM and be re-appointed.

It was further recommended that Non-executive Directors on the Board may not hold more than four directorships, including Growthpoint. The Chairman would also be limited to four directorships, including a maximum of two Chairman positions. The Non-executive Directors would not be allowed to sit on boards of competitor companies or companies in the same market space. The reason for this is that the individual directors need to ensure that they have necessary capacity in order to prepare adequately for meetings and attend all Board and committee meetings.

Executives are not to serve on external boards. Exceptions would be subject to the discretion of the Board.

We have several longer-serving directors who, because of their experience and insight, make a particularly robust contribution to management accountability. We value their inputs and their independent judgement and want to ensure that this depth of skill and knowledge is retained on the Board as it is refreshed.

The Board conducted its annual independence assessment of the Non-executive Directors and made use of an independent consultant who oversaw the process and confirmed its integrity.

Further building on our good governance in FY19, we set up a formal IT governance framework and put suitable oversight in place.

Philosophy

The creation of value is at the heart of integrated thinking and therefore governance in Growthpoint extends beyond legislative and regulatory compliance. Management strives to foster an enterprise-wide culture of good governance linked to the Group's business philosophy which incorporates our vision, values and ethics. The Board and management subscribe to the philosophy that corporate governance, built on an ethical and values-based foundation, permeates through all business activities and enables the company to achieve its strategic objectives.

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 that are in place, Growthpoint's financial and other controls and the supervisory oversight exercised in the organisation are appropriate and adequate.

2019 corporate governance assessment

The company has completed its annual governance self-assessment by applying an accredited governance assessment tool, with a satisfactory outcome.

The full register of the company's application of the King IV principles can be found on the company's website www.growthpoint.co.za.

The Board of Directors

During the year under review and as at the date of issue of this report, Growthpoint had a unitary Board comprising 14 directors in total: four Executive Directors and 10 Non-executive Directors, seven of whom are regarded by the Board as independent.

Governance continued

The Board has started to appoint new directors as part of a process of rejuvenation, in terms of which Mr FM Berkeley, Mrs CMF Teixeira and Mr JA van Wyk (Independent Non-executive Directors) were invited to join the Board. These appointments are subject to shareholder approval, by way of an ordinary resolution, at the AGM.

The Board provides strategic direction and leadership, promotes shareholder value and enhances the sustainability of the business, to the benefit of the company and all its stakeholders. To ensure that they act with independence of mind and integrity, directors are required to abide by Growthpoint's Code of Ethics and policies promoting ethical behaviour.

The directors declare their financial interests annually, as per the Act. Directors' interests in the company's shares as at 30 June 2019 are set out in the AFS note 20 (related-party transactions).

The expertise and business experience of each of the executive and non-executive directors enable them individually, and as a Board, to evaluate strategy, assess the company's performance, and always act in Growthpoint's best interests.

An informal skills profiling process and assessment of all directors is being conducted by an independent consultant and the Board considers its current composition to be suited to the business.

Non-executive Directors have unrestricted access to company information and members of management as well as the Executive Directors. To help them fulfil their responsibilities effectively, Non-executive Directors may also seek independent professional advice, paid for by the company. The Audit Committee provides, as a standing item on the agenda of regular meetings, for combined or separate closed sessions with management, the external auditor and the internal auditor to be held after every meeting.

The Board has adopted a Board-level gender diversification policy with a voluntary 30% target for female representation, including black women. (Currently, the four female directors represent 29% of the total number of directors.)

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 from time to time at Board level.

Directors with tenures of more than nine years

Name of director	Year of appointment	Number of years in service	Status
MG Diliza*	2001	18 years	Non-independent
PH Fechter**	2003	16 years	Non-independent
LA Finlay	2009	10 years	Independent
JC Hayward	2001	18 years	Independent
JF Marais***	2003	16 years	Non-independent
R Moonsamy	2005	14 years	Independent
NBP Nkabinde	2009	10 years	Independent
FJ Visser	2001	18 years	Independent

* B-BBEE partnership.

** In view of the number of Growthpoint shares under Mr Fechter's control, he is perceived by some shareholders to be non-independent, but the Board is satisfied that he is able to, and does, apply his mind independently at Board and committee meetings.

*** Partner of Glyn Marais Inc. which provides various legal services to the Group.

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, *ad hoc* or special meetings are convened. Due regard is given to recusal of directors where conflicts of interest or related-party positions exist or could arise.

Details of attendance at Board and committee meetings in FY19 are set out below. Board members are encouraged to serve on at least two Board committees.

Five scheduled Board meetings were held during FY19. In all cases where directors or committee members were unable to attend a meeting, the Board or respective committee accepted their leave of absence.

	Board	Governance and Nomination Committee	Audit Committee	Risk Management Committee	Property and Investment Committee	Social Ethics and Transformation Committee	Human Resources and Remuneration Committee
JF Marais	5/5	4/4		4/4*		1/4*	4/4
O Chauke	5/5			4/4*		4/4*	4/4*
EK de Klerk	5/5		5/5*		3/4*	3/4*	3/4*
MG Diliza	5/5	4/4			4/4	4/4	
PH Fechter	5/5	4/4			4/4		
LA Finlay	5/5	4/4	5/5		4/4	4/4	
JC Hayward	5/5	4/4	5/5	4/4			
SP Mngconkola	5/5			4/4		4/4	
R Moonsamy	5/5				4/4	4/4	
NBP Nkabinde	5/5			4/4		4/4	
LN Sasse	5/5	4/4*		3/4*	3/4*		4/4*
N Siyotula	5/5		5/5				4/4
FJ Visser	5/5	4/4		3/4			4/4
G Völkel	5/5		5/5*	4/4*	4/4*	4/4*	

* Standing invitation.

Directors' remuneration

Directors' remuneration is subject to annual review by the Human Resources and Remuneration Committee (Remco) and subsequent approval by the Board of the proposed fees to be submitted for approval at the AGM. The fees for FY19 were approved at the AGM held on 13 November 2018.

The most recent review of Non-executive Directors' remuneration included benchmarking by Remco's independent advisers. The Remco proposals for FY20 were approved by the Board on 10 September 2019. These recommendations will be presented at the AGM to be held on 12 November 2019. At the same time, shareholders will be asked to approve, by way of non-binding votes, the company's overall remuneration policy and implementation for FY20. The remuneration report containing this information is included in this section of 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

The roles of the Chairman and Group CEO are separate and they operate independently of each other.

The Chairman, Mr JF Marais, is a Non-executive Director. His responsibilities are contained in, but are not limited to, the Chairman's Charter. They include:

- providing overall leadership of 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
- with Remco's involvement, assessing the performance of the Group CEO
- in liaison with the Group CEO, assessing the performance of the other Executive Directors at least annually.

Board responsibilities and accountability

The Board is guided in all matters 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 to the business, mainly through the Risk Management and Audit committees
- providing direction to management.

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

The Non-executive Directors are independent of management and are free from relationships that could affect their judgement as directors. The Board is accountable to the company but is always cognisant of stakeholder expectations and interests. In its decision making, the Board adopts an inclusive approach to governance.

In July 2019 the Board, along with the Remco, Audit, Property and Investment, Risk Management and Social, Ethics and Transformation committees, conducted a formal self-assessment process. The overall outcome was positive and feedback was provided to the Board and the respective committees at their meetings held in September 2019.

Governance continued

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 in particular 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 and Growthpoint's mission and value statements are also posted on the company website www.growthpoint.co.za.

The outcomes of Growthpoint's governance structures, covered as follows, are dealt with extensively in other sections of this report.

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
- an employee integrity policy, to encourage employee compliance with policies and standards of best practice
- an anti-corruption and gift declaration policy
- whistle-blowing and protected disclosure policy, to encourage employees to raise concerns about workplace malpractice without fear of victimisation or reprisal
- substance abuse and sexual harassment policies forbidding these practices in the organisation.

Growthpoint has a whistle-blowing 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!)

Any whistle-blower will remain anonymous! 0800 167 463



Compliance framework

Statutory and regulatory compliance is a standing item on every agenda for the Risk Management Committee. Compliance with accounting standards and financial reporting requirements are overseen by the Audit Committee.

Compliance officers are decentralised throughout Group operations based on their expertise. The Company Secretary is responsible for Companies Act and JSE Listings Requirements compliance.

The Board receives feedback quarterly from the chairs 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, for the disclosure of conflicts of interest and for anti-corruption, and formal levels of authority and delegated signing authorities for business transactions.

During FY19, Growthpoint had no incidents of major non-compliance, fines or prosecutions linked, for example, to anti-competitive practices or other governance and economic issues.

Internal audit

The internal audit function, excluding the internal audit of IT, is provided in-house by the Head of Internal Audit and Risk Management. Its scope and functions are covered in the internal audit section of this report.

External audit

KPMG Inc. acted as external auditor for Growthpoint and its subsidiaries for FY19. The independence of the external auditor is reviewed every year by the Audit Committee with the auditor. The external auditor attends all Audit Committee and Risk Management Committee meetings and has unrestricted access to the chairmen of both committees.

Board committees

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

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

Every Board committee has Board-approved Terms of Reference which are periodically reviewed and are aligned, to the extent applicable and possible, with King IV, the Listings Requirements of the JSE Limited and the Act.

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

To promote sound corporate governance and optimise the sharing of information, the executive directors and other senior executives are present at selected Board committee meetings either *ad hoc* or by standing invitation. The Company Secretary attends all Board and Board committee meetings.

All the committees have satisfied themselves that they have fulfilled their responsibilities in accordance with their respective Terms of Reference during FY19.

Policies and governance documents

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 of 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 AND/OR GOVERNANCE DOCUMENT	WHAT IT COVERS
Anti-corruption	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	Benefits granted to employees such as rewards for exceptional performance gifts, long service awards, professional memberships and clothing allowances.
Board Charter	Terms of Reference, overall purpose and objectives of the Board, membership and responsibilities, accountability, self-assessment and Code of Ethics.
Board gender diversification policy	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 policy	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.
Breach of the company's business practice	Growthpoint has faith in the principle 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.
Cell phones	Eligibility, reimbursement process and levels in compliance with SARS practice.
Closed periods	When Growthpoint is in a closed period (prior to the half year and the year end results), no director or employee may trade in Growthpoint shares or any derivative thereof. Employees are to obtain approval from the Company Secretary before trading in Growthpoint shares in order to ensure that Growthpoint is not in a closed period. The rules apply to personal account dealings undertaken by any employee or connected person, either for their own account or for the account of a connected person.
Computer usage	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.
Confidentiality	Confidentiality obligations on directors, officers and employees of Growthpoint and its subsidiaries who come into possession of material, non-public information concerning the company who 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.

Policies and governance documents continued

POLICY AND/OR GOVERNANCE DOCUMENT	WHAT IT COVERS
Confidentiality of employee information	<p>Confidentiality of employee information. The confidentiality of employee information will be maintained at all times:</p> <ul style="list-style-type: none"> • The employee's right to privacy will be upheld and respected at all times • Any employee check will require prior authorisation by management • Checks will be conducted only where there is a reasonable and justifiable business requirement.
Conflict of interest	<p>Disclosure of conflict of interest. In line with the group's philosophy of personal empowerment, we respect employees' rights to manage their personal affairs and to conduct activities outside the scope of Growthpoint's operations. Should employees believe that a potential transaction/activity may constitute a conflict of interest or interfere with their responsibilities to the company, employees are expected to disclose this to their manager. The company maintains that disclosure and transparency mitigate against conflict of interest.</p>
Corporate social responsibility	<p>Guidelines and assistance in order to implement SED (socioeconomic development) and enterprise and supplier development (ESD) elements of broad-based black economic empowerment (B-BBEE).</p>
Credit	<p>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.</p>
Disability disclosure	<p>Encourages appropriate disclosure by staff with disabilities. The objective of disclosure is to understand the needs and requirements of staff with disabilities to enable Growthpoint to meet their needs with reasonable accommodation and to create an inclusive environment for all staff. We respect the ability, competence and personhood of all our staff.</p>
Disclosure and crisis management	<p>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.</p>
Diversity and inclusion forum constitution	<p>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:</p> <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.
Dress code policy	<p>Defines appropriate business attire to be adopted by Growthpoint staff.</p>
Education bursary scheme	<p>Provides all employees with focused educational opportunities, to enable the acquisition of qualifications necessary for career development within Growthpoint.</p>
Employee risk management	<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.
Employment equity plan	<p>Growthpoint is committed to creating a diverse and transformed working environment, which will provide equal opportunity to all its employees, while giving special consideration to employees from designated groups. Growthpoint will take steps to 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.</p>
Environmental policy	<p>Growthpoint's commitment to responsible environmental conduct. Areas of consideration include climate change and carbon emissions, energy, water, waste and biodiversity.</p>

POLICY AND/OR GOVERNANCE DOCUMENT	WHAT IT COVERS
Financial assistance to employees	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.
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) which 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.
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.
Insider information	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.
IT Governance Charter	Embeds IT governance as part of corporate governance within Growthpoint. It outlines the scope, required effort and responsibility with regards to developing, implementing and maintaining Growthpoint's IT governance.
Job grades and pay scales	A process of evaluating positions and classifying them according to their relative significance. Growthpoint uses a Paterson Grading system.
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.
Nomination policy	Provides principles for the Nomination Committee or the Board in nominating and appointment of directors to the Board.
Personal relationship	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.
Privacy policy	The purpose is to provide 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.
Procurement	Stipulates the process and procedure undertaken during procurement practices. Specific considerations are given to the size of the procurement deal as well as to B-BBEE considerations.

Policies and governance documents continued





POLICY AND/OR GOVERNANCE DOCUMENT	WHAT IT COVERS
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).
Representing the company	Provides direction and guidance to Growthpoint employees where required to represent the company to external persons and/or clients. Company representatives are expected to ensure that no confidential information is shared and all information shared is factually correct. Company representatives are not permitted to commit or bind the company to transactions or business practices which have not been approved by the forum authorised to do so.
Retirement	Group provident fund, early retirement benefits, low-risk portfolio option, staff incentive scheme, retirement counselling and financial planning.
Risk management	The Board has overall responsibility for the adoption, oversight and reporting of Growthpoint's risk management framework. Growthpoint's risk framework encompasses four distinct categories.
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.
Share dealings	Governs share dealings by directors and executive members and the imposition of closed periods. Prior clearance to deal is required from the Group CEO and/or Board Chairman. Deal disclosure is dealt with in terms of the Listings Requirements of the JSE Limited.
Social media	This governs the use of social media by Growthpoint and all its subsidiaries or affected companies' employees, associates and contractors, in both a personal and professional capacity.
Sponsorship policy and procedure	The process to be followed by the sponsorship sub-committee of the SA Executive Committee to ensure objectivity and impartiality in sponsorship decisions.
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.
Transformation strategy	Details Growthpoint's strategy to achieve the required B-BBEE scorecard and Property Sector Charter transformation target.
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.
Treasury policy	<p>The purpose of this policy is to set up a framework for managing financial risks across the Growthpoint group. The policy:</p> <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 • Establishes a control framework to regulate treasury activities to mitigate operational risk and to minimise financial 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.

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>2019 IAR, CSR 2019 ESG, CSR</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>2019 IAR, COO: RSA statement 2019 IAR, CSR 2019 ESG, Environmental approach 2019 ESG, CSR</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>6 NDP objectives from Chapter 10: Healthcare for All</p>	<p>2019 IAR, Our people 2019 ESG, Our people</p>
 <p>4 QUALITY EDUCATION</p>	<p>13 NDP objectives from Chapter 9: Improving Education, Training and Innovation</p>	<p>2019 IAR, Our people 2019 IAR, CSR 2019 ESG, Our people 2019 ESG, CSR Growthpoint CSI https://growthpoint.co.za/corporate-social-investment/stakeholder-engagement Property Point http://www.propertypoint.org.za/</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>2019 IAR, COO: RSA statement 2019 IAR, Our people 2019 IAR, CSR 2019 IAR, Risk management</p>

Growthpoint's impact on the UN Sustainable Development Goals (SDGs) and National Development Plan (NDP) continued

UN SDGS	ALIGNMENT WITH NDP	GROWTHPOINT ALIGNED ACTIVITIES
 <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>2019 IAR, COO: RSA statement</p> <p>2019 IAR, CSR</p> <p>2019 ESG, Environmental approach</p> <p>2019 ESG, CSR</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>2019 IAR, COO: RSA statement</p> <p>2019 ESG, Environmental approach</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>7 NDP objectives from Chapter 3: Economy and Employment</p>	<p>2019 IAR, CSR</p> <p>2019 IAR, Our people</p> <p>2019 IAR, Chairman's review</p> <p>2019 IAR, Group CEO review</p> <p>2019 IAR, FD review</p> <p>2019 IAR, CEO: RSA overview</p> <p>2019 IAR, COO: RSA statement</p> <p>2019 ESG, CEO: RSA overview</p> <p>2019 ESG, Our people</p> <p>2019 ESG, CSR</p> <p>2019 ESG, Procurement and facilities management</p> <p>Property point http://www.propertypoint.org.za/</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>1 NDP objective from Chapter 4: Economic Infrastructure</p>	<p>2019 IAR, CEO: RSA overview</p> <p>2019 IAR, COO statement</p> <p>2019 IAR, Our Investment, development and trading</p> <p>2019 IAR, CSR</p> <p>2019 ESG, CEO: RSA overview</p> <p>2019 ESG, CSR</p> <p>Property point http://www.propertypoint.org.za/</p>
 <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>2019 IAR, Chairman's review</p> <p>2019 IAR, Our people</p> <p>2019 IAR, CSR</p> <p>2019 ESG, Our people</p> <p>2019 ESG, CSR</p> <p>2019 ESG, Procurement and facilities management</p>

UN SDGS	ALIGNMENT WITH NDP	GROWTHPOINT ALIGNED ACTIVITIES
 <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>2019 IAR, COO: RSA statement 2019 IAR, Our people 2019 IAR, CSR 2019 ESG, CEO: RSA overview 2019 ESG, Environmental approach 2019 ESG, Our people 2019 ESG, CSR Property point http://www.propertypoint.org.za/</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>2 NDP objectives from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2019 IAR, COO: RSA statement 2019 ESG, CEO: RSA overview 2019 ESG, Environmental approach 2019 ESG, CSR 2019 ESG, Procurement and facilities management</p>
 <p>13 CLIMATE ACTION</p>	<p>3 NDP objectives from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2019 IAR, Group CEO review 2019 IAR, COO: RSA statement 2019 IAR, Risk management 2019 ESG, CEO: RSA overview 2019 ESG, Environmental approach Growthpoint targets https://growthpoint.co.za/environmental-sustainability/targets</p>
 <p>14 LIFE BELOW WATER</p>	<p>1 NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>Two Oceans Aquarium https://www.aquarium.co.za/</p>
 <p>15 LIFE ON LAND</p>	<p>1 NDP objective from Chapter 5: Environmental Sustainability and Resilience</p>	<p>2019 IAR, COO: RSA statement 2019 ESG, Environmental approach</p>

Growthpoint's impact on the UN Sustainable Development Goals (SDGs) and National Development Plan (NDP) continued

UN SDGS	ALIGNMENT WITH NDP	GROWTHPOINT ALIGNED ACTIVITIES
 <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>2019 IAR, CEO: RSA overview 2019 IAR, COO: RSA statement 2019 IAR, Our people 2019 IAR, CSR 2019 ESG, CEO: RSA overview 2019 ESG, Environmental approach 2019 ESG, Our people</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>2019 IAR 2019 ESG report</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>2019 IAR, Our people 2019 IAR, CSR 2019 ESG, Our people 2019 ESG, CSR</p>

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