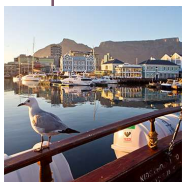


GROWTHPOINT
PROPERTIES



Green Bond Framework

1 November 2022

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1. Growthpoint Overview

1.1 About Growthpoint

Growthpoint Properties Limited (“Growthpoint”) is an international property company and the largest South African primary Real Estate Investment Trust (“REIT”) listed on the JSE, with assets in South Africa, Poland, Romania, Australia, and the UK. Growthpoint is committed to delivering spaces that positively impact the environment, as well as the physical and mental well-being of the people who occupy them. Our innovative and sustainable property offerings are designed around providing space for our tenants to thrive.

Committed to creating space to thrive, we own and manage a diversified portfolio of over 470 high quality physical property assets, measuring over 6 725 000m² of space, and with a R164.7bn Group total asset value. Income streams include property income, funds management fees and trading and development fees, across the Retail, Office, Industrial, Healthcare, Student Residential and Trading and Development sectors.

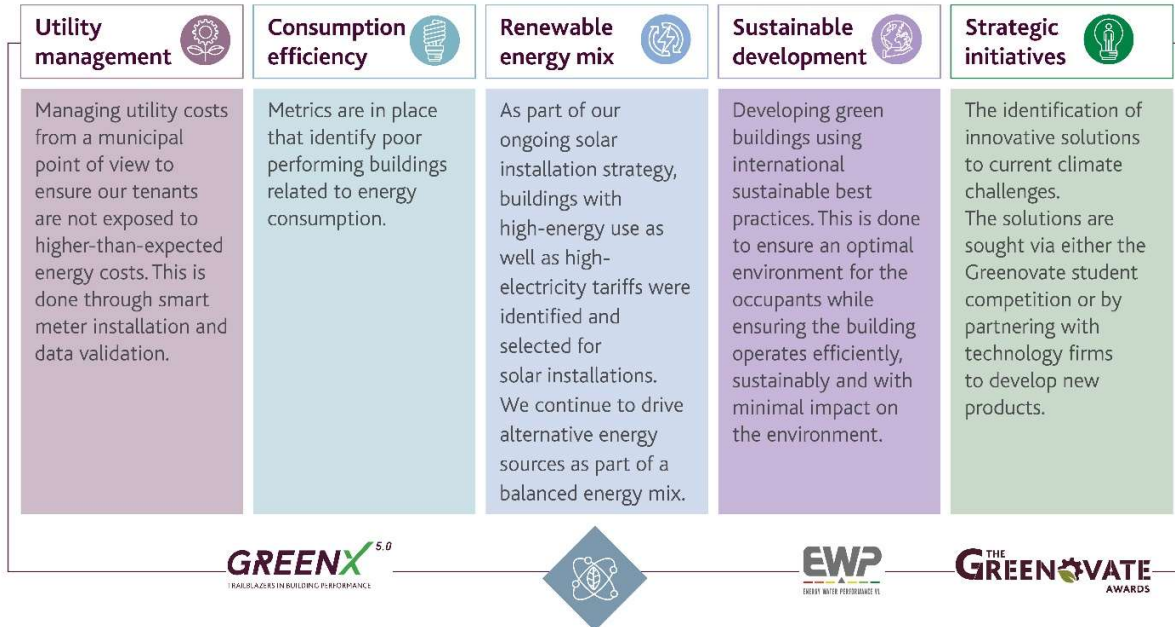
1.2 Growthpoint’s Sustainability Strategy

With integrity, ethics and our values guiding our governance, we provide space to thrive in environmentally sustainable buildings, while improving the social and material wellbeing of individuals and communities. We believe in creating value beyond compliance and focus on not only our corporate responsibility in the present, but future proofing our assets as well as tenant benefit.

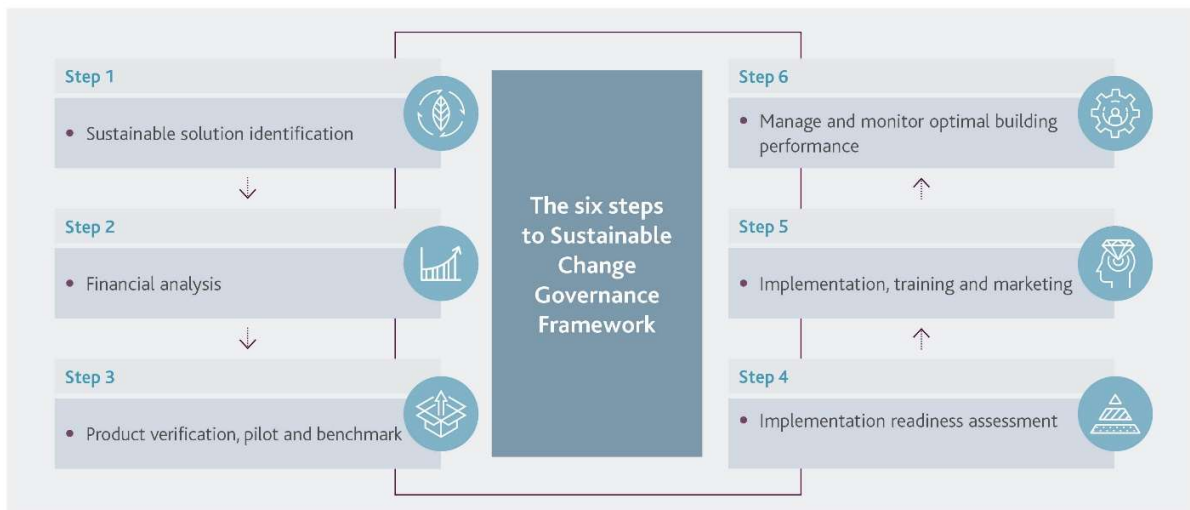
1.2.1 Environment

From an environmental perspective, our objective is to become carbon neutral by the year 2050. We will achieve this with the three key components of our sustainability strategy:

A. Value creation through a sustainable approach



B. Implementing the six steps to sustainable change governance framework



C. Meeting the 20:20:20:2 targets

Our updated 20:20:20:2 short-term sustainability targets are as follows:

- 20 net zero buildings by 2025
- 20 MW of solar energy by 2023
- R20m in green lease asset value for Growthpoint by 2025
- 2 commercially implemented Greenovate Award innovations by 2024

Growthpoint will continue to set further new stretch targets for specific maturity dates till carbon neutrality is achieved by 2050.

1.2.2 Social

In our social context, we endeavour to create a positive work experience for each of our employees while protecting the interests of the organisation and ensuring that it meets its objectives. We are driving sustainable impact for the communities in which we operate. Our core focus areas have been supporting education initiatives, entrepreneurship development and staff engagement.

1.2.3 Governance

We strive to give all stakeholders confidence that Growthpoint is a well-governed and well-conducted business, maintaining legal compliance, catering to investor requirements and intentionally managing risk.

1.3 Growthpoint's Environmental and Social Risk Management

Growthpoint manages its environmental impacts and risks through the Growthpoint Environmental Policy governing framework, which is endorsed by the Social, Ethics and Transformation Committee.

As stated in the policy: "Growthpoint is dedicated to maintaining compliance with all applicable environmental laws and regulations, as well as alignment with internationally recognised levels of performance in environmental management. In this regard, Growthpoint is committed to responsible environmental conduct and recognises that this extends beyond legal and regulatory requirements. Growthpoint undertakes its business in a manner that seeks to avoid causing pollution or degradation to the environment and if such pollution or degradation to the environment occurs, will take reasonable measures to stop the pollution or degradation from continuing or minimise the impact thereof. Growthpoint will actively raise environmental awareness among its tenants, employees and contractors." See <https://growthpoint.co.za/wp-content/uploads/2021/11/Growthpoint-Environmental-Policy.pdf> further details.

Furthermore, Growthpoint identifies and manages ESG risks in line with its risk management framework. Environmental and social risks have been identified and mitigation actions are detailed in Growthpoint’s Annual Integrated Report.

2. Green Bond Framework


This Green Bond Framework is dated 1 November 2022 and is applicable to green bonds issued after 1 November 2022. The inaugural green bond framework was established in 2018 and applicable to the green bonds (with codes GRT24G, GRT25G and GRT26G) issued in 2018.










The International Capital Markets Association’s Green Bond Principles are voluntary process guidelines for best practices for Green Bond issuances. Growthpoint’s Green Bond Framework is aligned with the four core principles.

2.1 Use of Proceeds

The proceeds of the green bonds will be applied to finance or refinance new and existing green projects or equity investments, which reduce the impact on the environment. The projects or equity investments can be undertaken by Growthpoint or its South African domiciled subsidiaries.

Growthpoint has identified categories from which Eligible Projects will be identified and Eligible Projects will fall in one of the Green Project Categories to qualify as a Green Project:

Green Project Categories	Description	Eligibility Criteria	UN SDG Alignment
<p>Green Buildings</p>	<p>The financing or refinancing of new and existing properties that meet regional, national or international recognized standards or certifications for environmental performance.</p>	<p>Buildings must have at least one of the following:</p> <ul style="list-style-type: none"> • A 4 star green star rating or higher; or • An Energy Water Performance (EWP) Level 6 or higher; or • Certification focused on the health and well-being of tenants (WELL Building Standard); or • Excellence in Design for Greater Efficiencies (EDGE) certified by the International Finance Corporation’s EDGE partners. 	

Energy Efficiency	The financing or refinancing of projects or equity investments that improve in energy efficiency in new and refurbished buildings.	<p>Energy efficiency improvement by at least 20% over a baseline to be determined, including, but not limited to:</p> <ul style="list-style-type: none"> • LED lighting, or similar • Smart meters Lighting and motion sensors • Building envelope design • HVAC and chiller optimisation and replacements 	  
Sustainable water and wastewater management	The financing or refinancing of projects or equity investments that improve water efficiency in new and refurbished buildings.	<p>Water efficiency improvement by at least 20% over a baseline to be determined, including, but not limited to:</p> <ul style="list-style-type: none"> • Building services design for water recycling and harvesting • Building services design and specification that enhance water use efficiency • Wastewater discharge infrastructure, and sustainable urban drainage systems 	  
Renewable Energy	The financing or refinancing of projects or equity investments in renewable energy generation and/or transmission projects.	<ul style="list-style-type: none"> • Solar energy technologies, such as Solar Photovoltaic systems • Wind turbines • Inverters or battery storage systems • Any new renewable technology that might deem feasible 	  

Excluded projects include activities directly involved in fossil fuel, nuclear energy, potentially harmful resource extraction (such as rare-earth elements) and biomass production.

Growthpoint may refinance projects that were acquired, financed, constructed, refurbished, renovated or installed prior to the green bond issuance.

South Africa’s Green Finance Taxonomy

The South African Green Finance Taxonomy is a classification system or catalogue that defines a minimum set of assets, projects, activities and sectors that are eligible to be defined as “green” in line with international best practice and national priorities. It can be used by investors, issuers, and other financial sector participants to track, monitor and demonstrate the credentials of their green activities in a more confident and efficient way. Growthpoint acknowledged the importance of a common definition of sustainable activities and supports the continued development of a sustainable finance market in South Africa. Consequently,

Growthpoint has established this Green Bond Framework to reflect the categories according to the South African Green Finance Taxonomy.

As a company, we believe it is reasonable to assume that our operations in South Africa meet the Do No Significant Harm (“DNSH”) criteria for many of the environmental objectives as long as they are within normal, lawful operations, comply with emission permits to air and water and have performed environmental impact assessments and taken necessary action required. In addition, we are confident that we will meet the DNSH criteria for all environmental criteria for specific projects with a comprehensive and balanced approach to green building initiatives and certification.

Growthpoint has performed a detailed climate-change risk assessment and various risks and impacts were identified as part of this process.

Growthpoint’s activities are carried out in compliance with the minimum social safeguards set out in the taxonomy. This is further described and covered by our policy documents available on Growthpoint’s website: www.growthpoint.co.za.

2.2. Process for Project Evaluation and Selection

Growthpoint has established the Growthpoint Sustainable Finance Forum, which will be responsible for the evaluation and selection of Eligible Projects, as set out in this framework. The Growthpoint Sustainable Finance Forum will ensure that the selected projects fall in one of the Green Project Categories and comply with the eligibility criteria of that Green Project Category as set out in the Use of Proceeds section of this framework. Selected projects will be included in the Green Project Register, which can be found in Growthpoint’s Environmental, Social and Governance Report.

The Growthpoint Sustainable Finance Forum is chaired by the Corporate Finance Advisor and includes senior members from the following departments:

- Group Finance and Treasury
- Sustainability
- Sustainability reporting and Investor Relations
- Property Management

The Growthpoint Sustainable Finance Forum will meet at least once per annum to review and approve eligible projects and the allocation of proceeds, if applicable. Eligible projects will be approved by majority vote.

2.3. Management of Proceeds

Growthpoint understands “net proceeds” to mean the proceeds from any green bond issuance minus any transaction costs that are directly related to the issuance of such green bonds.

Growthpoint will track the allocation of the net proceeds of its green bonds via its property management system MRI, which includes an accounting module. Reports that contain the actual

cost incurred to develop, implement and/or acquire each property and project can be extracted from the property management system.

Growthpoint will use a Green Project Register to track the allocation of the net proceeds from a green bond to a Green Project. The purpose of the Green Register is to ensure that an amount equivalent to the net proceeds only supports the financing of Green Projects or to repay a Green Bond. The management and allocation of proceeds will be reviewed by an independent external party appointed by Growthpoint.

Growthpoint intends to allocate all net proceeds to eligible projects as soon as possible after the bond is raised to ensure the proceeds are effectively deployed. However, any unallocated net proceeds will be earmarked by Growthpoint and Growthpoint will maintain an amount within its Cash and Cash Equivalents which will at least equal the unallocated net proceeds until all proceeds are allocated. This also applies to unallocated net proceeds in the case where the construction, development or implementation of a Green Project is over a longer period and where drawdowns occur on a regular basis during the construction, development or implementation of the project.

2.4 Reporting

Growthpoint will report annually on the allocation of proceeds and impact, in a disclosure document (available on Growthpoint’s website: www.growthpoint.co.za under Investor Relations and Environmental Sustainability).

2.4.1 Allocation Reporting

The allocation of proceeds will include the following:

- Allocation of proceeds per Green Project Category;
- Eligible projects funded as listed in the Green Project Register (where confidentiality provisions allow, and including a brief description of the project);
- Total amount of proceeds allocated;
- Balance of unallocated proceeds.

2.4.2 Impact Reporting

Growthpoint will report on the following quantitative environmental impact information:

Example Green Project Category	Example Impact Metrics
Green Buildings	<ul style="list-style-type: none"> • Type of certification including level by property • Estimated annual GHG emissions reduced or avoided (tCO₂e) • Energy intensity for buildings (kWh/m² per annum) • Water intensity for buildings (kl/m² per annum)

Energy Efficiency	<ul style="list-style-type: none"> • Electricity intensity (kWh/m² per annum) • Estimated annual GHG emissions reduced or avoided (tCO₂e) per annum • Annual energy savings (MWh/m²)
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Water intensity (kl/m² per annum) • Annual water savings (kl per annum)
Renewable Energy	<ul style="list-style-type: none"> • Installed renewable energy capacity (MWp AC) • Annual renewable energy generation (MWh) • Estimated annual GHG emissions reduced or avoided (tCO₂e) • New capacity installed or financed (MWp AC)

Growthpoint’s Environmental, Social and Governance Report addresses additional sustainability disclosure requirements as deemed material to the business (available on Growthpoint’s website: www.growthpoint.co.za under Investor Relations and Environmental Sustainability).

3. External Verification

3.1 Second Party Opinion

A second party opinion on Growthpoint's green bond framework will be provided by IBIS Environmental Social Governance Consulting South Africa Pty Ltd ("IBIS"), to confirm the alignment of the framework to the International Capital Markets Association's Green Bond Principles. Growthpoint's SPO will be available on IBIS' website: ibisconsulting.com, as well as on Growthpoint's website: www.growthpoint.co.za.

3.2 Post-issuance assurance

Post the issue of a green bond, Growthpoint intends to appoint an independent external consultant to review the management of the proceeds.

4. Disclaimer

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