



Independent Verification Statement

To the Directors and Management of Growthpoint Properties Limited

Growthpoint Properties Ltd. ("Growthpoint") engaged Verify CO₂ to conduct an independent third-party verification of the Group's greenhouse gas (GHG) emissions inventory for its South African property portfolio for the period 1 July 2020 to 30 June 2021 (FY21), as calculated and presented on the Emissions Disclosure page of the GCX Analytics online dashboard.

Growthpoint is the largest South African primary JSE-listed REIT. The company has a significant and diversified property portfolio both in South Africa and offshore. Growthpoint exercises operational control over its South African assets (excluding the V&A Waterfront in Cape Town). All offshore assets are independently managed.

The GHG verification was carried out in accordance with the International Standard ISO14064-3 (2006) '*Specification with guidance for the validation and verification of greenhouse gas assertions.*'

Intended users of this information are all Growthpoint stakeholders, including internal and external interested parties and the CDP (formerly the Carbon Disclosure Project). This Verification Statement applies to the related information included within the scope of work described below.

Verification scope

Consistent with historical GHG reporting, the organisational boundary was defined based on operational control with South Africa as the geographical boundary.

The operational boundary included all scope 1 and scope 2 GHG emissions sources, as well as the six measured scope 3 categories.

In conformance with **ISO14064-3 (2006)**, the verification process included an assessment of:

- The completeness of the reporting boundaries selected, taking into consideration any structural/other significant changes since the previous reporting period
- The robustness of the company's GHG data management systems, procedures and controls
- The appropriateness of the GHG quantification methodologies (including estimation methodologies) and emission factors applied
- The completeness and integrity of the historical activity data used
- The accuracy and consistency of the GHG emissions calculations
- GHG reporting to assess compliance with the requirements of the GHG Protocol Corporate Standard.

Verification objectives and performance criteria

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

1. Confirm that the historical data supporting Growthpoint's FY21 GHG assertion was accurate, complete, consistent, transparent and free from material error or omission, in accordance with the criteria below
2. Improve the credibility of Growthpoint's GHG emissions disclosure in the company's CDP2022 submission.

The criteria against which the verification was undertaken were the principles and requirements of the WRI/WBCSD GHG Protocol Corporate Accounting Standard, 2nd Edition, 2004 (GHG Protocol Corporate Standard). Where relevant, the South African National GHG Emission Reporting Regulations (NGERs), DEA April 2017, were also considered.

Assurance statements *continued*

Level of assurance and materiality

- The verification activities provided a **reasonable level** of assurance of the final GHG assertion. Considering the low level of complexity of Growthpoint's GHG emitting activities and constraints imposed by Covid-19 protocols, no site visits were carried out
- A materiality threshold of 5% per emission source was applied.

Roles and responsibilities

Growthpoint was responsible for the preparation and presentation of the GHG data to Verify CO₂.

Verify CO₂ was tasked to form an independent opinion on Growthpoint's FY21 GHG assertion regarding:

- Conformance with the principles and reporting requirements of the GHG Protocol Corporate Standard
- Completeness and accuracy of the activity data and GHG emissions quantification.

Specific exclusions from the reporting boundary⁽¹⁾

Only 377 out of 459 properties in Growthpoint's FY21 property portfolio were included in the reporting boundary. 5 additional sites were included⁽²⁾, and 87 sites were **specifically excluded** for the following reasons:

- 22 land and land-under-development sites
- 35 properties that were third-party managed (includes 23 properties with a triple net lease and 5 Hospitals)
- 5 vacant properties and 2 Trade and Development sites
- 1 Heliport and 22 Telecoms towers (not relevant).

The remaining **9 properties** were omitted due to data availability (it was assumed they were billed directly by council). These 9 sites accounted for 1.5% of Growthpoint GLA (as at 30 June 2021) and this omission was therefore deemed **not relevant**.

GHG assertion

After implementation of the necessary corrective action, Growthpoint's FY21 GHG emissions assertion, consolidated using the operational control approach, was therefore disclosed as:

FY21: GHG Emissions	Tonnes CO ₂ e
Scope 1	2 112
Scope 2 (location-based) ⁽³⁾	76 546
Total Scopes 1 and 2 (location-based)	78 658
Cat. 1 – Purchased municipal water and paper ⁽⁴⁾	2 776
Cat. 5 – Waste	7 144
Cat. 13 – Downstream leased assets ⁽⁵⁾	581 608
Other categories ⁽⁶⁾	750
Total Scopes 1, 2 and 3 (location-based)	670 937
Outside of Scopes (Product Use emissions: HCFC-22) ⁽⁷⁾	1 611

⁽¹⁾ Growthpoint has no operational control over the V&A Waterfront JV, GWI or any of its offshore subsidiaries.

⁽²⁾ 4 disposals in late FY21 and 1 managed-only property.

⁽³⁾ FY21 and historical scope 2 emissions were calculated using the location-based method only, as Growthpoint's reporting boundary only included its South African operations where contractual instruments were not used.

⁽⁴⁾ Municipal water consumption (2 987 151kl equivalent to 2 763tCO₂e) and office paper (13tCO₂e).

⁽⁵⁾ Tenant electricity consumption: 551 150MWh (548 687MWh purchased and 2 463MWh on-site renewable generation). Unrecovered/unbilled/unallocated tenant consumption was previously reported in Scope 3 but from FY21 it was moved to Scope 2 together with Growthpoint's own consumption, which includes vacant space consumption.

⁽⁶⁾ Includes Cat4. Courier transport (5tCO₂e); Cat.6 Business Travel (118 tCO₂e); Cat7. Employee Commute (627tCO₂e which includes 112tCO₂e calculated for staff working from home in lieu of the office).

⁽⁷⁾ Fugitive GHG emissions from refrigerant gases not listed under the Kyoto Protocol were included as over time HCFC-22 may be replaced by gases that are covered by the Kyoto Protocol (i.e. scope 1).

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

99.8% of measured and reported scope 3 GHG emissions were verified.

Additional data points verified:	Growthpoint	Tenants
Purchased/acquired electricity (Non-renewable)	72 213MWh	548 687MWh
On-site generation (Renewable – solar PV) ⁽⁸⁾	6 579MWh	2 463MWh
Electricity consumed	78 792 MWh	551 150MWh
Total electricity consumption	629 942MWh	
Total municipal water consumption	29 871 151kl	
	Landfilled	Recycled
Waste generated in operations⁽⁹⁾	5 446 487t	3 529 209t

⁽⁸⁾ Excludes 100% of the on-site solar generation for three properties that fell outside the reporting boundary (2057 MWh).

⁽⁹⁾ Under-reported as data only available for 33% of Growthpoint's property portfolio.

Inherent limitations

There is an inherent limitation in providing verification of GHG data, as non-financial data is subject to greater inaccuracy than financial data, given both the nature and methods used to determine, calculate, sample and estimate such data.

The assurance engagement did not include an examination of the derivation of GWPs, default emission factors, conversion factors, or other derived third-party information.

Verify CO₂ did not conduct any work outside of the agreed scope, and our opinion was therefore restricted to the agreed subject matter.

Conclusion and final verifier opinion

All material errors, omissions and non-conformities identified during the verification process were duly corrected.

On the basis of the reasonable assurance procedures followed according to ISO 14064-3, using the requirements of the GHG *Protocol Corporate Standard as criteria*, Growthpoint's FY21 GHG assertion:

1. Is prepared in accordance with the principles and requirements of the GHG *Protocol Corporate Standard*; and
2. Is materially correct and is a fair representation of Growthpoint's GHG emissions data and information for the FY21 reporting period, with the following qualifications:
 - **Scope 1:** Data from the RIMS/Worktrainer platform was used as the primary data source. The accuracy of the verified GHG emissions above is contingent upon the completeness and accuracy of this data.
 - **Scope 3 Waste:** GHG emissions were materially under-reported as no data was available for 66% of the Growthpoint property portfolio.
 - **GHG Reporting:** Only the GHG emissions calculations (and underlying activity data) reported on the GCX Analytics dashboard Emissions Disclosure page were verified.



Signed: Kerry Evans

Lead GHG Verifier

Verify CO₂

16 September 2021