

INTRODUCTION

IBIS ESG Consulting Africa (Pty) Ltd, hereinafter referred to as "IBIS," has been engaged by Growthpoint Properties Limited, hereinafter referred to as the "Issuer" or "Growthpoint" to perform a limited post-issuance assurance engagement with the objective to evaluate the extent to which all of the Issuer's Green Bond issuances aligns with the stated commitments as outlined in Growthpoint's Green Bond Framework (referred to as the "Framework") dated November 2022 with considerations to International Capital Market Association (referred to as the "ICMA's") Harmonised Framework for Impact Reporting Green Bonds June 2023 and Green Bond Principles, 2021 (referred as the "GBP").

Growthpoint, an international property company, stands as the largest South African primary Real Estate Investment Trust ("REIT") listed on the JSE. Its extensive portfolio spans assets in South Africa, Poland, Romania, Australia, and the UK. The company is dedicated to creating spaces that positively influence the environment and enhance the physical and mental well-being of its occupants. Growthpoint's commitment to innovation and sustainability is evident in its property offerings, which are strategically designed to provide thriving spaces for its tenants.

In pursuit of its mission to create spaces that foster prosperity, Growthpoint owns and manages a diverse portfolio comprising over 511 high-quality physical property assets, covering an expansive area of over 7,645,473 square meters. The total asset value of the Group stands at R174.7 billion. The company's revenue streams include property income, funds management fees, and trading and development fees across various sectors, namely Retail, Office, Industrial, Healthcare, Student Residential, and Trading and Development.

SCOPE AND SUBJECT MATTER

The scope of the subject matter for limited assurance in line with the ISAE3000 (Revised) assurance standard, as captured in the agreement with Growthpoint, included:

- Part 1: Growthpoint's alignment with its commitments outlined in the Framework, and
- Part 2: Growthpoint's disclosure of Allocation and Impact Reporting.

This post issuance assurance report is developed in compliance with section 6.80b of the Johannesburg Stock Exchange (referred to as "JSE") Debt Listing Requirements. The scope of this assurance exercise is applicable, as of 30 June 2024, to the following issuances:

- GRT24G, GRT25G and GRT26G.
- GRT51G and GRT52G.
- GRT59G, GRT60G, and GRT64G.

RESPECTIVE RESPONSIBILITIES

Growthpoint

The Directors of Growthpoint are responsible for the generation, collection and presentation of the selected impact indicators and associated Green Bond disclosure. Growthpoint is also responsible for maintaining adequate records and internal controls that support the reporting process during the reporting period.

IBIS

IBIS' responsibilities were to conduct an assurance engagement and to report its conclusions to the Directors in accordance with the assurance procedures followed. IBIS conducted the engagement in alignment with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board, which Standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements.

SUMMARY OF WORK PERFORMED

Growthpoint provided IBIS with the relevant supporting information and documentation related to its Green Bond issuances. IBIS evaluated the sustainability data provided against the commitments in the Framework and Harmonised Framework for Impact Reporting Green Bonds June 2023 and Green Bond Principles, 2021 as audit criteria with respect to the underlying data in the scope of the assurance engagement. IBIS' assurance procedures, based on our professional judgement, consisted of:

- Management enquiries,
- Inspection and corroboration of the Green Bond allocation related information and evidence including but not limited to:
 - Green Bond Framework,
 - Green Building Certificates,
 - Applicable Pricing Supplements,
 - Green Bond Register,
 - Minutes of Sustainable Finance Forum, and
 - Valuation documents.
- Evaluation of the relevant components of the Growthpoint's Green Bond Framework related to:
 - Use of Proceeds,
 - Process for Project Evaluation and Selection,
 - Management of Proceeds,
 - Reporting, and
 - Verification.

INHERENT LIMITATIONS

The reliability of the reported sustainability data is subject to inherent uncertainty, given the available methods for determining, calculating, or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Evidence to support the information reported was obtained electronically for review and assessment as a basis for our assurance conclusion. In addition, the evidence-gathering procedures performed in a limited assurance engagement vary in nature and are less in extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

OTHER MATTERS

The maintenance and integrity of Growthpoint's website is the responsibility of Growthpoint's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility

for any changes to either the information in the Framework or our independent assurance report that may have occurred since the initial date of presentation on the Growthpoint website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express the opinions and conclusions on the selected sustainability information to the Directors of Growthpoint in accordance with the terms of our engagement and for no other purpose. We do not accept or assume responsibility to any third parties i.e. other than the Directors and the company, for our work or this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

SUMMARY OF FINDINGS

Review Section	Summary	Evaluation
Part 1 Alignment with the Issuer's commitments outlined in the Framework	<p>IBIS assessed commitments across the core components of the Framework:</p> <ul style="list-style-type: none"> • Use of Proceeds • Process for Project Evaluation and Selection • Management of Proceeds • Reporting • Verification <p>The Issuer complies with the commitments set forth in the Framework. The proceeds are allocated to projects that meet the eligibility criteria in the Framework. The Sustainable Finance Forum approved all eligible projects and environmental and social risks are adequately assessed and managed. The Issuer maintained a Green Finance register as evidence of transparency in tracking and reporting on the allocation of proceeds. Unallocated proceeds are clearly managed in line with the commitments in the Framework. The allocation and impact reporting are clearly reported, and the methodologies are stated.</p>	Aligned
Part 2: Disclosure of Allocation of Net Proceeds	<p>The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible asset categories as proposed in the Framework.</p> <p>The Issuer's Green Bond Allocation and Impact report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices.</p> <p>The impact indicators used aligns with those stated in the Issuer's Framework and the ICMA Harmonized Framework for Impact Reporting</p>	Aligned

Allocation Reporting

As of 30 June 2024, Growthpoint has allocated over 94% of the net proceeds of all its green bond issuances into eligible project categories as outlined within the Framework. The table below provides a detailed breakdown of the allocation of net proceeds.

Green Bond Notes	Issue Date	Maturity Date	Bond Amount (ZAR Million)	Use of Proceeds (Green Project Category)	Utilized Amount (ZAR million)	Unutilized Amount (ZAR million)	% of Total Net Proceeds Utilized
GRT24G	9-Mar-18	9-Mar-23	300.00	Green building	300.00	0	100%
GRT25G	9-Mar-18	9-Mar-25	240.00	Green building	240.00	0	100%
GRT26G	9-Mar-18	9-Mar-28	560.00	Green building	560.00	0	100%
GRT64G	24-Jun-24	14-Jun-29	500.00	Green building	500.00	0	100%
GRT59G	13-Nov-23	13-Nov-30	350.00	Green building & renewable energy	350.00	0	100%
GRT60G	13-Nov-23	13-Nov-33	650.00	Green building & renewable energy	438.03	211.97	67.38%
GRT51G	14-Dec-22	14-Dec-29	350.00	Green building & renewable energy	350.00	0	100%
GRT52G	14-Dec-22	14-Dec-32	650.00	Green building & renewable energy	650.00	0	100%
Total			3,600.00		3,388.03	211.97	94.11%

Impact Reporting

The Issuer has carefully selected impact indicators for these eligible green projects, aligning with the best market practices and adhering to the ICMA Harmonized Framework for Impact Reporting for Green Bonds. These indicators, a combination of quantitative and qualitative measures, are particularly relevant to the specific categories of projects funded by the bond. The table below provides a detailed breakdown of the impact report on selected indicators.

A summary of the impact report of both Green Projects categories are detailed below and focus on:

Green Buildings

1. Estimated Annual GHG Emissions Avoided intensity¹ (in terms of total gross floor area): **1.36tCO₂e/m²**
2. Annual Energy Intensity (in terms of total gross floor area): **1,301.29kWh/m²**

¹ The emissions avoided was calculated using an electricity emissions factor of 1.01 kg CO₂e/kWh, as published in Eskom's FY2023 IAR and the [South Africa's 2021 Grid Emission Factors Report](#) dated 02 February 2024.

3. Annual Water consumption intensity (in terms of total gross floor area): **4.86m³/m²**
4. Green Building Certification: 12 Buildings with the following Green Star Ratings by GBCSA²:
 - 7 buildings with “4-Star Rating”,
 - 3 buildings with “5-Star Rating”,
 - 1 building with “6-Star Rating”, and
 - 1 building “ under construction”.

Renewable Energy

1. Installed Renewable Energy Capacity: **39.37MWp**
2. Annual Renewable Energy Generation: **20,637MWh**
3. Estimated Annual GHG Emissions Avoided³: **20,844tCO₂e**

These chosen impact indicators directly correlate with the Use of Proceeds categories financed through the bond. Importantly, they align with the ICMA's recommended impact reporting metrics for green projects, reflecting the commitment to transparent and meaningful measurement of the environmental impact of the funded initiatives. The chosen indicators by the Issuer for these green bonds demonstrate a strong alignment with the guidelines and recommendations of the ICMA Harmonized Framework for Impact Reporting for Green Bonds.

SUSTAINABILITY QUALITY

Based on the sustainability quality assessment of the use of proceeds and utilizing ICMA's high-level mapping to the Sustainable Development Goals (SDGs), IBIS has determined that the Issuer's green and social projects could potentially make a positive and direct contribution to specific SDGs. The high-level mapping of the impact indicators with the UN Sustainable Development Goals demonstrates this alignment.



Furthermore, the allocation of the bond's proceeds has been transparently disclosed, with a detailed breakdown across different eligible project categories in line with the Framework. The Issuer has adopted a suitable methodology to report the impact generated, ensuring comprehensive disclosure on data sourcing, calculation methodologies, and granularity. This approach adheres to best market practices.

² GBCSA means the Green Building Council South Africa.

³ The assumption for calculating emissions avoided is that the renewable energy projects replaced electricity grid therefore the electricity emission factors are used to calculate.

ASSURANCE CONCLUSION

We believe that the information provided by Growthpoint and the work performed by IBIS are sufficient and appropriate to form a basis for our limited assurance conclusion.

In our opinion, and based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the selected post-issuance disclosure set out in the assurance scope is not fairly represented in all material respects for the following Green Bond issuances, thereby aligning with the requirements of ICMA's Green Bond Principles (June 2021), and in compliance with the requirements of section 6.80(b) of the JSE Debt Listing Requirements:

- GRT24G, GRT25G and GRT26G
- GRT51G and GRT52G
- GRT59G, GRT60G, and GRT64G



Petrus Gildenhuys

DIRECTOR, IBIS ESG CONSULTING AFRICA (PTY) LTD

24 October 2024

Johannesburg

IBIS ESG Consulting Africa (Pty) Ltd

3rd Floor

4 Sandown Valley Crescent

Sandown,

Sandton, 2031