



INDEPENDENT VERIFICATION STATEMENT

TO THE BOARD OF DIRECTORS AND MANAGEMENT OF GROWTHPOINT PROPERTIES LTD.

INTRODUCTION

Growthpoint Properties Limited (hereafter Growthpoint) commissioned GCX to perform an independent third-party verification of its greenhouse gas (GHG) emissions inventory as calculated in-house for the financial reporting period 01 July 2017 to 30 June 2018 (FY2018).

Growthpoint is a diversified property investment holding company incorporated and registered as a public company since 1987 and is listed under the 'Financial services Real Estate Investment Trust' sector of the JSE Limited (JSE). In addition to the 471 properties in Growthpoint's South African property portfolio during FY2017, the company has a 50% shareholding in V&A Waterfront Holdings (Pty) Ltd. and a 65.1% shareholding in Growthpoint Properties Australia Ltd (GOZ), but Growthpoint has no operational control over the latter two entities.

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

VERIFICATION OBJECTIVES AND PERFORMANCE CRITERIA

Growthpoint's key verification objectives were to confirm that the FY2018 GHG inventory is accurate and complete, to improve the quality of Growthpoint's GHG reporting and to enhance the credibility of the company's GHG emissions disclosure for CDP 2019.

The criteria for the verification were conformance with the principles, guidance and reporting requirements of the WBCSD/WRI GHG Protocol Corporate Accounting Standard, 2nd Edition, 2004 (hereafter referred to as the *GHG Protocol Corporate Standard*).

Growthpoint requested a **limited level of assurance** on the FY2018 GHG assertion detailed below.



GHG ASSERTION

After implementation of the necessary corrective action, Growthpoint's FY2018 GHG emissions assertion, consolidated using the operational control approach, was stated as:

FY2018: GHG Emissions	Tonnes CO ₂ e
Scope 1:	32.92
Scope 2 (location-based) ¹ :	1,562.39
Sub-Total Scope 1 & 2	1,595.31
Scope 3:	710,085.60
Total Scopes 1, 2 & 3:	711,680.91
Outside of Scopes ² :	1,492.35
Total Measured GHG Emissions:	713,173.26

VERIFICATION SCOPE

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

- The reporting boundaries selected;
- The quantification methodologies and emission factors applied;
- The completeness and integrity of the activity data used;
- The accuracy and consistency of the GHG calculations;
- GHG reporting to assess conformance with the criteria/requirements of the *GHG Protocol Corporate Standard*.

SPECIFIC EXCLUSIONS FROM REPORTING BOUNDARY

A total of **119 properties were excluded** from the reporting boundary for FY2018 for the following reasons:

- Properties with a triple-net lease, who are under third-party management – 12 properties;
- Properties who are billed directly by council - 49 properties;
- Vacant Land or properties under development – 33 properties;
- Properties sold prior to the reporting period – 18 properties;
- Properties considered stock (non-investment properties) or properties which Growthpoint does not have operational control over – 5 properties;
- No data available – 2 properties

There was no scope 1 or scope 2 consumption for these excluded properties.

¹ Growthpoint reported market-based Scope 2 emissions, however as Growthpoint does not have any Power Purchase Agreements or direct energy supply contracts in place, it has been excluded from the Scope 2 total.

² The GHG Protocol Corporate Standard states that emissions from non-Kyoto listed refrigerant gases should be reported separately from the Scopes (Non-Kyoto gases: 1,492.35 tCO₂e).



GROWTHPOINT'S RESPONSIBILITY

Growthpoint was responsible for the preparation and presentation of the selected subject matter to GCX.

RESPONSIBILITY OF THE INDEPENDENT VERIFICATION PROVIDER (GCX)

GCX's task was to form an opinion on the above GHG assertion, regarding:

1. Conformance with the principles and requirements of the *GHG Protocol Corporate Standard*;
2. Completeness and accuracy of the quantified GHG emissions for the FY2018 reporting period.
3. Given that this was a limited assurance engagement, no site visits were conducted.

INHERENT LIMITATIONS

There is an inherent limitation in providing verification of GHG data. Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used to determine, calculate, sample or estimate such data.

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

GCX has not conducted any work outside of the agreed scope and we therefore restrict our opinion to the agreed subject matter.

CONCLUSIONS: CARBON DISCLOSURE PROJECT

CC8.4: Exclusions from Disclosure: Yes (see above)			
CC8.4a (Scope 1 & Scope 2): Excluded emissions are not relevant			
CC8.5: Data Accuracy			
Scope 1		Scope 2	
Uncertainty Range	Uncertainty Sources	Uncertainty Range	Uncertainty Sources
>10% but <20%	Data gaps, Data Management	>5% but <10%	Data gaps, Extrapolation, Metering/Measurement constraints
CC8.6a, 8.7a & 14.2a: Proportion of Reported Emissions Verified			
Verification Type: Limited		Verification Standard: ISO 14064-3	
Scope 1: 100% ; Scope 2: 100% ; Scope 3: 100%			
CC8.8: Additional data points verified: No			

FINAL VERIFIER OPINION AND QUALIFICATIONS

On the basis of the **limited assurance** procedures followed, using the criteria of the *GHG Protocol Corporate Standard*, there is no evidence that Growthpoint's revised FY2018 GHG assertion:

- 1) Has not been quantified and reported in conformance with the general requirements of the *GHG Protocol Corporate Standard*; and
- 2) Is not materially correct and a fair, complete and accurate representation of the GHG data and information for the FY2018 reporting period, with the following qualifications:
 - **Scope 1:** For CDP reporting purposes, vehicle manufacturer fuel efficiency figures were used to convert distance-based data to fuel-specific volumes, from which the associated emissions were calculated. There are inherent inaccuracies in this methodology, as the impact of driver behaviour on fuel consumption is not taken into account in the emissions quantification.
 - **Scopes 2 & 3:** Estimation was used where purchased electricity and water consumption data was incomplete, which is subject to inherent inaccuracy.
 - **Scopes 2 & 3:** The Scope 2 and Scope 3 kWh consumption figures were derived by applying a GLA-based ratio to the total electricity consumption of each property with the exception of the three Head Office sites (Montclare Place, The Place, Lincoln on the Lake) where actual meter reading data was used. This is subject to inherent inaccuracy.



Signed: **Linden Smith**
GHG Verifier
GCX
Date: 17/10/2018



Signed: **Ohad Shachar**
Technical Director
GCX
Date: 17/10/2018