

GROWTHPOINT
PROPERTIES



committed to
sustainable
growth.

2019 Sustainability Report

Growthpoint Properties Australia

Growthpoint Properties Australia Trust ARSN 120 121 002
Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

What's inside.

Overview

FY19 Highlights	03
Message from the Chairman & Managing Director	04
Our values	06
Stakeholder Materiality Survey	08
Growthpoint and climate change	10

Environment

Environment overview	16
Consumption performance trends	19
Resource consumption summary	20
Sustainability objectives summary	21
Property portfolio information CY18	22

People & Community

Our people	24
Our community	26
Sustainability objectives summary	27

Governance

Growthpoint and risk	28
Sustainability objectives summary	31

Additional information

Assurance statements	32
Glossary of terms	34
Securityholder calendar	35
Contact details	35
Corporate directory	35



Navigating this report

Use the document controls at the top of pages to help you navigate this report.

The tabs at right of page will take you to the start of each section.

About this Report

This report forms part of the Directors' Report of the Annual Report but is only available on-line to reduce paper and enable fulsome reporting on a range of matters.

This report is as comprehensive as Growthpoint's directors and management consider appropriate following stakeholder feedback and a review of reporting by Growthpoint's peers in relation to sustainability matters. It contains a significant amount of information much of which will be only be relevant to certain users. Users are encouraged to consider the environmental impact before printing this report and, where printing is required, limit this to the relevant sections rather than the full report.

Corporate Governance Statement (CGS) and GRI Index

Further detailed information can be found in our CGS and GRI index which can be accessed via the following links.



To view our Corporate Governance Statement go to: growthpoint.com.au/uploads/results/FY19/Growthpoint-2019-CGS-web.pdf



To view our 2019 GRI index go to: growthpoint.com.au/uploads/results/FY19/Growthpoint-2019-GRI-index-web.pdf



FY19 Sustainability Highlights.



Gender diversity

54%

of Growthpoint employees are women (FY18: 50%)

Increased average NABERS energy rating to

4.8★

(FY18: 4.6 stars)

GRESB score

66/100

(Prior corresponding period: 64/100)

Maintained CDP Climate Performance score

B

(Prior corresponding period: B)

Economic value provided in FY19¹

\$580.4m

Comprising \$251.9m Generated Value² and \$328.5m Distributed Value³ (FY18: \$524.3m)

- ➔ Improved efficiencies in risk governance and compliance framework
- ➔ Acquisition of two high green credentialed office assets in Queensland and Western Australia

1. Economic Value Provided is the sum of Economic Value Generated and Economic Value Distributed (calculated in accordance with GRI methodology).
 2. Economic Value Generated is the sum of cash receipts from customers plus interest received.
 3. Economic Value Distributed is the sum of Director and employee wages and benefits, payments to providers of capital, payments to Australian governments and all other cash expenses.



Message from the Chairman & Managing Director.

We are pleased to present Growthpoint Properties Australia's Sustainability Report for FY19.

Growthpoint continues to deliver on its commitment to our Securityholders for achieving distribution and capital growth while also driving continued sustainable changes in our operations to be a positive contributor in our communities. Growthpoint's current governance practices along with existing and new efficiency projects combined with our proposed climate related financial disclosures will benefit our Securityholders and the communities in which we operate.

During FY19, Growthpoint has imbedded some valuable changes in its risk, governance and compliance reporting frameworks. Firstly, a new risk framework was developed and approved by the Board. The risk framework aims to identify, categorise and analyse risks and their impacts on the operations and business of Growthpoint. As a result, Growthpoint has enhanced its controls to mitigate these risks. Secondly, Growthpoint implemented an online governance, risk and compliance monitoring platform to increase monitoring efficiencies and improve the reporting functionality to stakeholders.

Growthpoint purchased two high quality office buildings in West Perth, WA and Newstead, QLD during FY19. A significant consideration in purchasing these properties was their strong environmental credentials, with a 5.5 star and 6.0 star NABERS energy rating, respectively. In this report, we provide a case study of the Climate Risk Assessment we undertook in conjunction with the Newstead, QLD acquisition (see page 13). To improve the sustainability

features and energy efficiency of our properties, Growthpoint also



100 Skyring Terrace, Newstead, QLD

invests in the existing portfolio via its annual capital expenditure program. A case study for 10-12 Mort Street, Canberra, ACT is included in this report (see page 9). When Growthpoint invests capital, it is seeking to improve the environmental impact of the property portfolio, which assists in reducing building operating costs and attracting and retaining the highest quality tenants to our buildings. This is positive for long-term returns to Securityholders.

We continue to focus on our target of net zero emissions across all properties, over which we have operational control, by 2050. We believe it is critical that we ensure our business has a long-term sustainable focus, and ongoing investment in solar and other energy efficiency projects reflects a genuine commitment to sustainable operations being made by the Group.

As baseline expectations around corporate disclosure of climate-related financial risks continue to consolidate, the Group continues to maintain awareness of the need to better understand climate-related financial risks and to provide appropriate disclosure to



Geoff Tomlinson
Independent Chairman & Director



Timothy Collyer
Managing Director



Focus to remain on building the maturity of risk governance frameworks, enhancing compliance monitoring and driving awareness of climate related risks.

our Securityholders. During FY19, we progressed alignment of our climate-related public reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As detailed in this report, we intend to further develop the scope and quantitative detail of these disclosures over the medium term (see page 10).

In addition to the annual employee engagement survey, Growthpoint undertook a tenant survey and a materiality assessment to provide useful feedback and guidance for our customer and stakeholder engagement. The results will help the Group develop additional key performance indicators for certain service providers and to ensure that the focus on any sustainability initiatives continue to deliver to the expectation of our stakeholders.

On behalf of the Board and management team, we would like to thank all our Securityholders for their continued support of Growthpoint during the previous 12 months. We would also like to thank all our employees, tenants, third

party suppliers, debt providers and other stakeholders for their contributions. We look forward to continuing to drive value and further build on the solid foundations we have established for the Group.

Geoff Tomlinson
Independent Chairman & Director

Timothy Collyer
Managing Director
Growthpoint Properties Australia Limited



Our values.

Growthpoint are pleased to present the Growthpoint values developed by our employees and launched at the Growthpoint Staff Conference in June 2019.



Respect
dealing with others openly, honestly and respectfully



Success
valuing performance, hard work and high standards



Integrity
doing the right thing for tenants, investors, and team



Fun
enjoying work, being sociable and playing as a team



Inclusion
appreciating our diversity, heritage and perspectives

We are:
authentic
dynamic
competitive
professional
driven

We are Growthpoint.



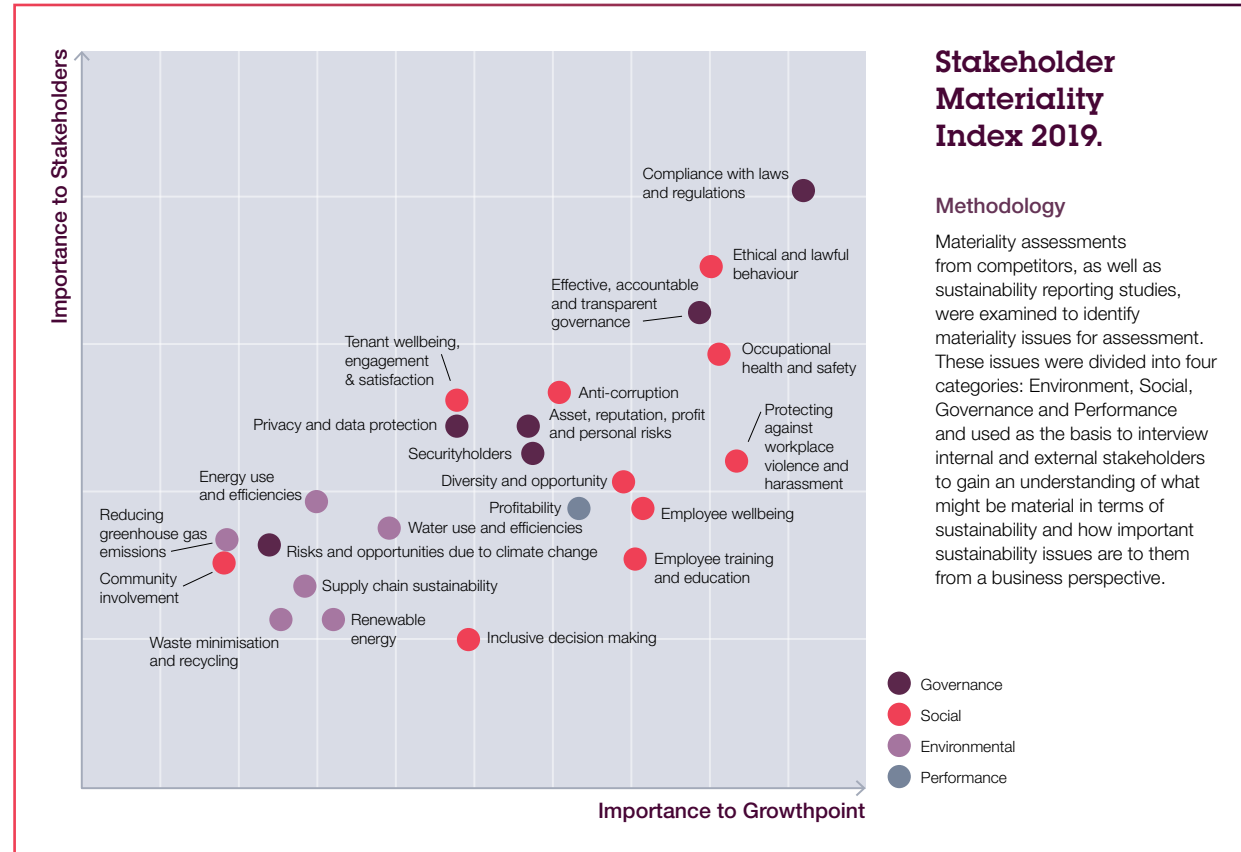
Our intention is to demonstrate our values through our actions and throughout this report these symbols will be used to highlight our values in action.



333 Ann Street, Brisbane, QLD



Stakeholder Materiality Survey.



Growthpoint completed a formal materiality assessment of internal and external stakeholders to assist in identifying key themes in governance, economic, environmental and social issues which are important to the Group.

2019 Materiality assessment
In FY19, an external independent consultant was engaged by Growthpoint to undertake a materiality assessment of Growthpoint's sustainability commitments, activities and reporting program. Through desktop research, competitor analysis, and a stakeholder survey, both internal and external stakeholder perspectives were obtained and from this a Materiality Assessment was completed. The results of the Materiality Assessment have not been determined by Growthpoint, but provide a guide to material issues relevant to stakeholders. The results are one of the

many considerations taken into account by Growthpoint in reviewing and setting our policies and sustainability programs.

Assessment Results
All the stakeholder issues identified as material in the FY19 Materiality Assessment were comparable to the issues identified in the FY17 Materiality Assessment. The intention is that future Materiality Assessments will be conducted in accordance with the timeline below.



Case study:
10-12 Mort Street, Canberra, ACT

Property improvements lead to increase in NABERS rating

Energy consumption (gas and electricity) decreased by 15% (CY18 versus CY19). Energy savings were achieved as a result of equipment replacement and modernisation of lifts.

The full impact of this equipment upgrade has now been realised over a full 12-month period. NABERS energy ratings have improved as a result.



NABERS Energy rating*
5.5 ☆

Increased from 5.0 stars



NABERS Water rating*
5.0 ☆

Increased from 4.5 stars

*Rating achieved on 7 August 2019.



Growthpoint and climate change. TCFD aligned disclosure.



Task Force on Climate-related Financial Disclosure (TCFD).

Growthpoint is committed to identification and disclosure of climate change-related risks and opportunities to the business. During FY19, we progressed alignment of our climate-related public reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We intend to further develop the scope and quantitative detail of these disclosures over time.

Governance

Risks associated with climate change are reviewed, managed and reported as part of the Risk Framework reporting structure (see page 28 for further explanation).

Oversight of risk management for climate related issues rest with the Board and Audit, Risk and Compliance Committee and clear performance measures against critical ESG improvement metrics are incorporated into the non-financial measures of the Executive Management Team's remuneration plans (see page 37 of the Remuneration Report).

Operational

The Chief Operating Officer (COO) and the Chief Investment Officer (CIO) are members of Growthpoint's Sustainability Taskforce in addition to the Projects and Sustainability Manager who is responsible for implementing and managing initiatives relating to key environmental objectives for the business.

Alongside management representatives from the Finance, Compliance and Risk, and Projects and Sustainability teams, the Taskforce meets on a monthly basis and provides support and resources to advance sustainability projects, including climate-related projects.



At the operational level, Growthpoint employs third-party Property Managers to oversee day-to-day activities at each managed facility. The Projects and Sustainability Manager oversees quarterly meetings to discuss performance trends with each Property Manager, including several key energy and emissions-related metrics (discussed further in the Strategy section).

Strategy

Growthpoint's business strategy is driven by our mission to provide investors with consistently growing income returns and long-term capital appreciation. Climate change related drivers are embedded in the execution of this strategy, through both opportunity development and risk mitigation/adaptation.

In addition to strategic considerations relevant to our base case, we are progressing evaluation of financial impacts under a 2°C scenario as recommended by the TCFD. Results of this analysis will be completed and disclosed in due course.



Risk management.

Growthpoint's climate change related risks are managed through the company-wide risk management framework, described in detail on page 28 of this report. The focus is to identify, manage, mitigate and monitor risks to Growthpoint's assets, reputation, profit and personnel as well as implementing controls and action plans to manage or mitigate those risks.

Climate change has been incorporated into this process for a number of years. Support from external technical experts has been sought where required to ensure that characteristics specific to climate change related impacts are appropriately considered. The Board has an annual planning day where it conducts a detailed asset review for each of its individual property assets.

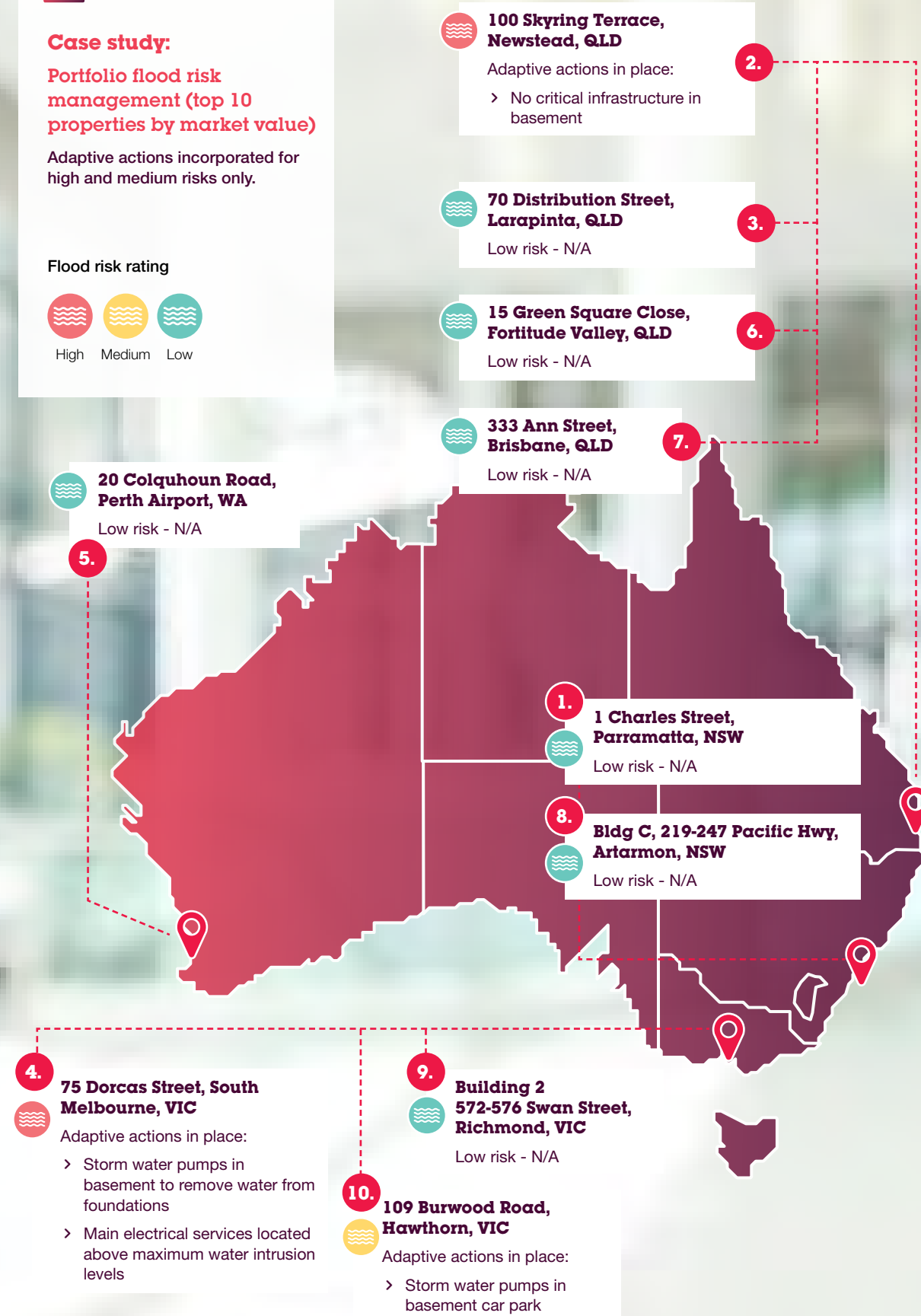
A detailed summary of climate change related risks identified through this process is provided in the Strategy section of this disclosure.



Case study: Portfolio flood risk management (top 10 properties by market value)

Adaptive actions incorporated for high and medium risks only.

Flood risk rating



Growthpoint and climate change.
TCFD aligned disclosure continued

Growthpoint's Climate Change Strategy.

Our climate change related strategic activity is channelled through three key areas.



1. 
Maintain and grow a portfolio of highly efficient buildings

As the world moves to a low carbon economy, the property sector will experience transitional impacts including increased consumer preference for resource-efficient buildings. To ensure that Growthpoint continue to attract and retain premium tenants, we focus on continuous improvement in NABERS/Green Star ratings across our portfolio (a core driver for tenant demand).

Key activities in support of this objective include:

- > Annual project budget allocation for the **identification, evaluation and implementation of energy efficiency projects** each year (as an indication, this allocation has ranged from 6.5% and 8% of total annual capital expenditure over FY19 and FY20)
- > **Oversight of third-party property managers** via quarterly meetings and contractual Key Performance Indicators (KPIs) to maintain and/or improve NABERS ratings (with financial penalties if these are not met)
- > **Consideration of energy efficiency** in evaluation and development of new acquisitions

Average NABERS ratings have increased from 3.3 stars in FY13 to 4.8 stars in FY19 due to a greater focus on energy monitoring and analysis activities which ensure our buildings are running as efficiently as possible. Furthermore, significant investments have been made for mechanical equipment upgrades which we expect to be reflected in improved NABERS ratings. Targeted acquisitions have also contributed to higher ratings, for example, 100 Skyring Terrace, Newstead which has just achieved a 6-star NABERS Energy Rating.

2. 
Progress decarbonisation by 2050

In 2017, Growthpoint announced a goal to reach net zero emissions by 2050 to frame our decarbonisation pathway in readiness for a low-carbon future. The majority of our operationally controlled emissions (94% in CY18) arise from third party supply of electricity (i.e. scope 2 emissions) with the remainder arising predominantly from small quantities of gas consumption.

Key activities in support of this objective include:

- > **Development of an Energy Purchasing Strategy** to best manage Growthpoint's combined energy cost and emissions reduction goals. The strategy is intended to secure the most cost-effective approach to decarbonisation of the Group's energy supply in the near to medium term and allow improved definition of 2050 reduction goals
- > **Ongoing investments in onsite renewable energy generation**, including additional solar projects to be completed during FY20

3. 
Build climate resilience across portfolio

The property sector is exposed to existing and future physical impacts from climate change, both in the form of acute weather events causing direct damage and interrupting normal operations as well as chronic changes (increasing temperatures and sea level rise) that will have building design and operating cost implications.

Growthpoint's most immediate physical risk exposure is from flooding events, which have the potential to interrupt electricity supply and other key infrastructure as well as occupant accessibility and safety. We also have a number of properties in locations likely to experience marginal temperature increases due to climate change over coming years.

Key objectives to support this activity include:

- > **Investment in Climate Change Risk Assessments** and Climate Change Adaptation Plans for material acquisitions and new developments
- > **Maintenance of a Flooding Risk Register** across the portfolio to identify assets at high risk of flooding and invest in preventative adaptation measures where necessary
- > Maintenance of **Business Continuity and Disaster Recovery Planning** policies in the event of extreme weather events affecting building access or safety
- > **Ongoing activities to optimise efficiency** and minimise potential cost impacts from higher energy requirements driven by marginal temperature increases



Case study
100 Skyring Terrace, Newstead, QLD - Climate Change Adaptation Report

The due diligence process for Growthpoint's acquisition of the 100 Skyring Terrace property in QLD in December 2018 included commissioning of a Climate Risk Assessment.

This analysis applied an extreme physical climate change scenario (IPCC RCP 8.5, with a 3.7°C outcome) and modelled possible impacts to the property considering two time horizons (2030 and 2050) to ensure all feasible outcomes were considered.

The Assessment identified that no 'extreme' rated risks were present, however highlighted several 'high' rated risks to the property, notably flooding of the basement as well as increased incidences of extreme heat days, impacting tenants and other building users. While the existing development had incorporated a number of design features that increased resilience to the identified 'high' impacts, additional recommendations were provided to further build the resilience of the asset. Likelihood of adverse flooding impacts to critical infrastructure in this building is mitigated as there is no equipment located in the basement area. In addition, the site management team implement various proactive approaches to ensure safety to both tenants and the asset ahead of forecasted severe weather events. Measures taken include tenant information communications and ensuring the building is prepared for severe weather events.



Growthpoint and climate change.
TCFD aligned disclosure continued

Growthpoint's risks and opportunities.

The following table summarises key risks and opportunities identified by the business relating to climate change, applicable to our base case. We continue to evaluate and manage these through our company-wide strategy and risk management processes and adjust mitigation/development activities as required.

Topic	Description of risk/opportunity	Mitigation/Development activities
Policy	<p>As our portfolio grows, Growthpoint may trigger one or more reporting thresholds and be impacted by existing or future carbon reporting and/or pricing regulations.</p> <p>If this occurs, there will be additional costs associated with meeting these reporting requirements and non-compliance may result in penalties.</p>	<p>Growthpoint is currently not included under any energy or greenhouse reporting regulations, including Australia's existing National Greenhouse and Energy Reporting scheme (NGER). An annual check is conducted against thresholds to ensure that we are aware of any changes to Growthpoint's position.</p> <p>For CY18, our total greenhouse gas emissions were under 13,200tCO₂e, well below the threshold of 50,000tCO₂e. Energy consumption was 66TJ, also below the 100TJ threshold.</p> <p>The majority of our emissions (94% in CY18) are Scope 2 Emissions and as such any carbon pricing will largely be incurred by our electricity retailers. As the scale of potential pass-through costs from these suppliers is highly uncertain, we have not formally incorporated a carbon price into our capital allocation process, however possible carbon pricing impacts are being considered in our scenario analysis currently underway.</p>
Market	<p>Growthpoint is exposed to shifts in the property market due to changing consumer behaviour. This is through increasing demand from tenants for office buildings with optimal energy and emissions efficiency to meet sustainability objectives and decrease operating costs.</p> <p>Growthpoint also has an opportunity to benefit from this market shift in the form of increased rental demand and therefore higher and more stable revenue rates and appreciation in property values.</p>	<p>Growthpoint has a strategic focus on acquiring properties with high green credentials and we continue to invest in sustainability initiatives through developments and capital upgrade projects. Growthpoint continues to invest in a management program to increase average NABERS ratings across our portfolio and maintain a high Green Star rating, among other initiatives.</p> <p>Third-party Property Managers have a contractual key performance indicator (KPI) to maintain or improve NABERS ratings across the portfolio, with financial penalties applied for underperformance. The Projects and Sustainability Manager oversees quarterly meetings to discuss the performance of each property.</p> <p>Growthpoint executes "green leases" across new tenancies to promote alignment with tenant practices and capital expenditures and work towards optimal environmental performance.</p>
Legal	<p>Risk management of all risks including climate change rests with the Executive Management Team and the Board.</p>	<p>Growthpoint's Board prioritise an ongoing understanding of the financial risks associated with climate change which could be material to the Group's assets and business model in the short and long term.</p> <p>Across FY18 and FY19, this included several presentations to the Board on relevant issues, including reviews of the climate change strategy, a review of physical risks and TCFD disclosure requirements.</p>



Topic	Description of risk/opportunity	Mitigation/Development activities
Technology	<p>New technologies may present disruptive or cost-related risks when integrating with existing systems.</p>	<p>Building management systems (BMS) and specific energy monitoring systems are used to manage operational efficiency of our buildings, particularly energy consumption. We regularly review available tools on the market that offer breakthrough technologies for building monitoring services.</p> <p>During CY18, we upgraded the BMS systems across a number of sites. Some were considered legacy systems which were upgraded to provide greater capabilities in support of optimal energy management.</p>
Physical	<p>Growthpoint's properties may be impacted by increased frequency and severity of extreme weather events such as hailstorms, cyclones and floods.</p> <p>This may also increase insurance premiums and potentially reduce availability of insurance on assets in "high-risk" locations.</p>	<p>Growthpoint has developed flood risk mitigation measures for properties of material value which have been identified to be at risk from future flooding (see page 12).</p> <p>Further analysis is underway to screen the exposure of material properties to other extreme weather events and review options for mitigative plans where significant risks are identified. Outcomes will be progressively disclosed as this analysis is completed.</p> <p>We also have a detailed Business Continuity Plan in place, including procedures to manage the initial event and subsequently recover and resume critical business functions, resources and infrastructure within set timeframes.</p> <p>Growthpoint regularly reviews insurance conditions as a component of our procurement process.</p>



Environment overview.



Average NABERS Energy rating

4.8 ★

(FY18: 4.6 stars)

Tracking favourably towards 2021 target of 10% GHG emissions reduction, currently at 4%

CDP Climate Performance score

B

(2017: B)

In FY20, our focus will remain on reducing energy, water and waste consumption; furthering our investment in on-site solar and other energy efficiency projects. Growthpoint will also seek to drive sustainable building operations through undertaking voluntary Green Star Performance certifications.

Management Approach and Methodology

Growthpoint has a clearly articulated process for the management, review and record keeping of all energy consumption, water and GHG emissions data. This procedure, which is reviewed and updated annually, has been adopted for collecting and capturing GHG emissions information to meet requirements for voluntary reporting programs such as GRESB and CDP and outlines how Growthpoint:

- > determines which facilities and activities should be included in energy and GHG emissions (scope 1 and 2) reporting;
- > defines GHG emissions (scope 3) reporting boundaries;
- > collects energy and GHG emissions data for internal and external reporting;
- > ensures that energy consumption and GHG emissions data is robust and calculated according to verifiable methodologies; and
- > maintains appropriate data and records through internal review processes, third party audits, and document retention.



100 Skyring Terrace, Newstead, QLD

The adopted management approach and ongoing monitoring of resource consumption/performance are aspects of material importance to Growthpoint as poor performance will adversely affect the environmental sustainability objectives of the Group.

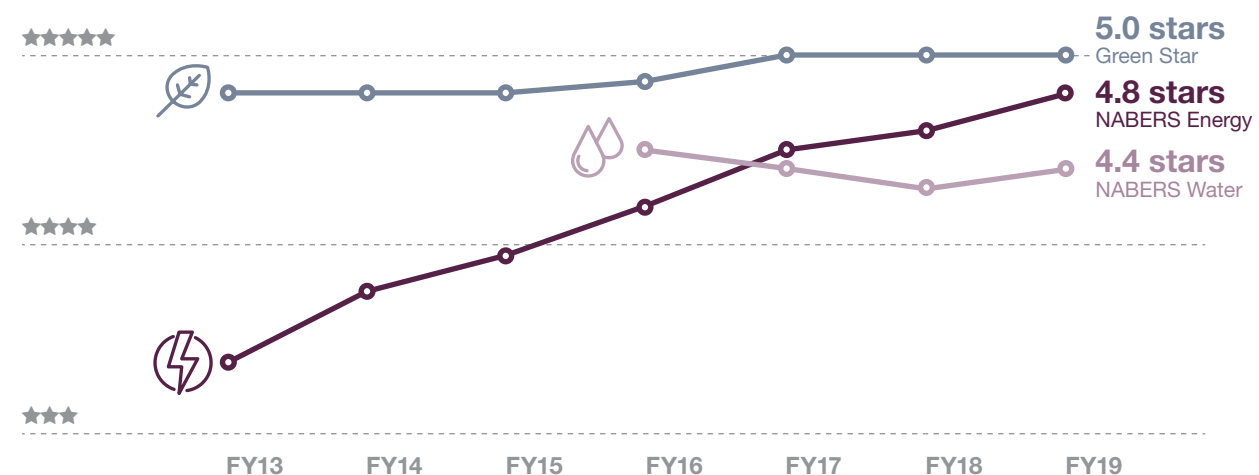
Assurance

WSP has provided independent third party limited assurance of CY18 resource consumption data (as per ISAE3000) to international verification standard ISO14064-3 for:

- > Scope 1 & Scope 2 GHG emission sources including all energy sources;
- > Scope 3 GHG emission sources for managed (operationally controlled) assets, head office, indirectly managed tenancy spaces and other Scope 3 sources; and
- > All water sources.

32 A letter of assurance is included on page 32.

Portfolio NABERS and Green Star ratings as at 30 June



Environmental Targets*

- > a 10% reduction in Scope 1 & 2 GHG emissions across operationally controlled, like-for-like properties
- > a 5% reduction in waste to landfill across like-for-like office properties
- > 100% reduction in Scope 1 and Scope 2 emissions by 2050 against a 2017 base year.

See glossary for detailed definitions of Scope 1, 2 and 3 emissions.

*Reductions to be achieved across Growthpoint's operationally controlled like-for-like office assets, by 2021 against CY17 base year.

Operational Control.

Operational control is defined as having the ability to introduce and implement operating, health & safety or environmental policies and measures for a facility.

Growthpoint adopts the principles within the National Greenhouse and Energy Reporting Act 2007 and associated guidelines to determine the operational control of its properties.

The properties which Growthpoint

22 has operational control¹ over are detailed in the table on page 22.

In addition to reporting resource consumption data for operationally controlled properties, Growthpoint captures and monitors energy, water, waste and GHG emissions for all office properties not under the Group's operational control, which are detailed in the table on page 22. **22**

Resource consumption data is captured and monitored for industrial properties where data is made available by tenants, which includes water consumption (59% by floor area) and energy consumption (38% by floor area). Growthpoint continues to encourage tenants to share resource consumption data with the aim of working together to implement measures to reduce energy, water, waste and GHG emissions.

1. The car park properties at SW1 (South Brisbane) and 572-576 Swan Street (Richmond) have been excluded as no material resource consumption is applicable.

Environment overview continued

Resource Efficiency

Energy and Emissions

Growthpoint achieved a 4% (or 573tCO₂-e) reduction in total Scope 1 & 2 emissions on a like-for like basis when comparing CY17 to CY18. This decrease in emissions is largely due to our continued investment in energy efficiency upgrades and a strong focus towards building energy performance monitoring, analytics and reporting.

A number of projects implemented part-way through the prior reporting year, have resulted in energy savings being fully realised over a 12-month period. These include significant mechanical equipment upgrades (including more efficient chillers, BMS & lift upgrades), as well as other projects such as LED lighting in common areas and shared spaces.

Ongoing monitoring and fine tuning of asset management strategies ensures our buildings are running as efficiently as possible and enhance energy savings. Our energy monitoring program has resulted in energy savings being achieved from initiatives such as optimised heating and cooling strategies. However other external factors, including adverse weather patterns and changes in occupancy, have also impacted on Growthpoint's overall energy and emissions profile.

Energy and emissions performance continues to be reflected in Growthpoint's average NABERS Energy ratings. This year, we have achieved an average NABERS Energy rating of 4.8 stars, exceeding our ongoing objective to maintain a minimum average rating of 4.0 stars.

Energy consumption intensity

Energy use intensity is calculated using the total energy consumption (kWh converted to MJ) across the office portfolio and dividing by lettable floor area (sqm). Intensities are used by Growthpoint to monitor short and long-term progress in implementation of energy efficiency initiatives and to provide a basis of comparison between property performance levels. This energy performance information (including energy cost management) assists with monitoring tracking towards energy/emission reduction targets and feeds into ongoing decision making on facility





Industry partnerships.





management strategies, engagement with tenants and capital allocation for future project activities.

22 Refer to pages 22-23 for energy emission intensity figures for office properties.

Voluntary GHG Abatement

Growthpoint is reducing its carbon footprint with continued investments in high green credentialed properties that contain renewable and low-carbon technologies. Four office properties include substantial solar photovoltaic installations, and during CY18, we generated and used a total of 324MWh of electricity from these installations. This is equivalent to a total of 277 tCO₂-e in avoided emissions. The development at Botanicca 3, Richmond, Victoria includes a substantial solar installation which is currently in progress. We have committed to further investments in FY20 and FY21 for additional rooftop solar installations.

Water Consumption

Water consumption increased by 14% in CY18 when compared to CY17. The main driver in water consumption in our buildings is ongoing changes in occupancy levels, although there are some savings as a result of water saving initiatives implemented. We anticipate water consumption will increase with the addition of several end of trip facilities in FY20. Water consumption is predominantly monitored through billing

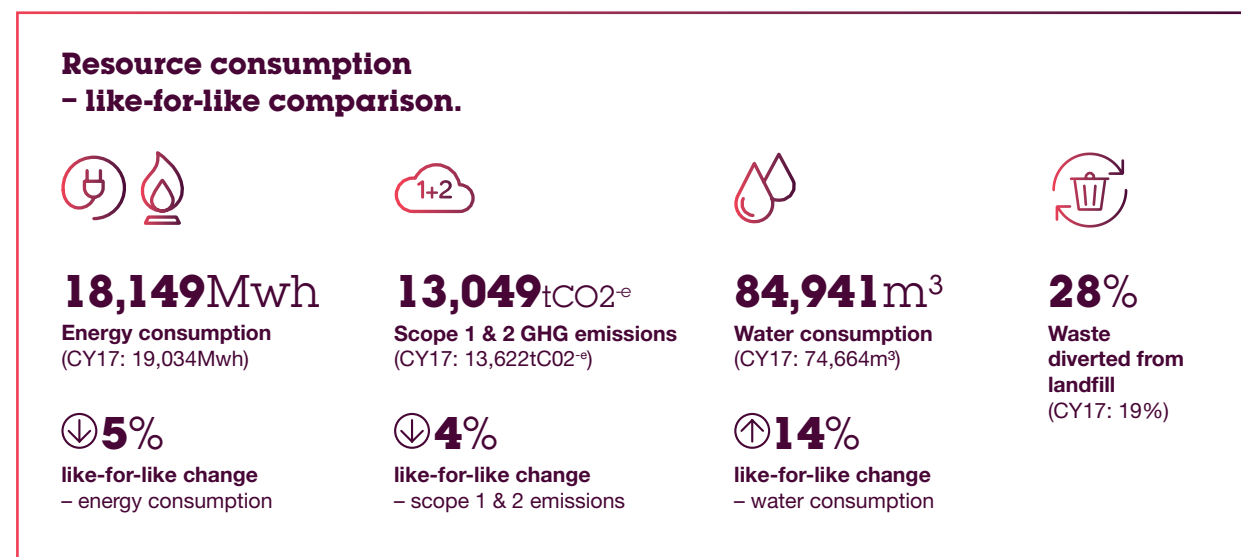
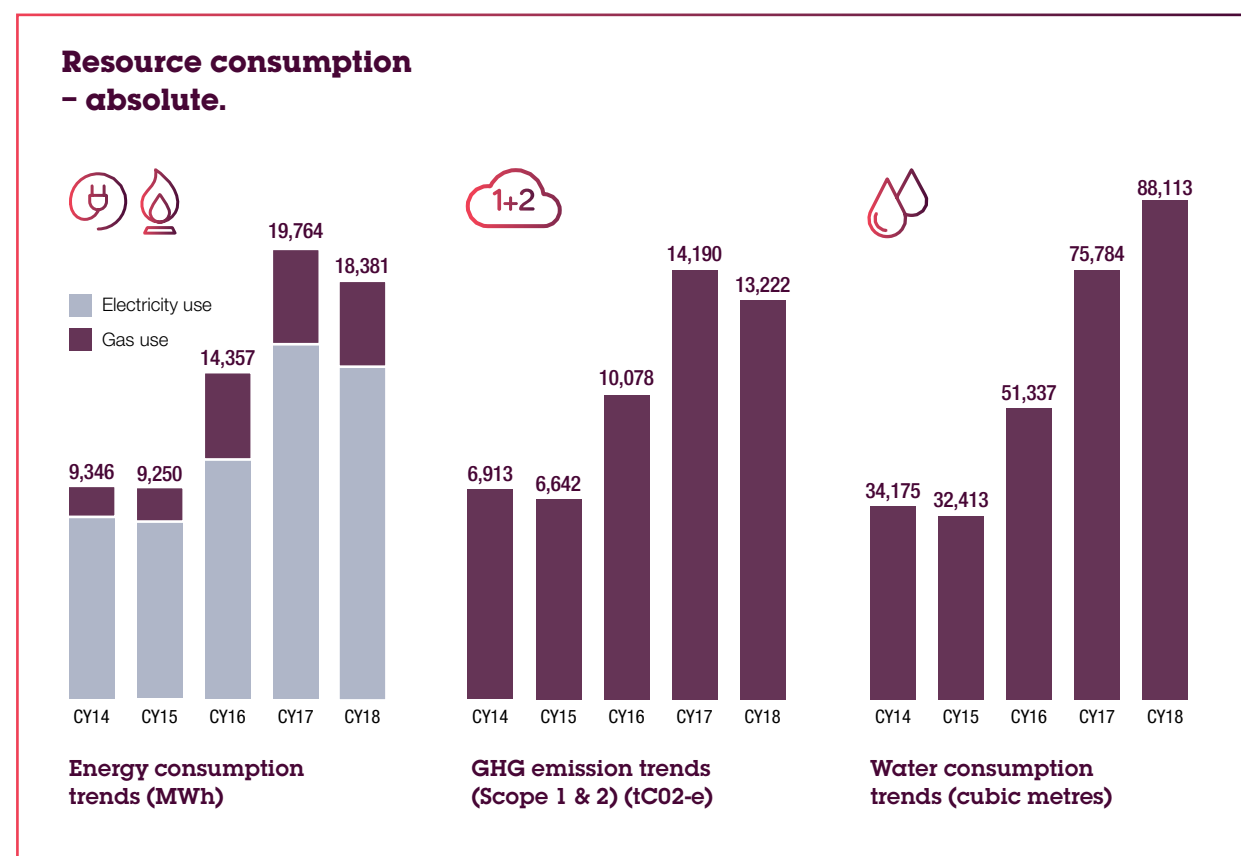
invoices for the majority of the portfolio, with approximately 9% (by floor area) being monitored by auto-meters. We will investigate further opportunities towards improving water efficiency across our portfolio.

Waste Management

During CY18, 28% of total waste generated was diverted from landfill, compared to 19% in the prior year. Growthpoint has implemented a monitoring and reporting waste management program to track operational waste, recycling outputs and costs for our office portfolio. **22** Waste diversion rates for each property are presented on pages 22-23.

An independent third-party provider collects/validates waste reports/invoices, undertakes site inspections and uploads to a Growthpoint specific data management platform.

Consumption performance trends.



See pages 22-23 for a comprehensive summary of Growthpoint's office portfolio sustainability performance data

22

Resource consumption summary.

Resource Consumption – absolute		CY18	CY17	CY16	CY15	CY14
NLA operationally controlled properties		252,211	230,751	159,816	140,854	108,906
Resource Consumption (operationally controlled properties)						
Electricity use	MWh	14,480	15,471	11,381	8,019	8,230
Gas use ¹	MWh	3,901	4,293	2,976	1,231	1,116
Water use ²	cubic metres	88,113	75,784 ²	51,337	32,413	34,175
GHG emissions (operationally controlled properties)						
Scope 1	tCO2-e	724	794	552	228	207
Scope 2 ³	tCO2-e	12,498	13,396	9,526	6,414	6,706
Total Scope 1 and 2	tCO2-e	13,222	14,190	10,078	6,642	6,913
Scope 3 ⁴	tCO2-e	45,065	17,673	11,128	10,965	11,382
Waste / Recycling (all office properties)						
Managed office assets	metric tonnes	1850	1,427	1084	NR	NR
Indirectly managed office assets	metric tonnes	322	385	258	NR	NR
Waste diverted from landfill	%	28	20	35	NR	NR
On-site renewable energy generated⁵	MWh	324	317	86	NR	NR

NR = not reported.

Resource Consumption – like-for-like comparison ⁶		% Change	CY18	CY17
Resource Consumption (operationally controlled properties)				
Electricity use (base) ⁷	MWh	-3%	14,261	14,762
Gas use	MWh	-9%	3,888	4,272
Water use	cubic metres	14%	84,941	74,664
GHG emissions (operationally controlled properties)				
Scope 1	tCO2-e	-9%	721	790
Scope 2	tCO2-e	-4%	12,328	12,832
Total Scope 1 and 2	tCO2-e	-4%	13,049	13,622
Waste / Recycling				
Total Waste	Metric Tonnes		1,931	1,750
% Diverted from Landfill	%		28	19
Consumption/emissions intensity⁸				
Energy consumption intensity	MJ/sqm	-4%	298	311
Water consumption intensity	cubic metres/sqm	9%	0.36	0.33
Scope 1 & 2 GHG emissions intensity	kg CO2-e/sqm	-3%	60	62

1. CY17 Gas consumption and associated GHG emissions have been restated due to adjustments made to accrued data post reporting. This had resulted in the restatement gas from 4,324MWh to 4,293MWh, and Scope 1 emissions from 802 to 794.

2. CY17 water consumption restated from 77,103 to 75,784 due to adjustments made to accrued data post reporting.

3. Includes Growthpoint's Head Office. Scope 2 GHG emissions only applicable: CY15: 28.16 tCO2-e (24.38Mwh), CY16: 19.39 tCO2-e (17.47Mwh); CY17: 24 tCO2-e (22Mwh), CY18: 24tCO2-e (23Mwh). Scope 2 emissions figures are Location Based.

4. Scope 3 Emissions include emissions for indirectly managed tenancy spaces, business travel and purchased goods and services. Increase in CY18 was due to capturing more tenant consumption data.

5. Includes solar generated electricity at 3 Murray Rose Avenue; 5 Murray Rose Avenue; Sydney Olympic Park, New South Wales and Building B, 211 Wellington Road, Mulgrave, Victoria, and Building C, 211 Wellington Road, Mulgrave, Victoria.

6. Figures only include properties within Growthpoint's operational control. Please refer page 22-23 for details.

7. Excludes Growthpoint's Head Office.

8. Intensity data is based on lettable floor area and the figures have not been normalised for factors such as changes in tenant vacancies, seasonal temperature fluctuations, etc.

Environment sustainability objectives summary.

Objective	Target	Time frame	Achievement as of date of this report
Decrease environmental impact by reducing energy/water consumption and greenhouse gas emissions across the portfolio	10% reduction in Scope 1 and Scope 2 emissions (i.e. energy use) across Growthpoint's operational controlled like-for-like properties on an absolute basis from a CY17 base year.	2021	During CY18, Growthpoint achieved a 4% reduction in GHG emissions compared to our CY17 base year. This equated to a total of 573 tCO2-e in emissions savings. This means we are tracking favourably towards our targeted reduction. This result was mainly achieved through implementation of GHG emissions of energy efficiency initiatives, including mechanical equipment upgrades and a strong focus on monitoring and optimising building controls.
	100% reduction in Scope 1 and Scope 2 emissions by 2050 against a 2017 base year. This target is aligned with international climate change action and states Growthpoint's intention to move to net zero emissions by 2050 across all operationally controlled properties.	2050	During FY19, we worked towards development of an Energy Procurement Strategy, to best manage both energy costs and meeting our emissions reduction goals. In FY20, we will have a continued focus on refinement of this strategy to provide a pathway to meet this long-term goal.
Improve NABERS ratings across office portfolio	Achieve a minimum average of 4.0 star NABERS energy rating.	On-going	The average NABERS energy rating for office properties has increased to 4.8 stars (up from 4.6 stars in FY18).
No environmental fines or penalties imposed on the group	No environmental fines or penalties imposed on the Group and mitigation strategies in place.	On-going	No environmental fines or penalties have been imposed on the Group. Due diligence undertaken on new acquisitions to identify and mitigate risks. Actual / potential risks and hazards reviewed.
Improve waste management and performance monitoring across the office portfolio and reduce percentage of waste being diverted to landfill	Achieve 5% reduction in waste to landfill across Growthpoint's like-for-like office properties from a CY17 base year.	2021	Percentage of total waste diverted from landfill increased to 28% in CY18, compared to 19% in CY17, across the like-for-like office properties. Whilst overall waste volume has increased, we have achieved a significant improvement in waste diversion rates. This improvement is primarily due to waste audits that were conducted across multiple sites. Notable improvements in diversion rates were noted for 75 Dorcas Street and 15 Green Square Close, following waste audits conducted at these sites. A monitoring and waste reporting/data management program to track operational waste, recycling outputs and costs for our office portfolio is in place. Annual waste data for office properties is checked by an independent third-party waste management consultant.



Property portfolio information CY18.

Address			Lettable area <i>sqm</i>	Operationally controlled	Included in like-for-like data
75 Dorcas Street	South Melbourne	VIC	19,836 ¹	✓	✓
109 Burwood Road	Hawthorn	VIC	12,391	✓	✓
Bldg 2, 572-576 Swan Street	Richmond	VIC	14,602	✗	✗
Bldg B, 211 Wellington Road	Mulgrave	VIC	12,780	✓	✓
Bldgs 1&3, 572-576 Swan Street	Richmond	VIC	9,231	✗	✗
Bldg C, 211 Wellington Road	Mulgrave	VIC	10,294	✓	✓
100 Skyring Terrace ²	Newstead	QLD	24,665	✓	✗
15 Green Square Close	Fortitude Valley	QLD	16,442	✓	✓
333 Ann Street	Brisbane	QLD	16,352	✓	✓
CB1, 22 Cordelia Street	South Brisbane	QLD	11,529	✓	✓
A1, 32 Cordelia Street	South Brisbane	QLD	10,004	✓	✓
A4, 52 Merivale Street	South Brisbane	QLD	9,405	✓	✓
CB2, 42 Merivale Street	South Brisbane	QLD	6,598	✓	✓
33-39 Richmond Road	Keswick	SA	11,835	✓	✓
7 Laffer Drive	Bedford Park	SA	6,639	✗	✗
1 Charles Street	Parramatta	NSW	32,355	✗	✗
Bldg C, 219-247 Pacific Highway	Artarmon	NSW	14,375	✓	✓
5 Murray Rose Avenue	Sydney Olympic Park	NSW	12,386	✓	✓
3 Murray Rose Avenue	Sydney Olympic Park	NSW	13,423	✓	✓
102 Bennelong Parkway	Sydney Olympic Park	NSW	5,244	✓	✓
6 Parkview Drive	Sydney Olympic Park	NSW	5,145	✓	✓
89 Cambridge Park Drive	Cambridge	TAS	6,876	✗	✗
10-12 Mort Street	Canberra	ACT	15,398	✓	✓
255 London Circuit	Canberra	ACT	8,972	✓	✓
836 Wellington Road ³	West Perth	WA	11,972	✓	✗
Total / Weighted Average			318,748		

1. Lettable area applicable (excludes retail area).
 2. This property was acquired in October 2018.
 3. This property was acquired in December 2018.

Energy intensity <i>MJ/sqm</i>	Electricity Whole <i>MWh</i>	Electricity Base <i>MWh</i>	Electricity (tenant) <i>MWh</i>	Gas <i>GJ</i>	Water <i>m³</i>	% waste diverted from landfill	Green Star <i>stars</i>	NABERS energy <i>stars</i>	NABERS water <i>stars</i>
554	-	2,089	256	3,475	15,661	52	-	★★★★★	★★★
400	-	631	1,121	2,678	3,175	14	-	★★★★★	★★★★★
295	673	-	-	1,881	5,920	6	-	★★★★	★★
222	-	446	74	1,225	3,143	29	★★★★★	★★★★★	-
867	1,465	-	-	2,732	3,013	6	-	★★★★	-
170	-	301	465	663	550	18	-	Not rated	Not rated
14	-	94	75	-	2,342	34	-	★★★★★	★★★★★
266	-	1,159	882	196	10,758	13	-	★★★★★	★★★★★
477	-	2,038	1,315	461	4,368	14	★★★★★	★★★	★★★★★
371	-	1,187	1,836	-	12,086	5	-	★★★★★	-
295	-	812	837	30	3,286	26	-	★★★★★	-
295	-	765	730	20	3,286	17	-	★★★★★	-
504	-	924	1,213	-	8,057	-	-	★★★★★	-
175	-	302	532	980	4,321	33	-	★★★★★	★★★★★
786	1,450	-	-	-	5,433	4	★★★★★	-	-
953	-	7,721	-	3,043	61,807	14	-	★★★★★	-
238	-	914	1,356	139	2,580	20	-	★★★★★	-
157	-	400	-	499	2,193	34	★★★★★	★★★★★	★★★★★
189	-	530	-	631	1,224	26	★★★★★	★★★★★	★★★★★
208	-	303	41	-	387	28	-	★★★★★	★★★★★
235	-	336	-	-	1,144	16	-	★★★★★	★★★★★
587	1,121	-	-	-	5,354	20	★★★★★	-	-
240	-	543	-	1,736	5,644	58	★★★★★	★★★★★	★★★★★
377	-	582	-	1,289	2,441	17	-	★★★★★	★★★★★
34	-	102	159	44	831	-	-	★★★★★	★★★★★
							5.0	4.8	4.4



People & community.

Growthpoint's values of respect, success, inclusion, integrity and fun are reflected in our work and in our community involvement.

Our people.

Employee engagement

Growthpoint's values, which were developed by the staff clearly reflects the culture and relationships which exist between staff and the organisation.



Growthpoint believes that investment in the professional development and personal wellbeing of all employees helps to drive motivation, teamwork and well-informed decisions.

The Group's annual employee engagement survey of all staff (excluding the Managing Director), was undertaken in March 2019 by Insync Surveys. Growthpoint again had an excellent response rate with an alignment score in the 2nd and 3rd quartile and an engagement score in the top quartile.

The survey highlighted that Growthpoint staff understand their roles and how it relates to the goals and strategies of Growthpoint, that Growthpoint staff are proud to work at Growthpoint and would recommend Growthpoint as a place to work to family and friends.

We recognise the results have dropped slightly from last year and acknowledge that as the Group continues to grow and expand there will need to be focus on cultivating a highly engaged team. Growthpoint are using the results of this survey to better understand what drives employees and to take action to have the most impact on increasing engagement, including the introduction of a diverse range of employee communications and the appointment of a people and talent manager.

Growthpoint values and encourages participation in staff events which are held during the year including the annual staff conference, a staff and partner dinner and a family Christmas party.

Diversity

Growthpoint recognises the importance of finding and retaining employees who best fit the nature of the work and the organisation, regardless of gender



Women in senior management

(FY18: three)



Employee engagement survey results

Alignment score	Engagement score
53% (FY18: 63%)	75% (FY18: 81%)

Tenant experience survey results

Overall tenant satisfaction
70%



or background. Workplace diversity encourages mutual respect among employees to accept an individual's differences, while embracing their strengths. An equal opportunity employer, the Group acknowledges the value of a diverse workforce and benefits from the creativity and innovation that arises from different experiences, cultures and perspectives.

Diversity at Board level is maintained at 25% and Growthpoint has recently appointed a permanent new female Executive Management Team member in addition to two female managers all starting in early FY20. Currently Growthpoint employs 14 women and 12 men.

Professional development



Staff are encouraged to undertake personal and professional development through Group-funded education and training to further develop their skills and expertise. During FY19, the team undertook externally provided training which included a broad spectrum of learning across Human Resources, Building Services, Planning, Compliance and Communications.

Growthpoint also offers monthly in-house training on relevant topics by utilising internal expertise or external service providers. In FY19, employees undertook, on average, 25 hours of continuing professional development including two Executive Management Team members completing the AICD Company Directors' course during the year.

Workplace Health and safety



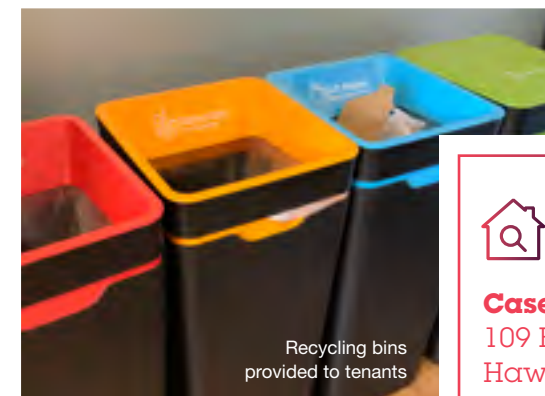
Growthpoint is committed to providing a healthy and safe working environment and is proud of its record of workplace safety with no workplace accidents in FY19. Thorough inductions for new staff and regular information sessions ensure all staff are well informed on the use of equipment and the hazards that may be encountered when visiting construction sites.

The Group maintains a zero tolerance policy towards any form of harassment or discrimination which is embedded in our Code of Conduct and other policies.

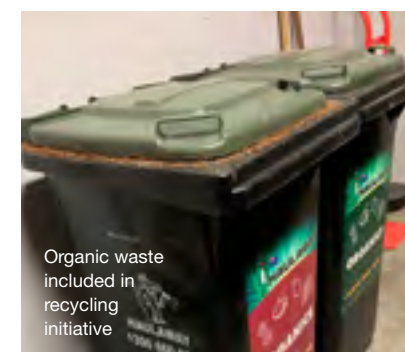
In March 2019 all employees were given health checks that included basic health screening tests, a vision assessment and depression, anxiety and stress assessment. During the same period all staff were offered voluntary flu vaccinations.



Tenants enjoying the Christmas morning tea, December 2018



Recycling bins provided to tenants



Organic waste included in recycling initiative



Case study: 109 Burwood Road, Hawthorn, Victoria Sustainability initiatives unite tenant community

109 Burwood Road, Hawthorn currently houses eight tenants from varying industries. Growthpoint has actively kept the tenant community informed with a monthly newsletter and digital notice board. In December 2018, Growthpoint hosted a well attended Christmas morning tea which created opportunity for tenants to get to know each other. From these initiatives a thriving tenant community has grown with members now chatting via their own building-wide Slack channel and setting up their own cross-tenant social events.

Growthpoint has also initiated a number of sustainability measures for the property, including:

- > Sourcing toilet paper from "Who Gives a Crap". This product is 100% recycled and 50% of profits are used to provide sanitation in developing nations
- > Provision of recycling bins for paper, plastics and eco-waste
- > LED replacements throughout building

Further initiatives are being assessed, many of which have been put forward by the tenants.



Workplace giving & volunteering CERES Community Environment Park

In 2019 Growthpoint has supported CERES with volunteer hours and donations of equipment

Ceres runs extensive environmental education programs, urban agriculture projects, green technology demonstrations and a number of social enterprises including a market, grocery, café, community kitchen, organic online supermarket and a permaculture and bushfood nursery.

Ceres is a place where people come together to share ideas about living well together, and directly participate in meeting their social and material needs in a sustainable way. Through social enterprises, education and training, employment and community engagement, CERES provides the means by which people can build awareness of current local and global issues, and join in the movement for economic, social and environmental sustainability.



People & community continued

Our community.



Tenant Experience Survey

In April 2019, Growthpoint engaged an external consultant to facilitate a portfolio wide tenant experience survey. The results of this survey confirmed the positive relationships we enjoy with our tenants, they are satisfied with Growthpoint and with the quality of the properties and their fitouts. Growthpoint will be using the results of the survey to provide feedback and drive better KPIs for property management services and take all opportunities to improve response timeframes, proactive communication and prioritising sustainability issues.

Environmental Sustainability & Governance (ESG) Plans put in place across portfolio

Growthpoint has developed an enterprise-wide Environmental Sustainability & Governance Plan which formalises the Growthpoint environmental risk and opportunity identification and planning processes.

Individual plans have been put into place for each office property to identify and plan for different capital expenditure projects with a specific focus on improving NABERS ratings, energy efficiencies, waste recycling opportunities or other tenant engagement opportunities being all important sustainability factors arising from the Growthpoint Tenant Experience Survey.

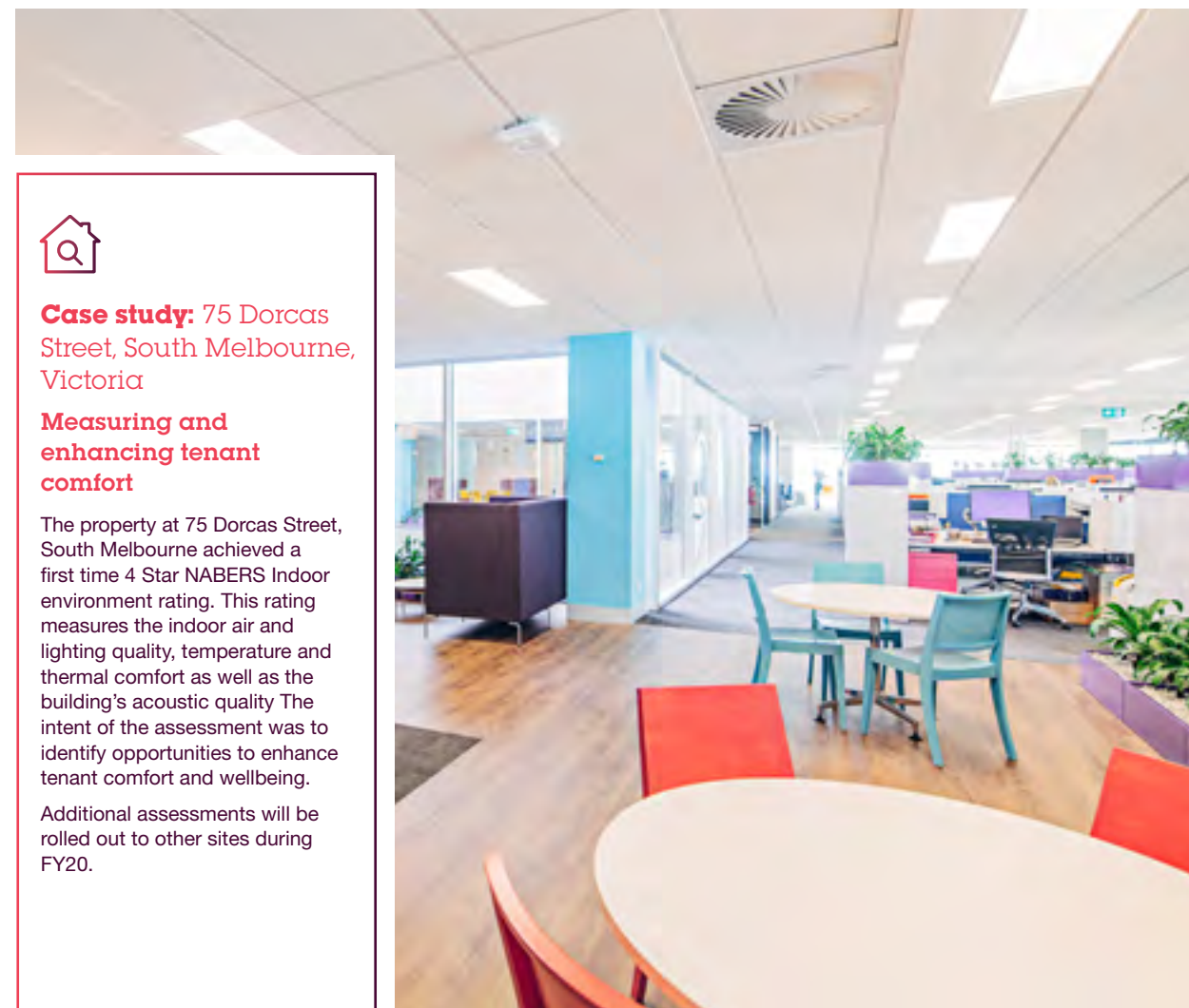


Workplace giving & volunteering



Property Industry Foundation (PIF)

PIF's mission is to make a difference to youth homelessness. Growthpoint continues to make ongoing donations to PIF and going forward, in FY20, we will be actively involved in this great cause through volunteering with the PIF House Committee in Victoria. This will provide us with opportunities to make a greater impact through participation in specific projects.



Case study: 75 Dorcas Street, South Melbourne, Victoria

Measuring and enhancing tenant comfort

The property at 75 Dorcas Street, South Melbourne achieved a first time 4 Star NABERS Indoor environment rating. This rating measures the indoor air and lighting quality, temperature and thermal comfort as well as the building's acoustic quality. The intent of the assessment was to identify opportunities to enhance tenant comfort and wellbeing.

Additional assessments will be rolled out to other sites during FY20.

People & Community Sustainability objectives summary.



Objective	Target	Time frame	Achievement as of date of this report
Workplace giving and volunteering program	Implementing workplace giving and volunteering programs for charitable causes.	On-going	In conjunction with our community partnerships, Growthpoint provided monetary donations to Eat Up Australia and the Centre for Education and Research in Environmental Strategies (CERES) during FY19. In FY19, Growthpoint staff also donated 84 volunteering hours in November and May with Eat Up Australia and 184 volunteering hours over 3 days at CERES.
Tenant Engagement	Continuously build engagement with tenants	On-going	Conducted formal tenant engagement survey through external consultant, InSync Surveys. Developed and launched various sustainability programs at 109 Burwood Road, Hawthorn.
Employee Engagement	Continuously improve on areas of staff feedback to improve communications and embed the Growthpoint values	On-going	Conducted second staff engagement survey through external consultant, InSync Surveys. Developed and launched the Growthpoint values.
Professional development	Employees will on average receive not less than 20 hours of continuing professional development or training for each financial year.	On-going	Staff are encouraged to undertake personal and professional development through Group-funded education and in-house training that enhances their skills. In FY19 Growthpoint staff undertook, on average, 25 hours of continuing professional development.
Diversity	Growthpoint is committed to promoting gender diversity at all levels at Growthpoint.	On-going	Growthpoint currently employs 26 staff of which 14 are women. There are three women in senior management (including one woman in executive management) and two women on the Board of Directors.
Workplace health and safety	Growthpoint is committed to providing a healthy and safe environment for employees to work in.	On-going	In March 2019 all Growthpoint staff were given health checks that included basic health screening tests, a vision assessment and depression, anxiety and stress assessment. During the same period all staff were offered flu vaccinations. Growthpoint continues to maintain its record of workplace safety with no workplace accidents in FY19.



Governance. Growthpoint and risk.

Growthpoint recognises the importance of risk management across its entire business landscape and how a structured and cohesive approach to risk identification, assessment and management is a fundamental foundation of good corporate governance.

The Board is accountable for the nature and the extent of risks that it is prepared to take to meet the strategic objectives of the Group. The Board has determined the risk appetite in each specific area to oversee Growthpoint's risk management framework and to ensure that Growthpoint's activities are consistent with its strategy and stated values.

A key achievement during FY19 was the adoption of a refreshed Risk Management framework by the Board which continues to build on Growthpoint's proven track record of managing risk and protecting the interests of Securityholders. This framework seeks to articulate the categories of risk relevant to Growthpoint, to harmonise across the



Improvements in Risk Framework.

- > Defining roles and responsibilities across Executive Management, the Board, the Audit, Risk & Compliance Committee and Risk owners
- > Detailing the relevant risk categories
- > Defining and aligning the risk consequences across the various categories in terms of financial impact and maintaining a quantitative consistency across diverse risk events.

threshold of consequences and to strengthen the processes for embedding an enterprise risk management program.

Risk Framework Development

A priority to improve the governance practices at Growthpoint during FY19 was the review and enhancement of existing processes for categorising risks, assessing the impact of the highest priority risks and ongoing monitoring of risk controls. This was completed during FY19 with engagement across the Board, the Audit, Risk & Compliance Committee, Executive Management Team and Risk & Compliance with external consultants, Deloitte. Feedback, strategic review and risk workshops were facilitated by Deloitte with the Executive Management Team and presented to the Audit, Risk & Compliance Committee. This process provided the opportunity to identify areas of risk to facilitate the development of risk action plans where required.

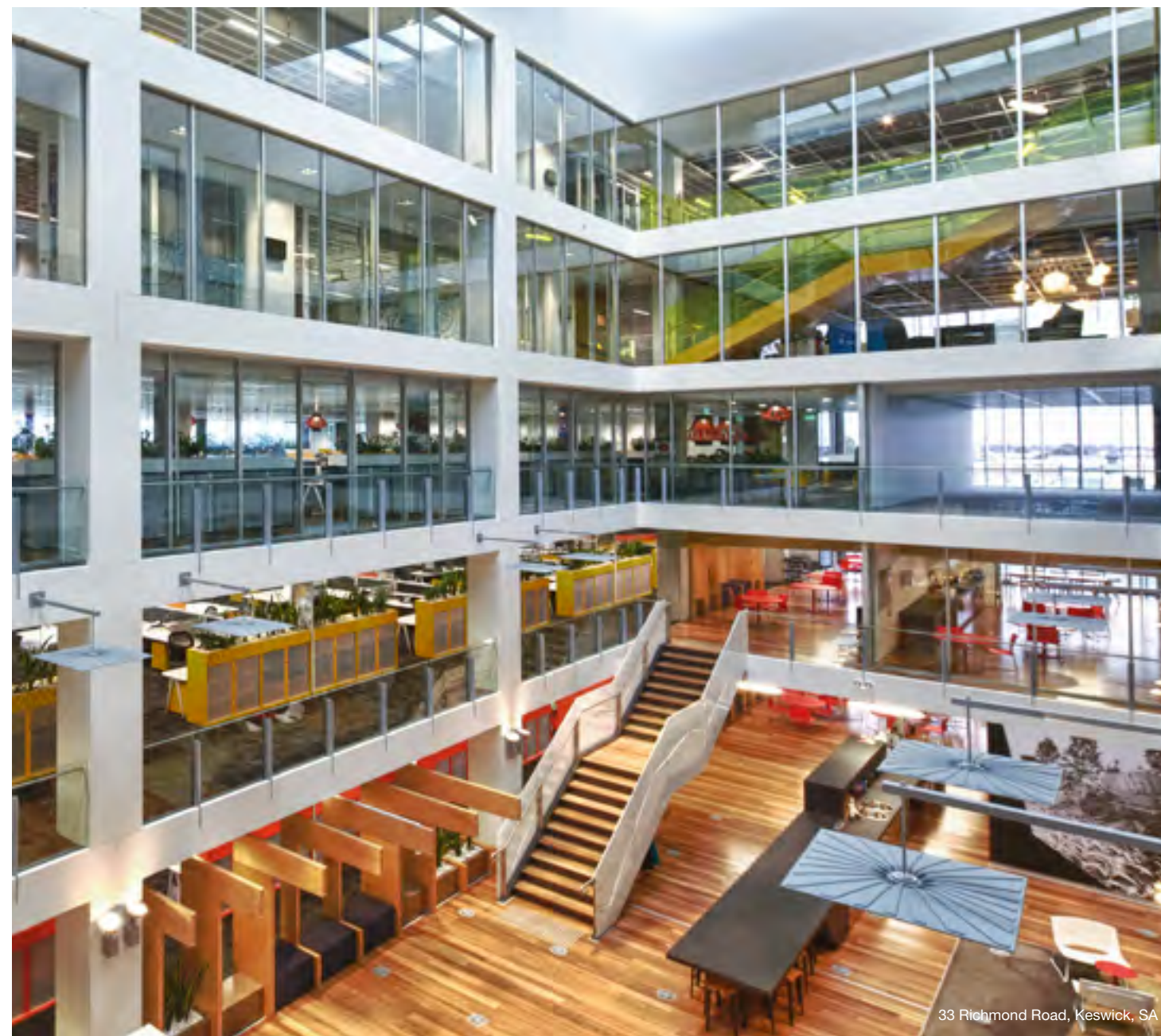
Risk Management

Approach to risk

Growthpoint seeks to integrate the management of risk into all levels of its business across strategic and operational functions. From the Board through to individual property asset management, risk is assessed and managed on a continual basis. The Board and the Audit, Risk and Compliance Committee provides oversight of the effectiveness of the organisation's system of risk management and controls and approves the Group's risk policies, strategies and framework.

Growthpoint does not seek to eliminate all risk as this would remove opportunities as well as downside risk. Instead, Growthpoint seeks to effectively manage risk required to achieve the following strategic objectives:

- > increasing capital value of real property assets;
- > consistently growing distributions to Securityholders;



While ultimate responsibility for ensuring a sound risk oversight rests with the Board and Audit, Risk & Compliance Committee, driving and developing the Risk Framework and setting a strong risk culture rests with the Managing Director and the Executive Management Team. All staff are responsible for incorporating risk management into their day-to-day practices and to contribute to the upward flow of risk information to the right stakeholders.

A Risk Identification Committee comprising the Executive Management Team will meet on a regular basis to review and assess the inherent risks

facing the Group. From time to time, directors and external advisers may also meet with the Risk Identification Committee to consider and rank the significant risks facing the business of the Group and the controls that have been implemented to mitigate those risks.

GRC Platform

The Group has also implemented an online management solution provided by an independent Governance Risk and Compliance (GRC) platform. This is a secure online governance, risk and compliance workflow management tool that reduces the complexity of managing

legal and regulatory obligations and provides a platform for continuous improvement. It will allow the Group to provide up to date Compliance Plan monitoring, a streamlined GRC workflow, assignment of Compliance Plan assurance tasks and the ability to capture any breaches or incidents under the Group's policies.



Summary of key risks.



Strategy & Reputation

- > Prolonged economic downturn (i.e. prolonged technical recession)
- > Structural change due to disruptive industries and trends



Operations, Environmental and People & Culture

- > Loss of key Personnel (member of senior management and Board)
- > Act of terrorism leading to loss of life
- > Cybersecurity



Finance & Economics

- > Material inaccuracy in financial forecast and statutory accounts
- > Low or negative effective rental growth



Legal & Regulatory

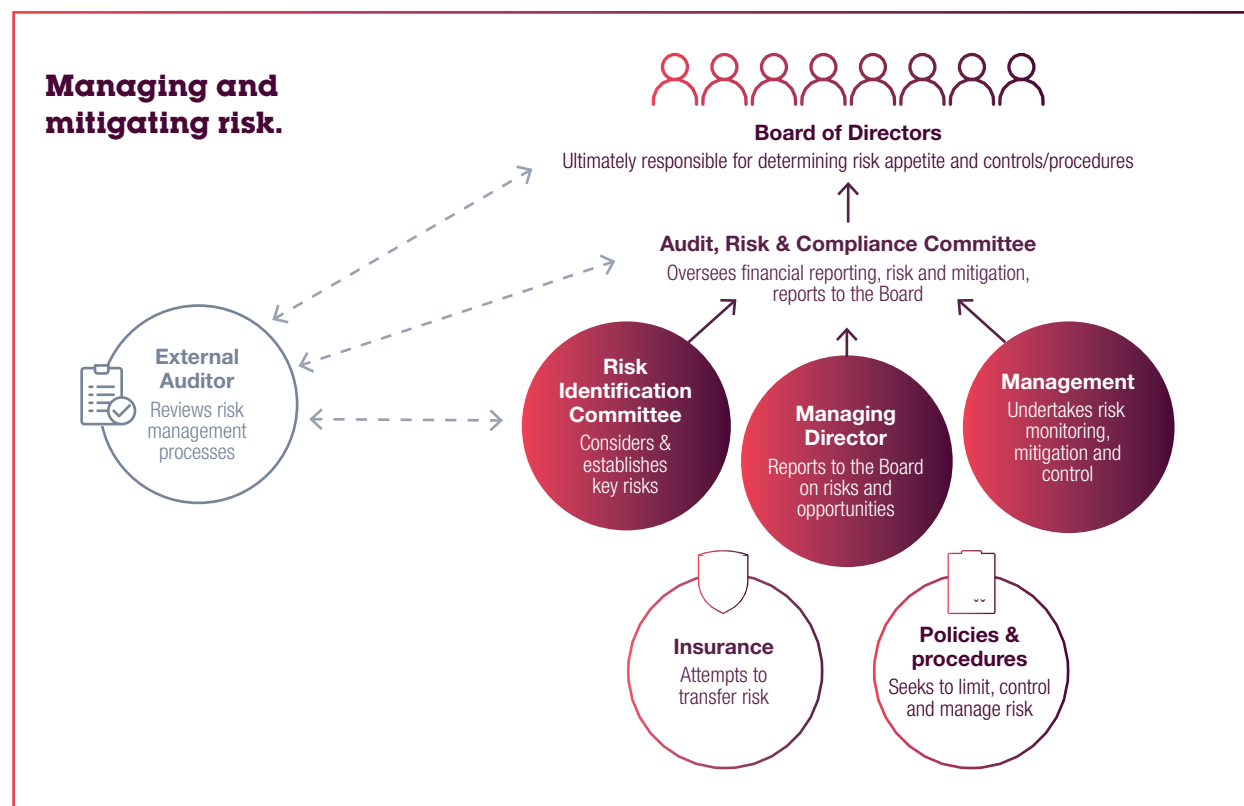
- > Legal status to operate is lost due to material regulatory and/or legal non-compliance
- > Material legal contractual rights and/or obligations not as expected due to poor internal controls/review
- > Significant change in tax law



Physical Assets

- > Significant weakening of property valuations
- > Natural disaster across multiple locations/properties
- > Non-compliant building cladding
- > Reducing lease term of leasehold interests

Governance.
Growthpoint and risk (continued)



Policies and Procedures

Key policies and procedures which contribute to risk management include:

- › **Compliance Plan** – in accordance with the Corporations Act and AFSL requirements, this plan outlines the key compliance requirements for the Group primarily from a Securityholder level (reviewed by the external auditors, approved by the Board, lodged with ASIC and audited semi-annually) including a significant focus on risks and external service providers (e.g. property managers).
- › **Operational Compliance Manual** – contains specific day-to-day information on how to practically comply with Growthpoint’s policies and procedures and the Compliance Plan (reviewed by the external auditors and approved by the Audit, Risk & Compliance Committee).
- › **Code of Conduct** – outlines values for a culture that supports strong corporate governance, compliance, sound business practices and good ethical conduct

- › **Breach Escalation Procedures** – ensures breaches of the Compliance Plan are dealt with promptly and appropriately including escalation to the Board and reporting to ASIC, if significant.
- › **Business Continuity Plan and Disaster Recovery Policy** – ensures that significant disasters can be appropriately managed and limit the impact on the operations of the business.
- › **Valuation Policy** – sets limits for when and how properties must be independently valued.
- › **Committee Charters** – sets requirements and limits of authority for Board committees.
- › **Delegations of Authority Policy** – sets limits on entering into financial commitments and the making of payments by directors and employees.
- › **Risk Management Framework** – sets the importance of risk management across all parts of the business.

› **Sustainability and Stakeholder Policy** – sets the goal of sustainability and stakeholder engagement across the Group.
The diagram above shows the interaction between these components.

Governance
Sustainability objectives summary.

Objective	Target	Time frame	Achievement as of date of this report
Embedding risk identification, management and mitigation programs	Establishing a formal risk appetite statement for the Group.	On-going	Approved Group risk management framework and developing risk action plans.
Developing TCFD-aligned disclosures	Preparing a TCFD base case for the Group to perform the requisite scenario analysis.	On-going	Completed physical risk assessment for proportion of the Group’s portfolio particularly exposed to extreme weather events.
Maintaining a comprehensive compliance framework independently audited	The annual audit report for the Group, the AFSL and the Compliance Plan issued with no qualifications.	On-going	Unqualified audit opinions for the Group, the AFSL and the Compliance Plan for FY19.
Improve investor communications	Provide investors with details of any significant changes to the business (subject to the ASX Listing Rules and other legal and contractual requirements). The Group’s key half-year and annual results and the Annual General Meeting will be webcast.	On-going	Updates provided quarterly. The Annual General Meeting was webcast in November 2018 and will be webcast in November 2019.
No significant breaches of the Group’s AFSL Compliance Plan or the Group policies	No significant breaches.	On-going	There were no significant breaches identified during the AFSL and Compliance Plan Audits for FY19.
Internal audit	To give further assurance in relation to governance and operational controls to management and the Audit, Risk & Compliance Committee.	On-going	The internal audit process conducted through an internal audit function was achieved based on an audit plan prepared by external consultants, Deloitte.

Assurance Statement.



27 June 2019

Steve Lee
 Manager - Projects & Sustainability
 GROWTHPOINT PROPERTIES AUSTRALIA

Dear Steve

WSP Letter of Assurance for Growthpoint Properties Australia limited

WSP has conducted an independent third party review of the greenhouse gas, energy, and water inventories for the 2018 calendar year, for Growthpoint Properties Australia Limited, with the intention of providing limited assurance of its accuracy and completeness. The scope of the review includes:

- Scope 1 & 2 greenhouse gas emission sources for directly managed assets, and head office tenancy
- Scope 3 greenhouse gas emission sources for indirectly managed assets, head office, indirectly managed tenancy spaces, and other scope 3 sources (Air travel, Car rental, Taxi fuel consumption and Hotel Accommodation).
- Water usage for all assets

It is noted that the reported water use for indirectly managed assets, and the scope 3 emissions is as per the data provided and does not cover all properties.

WSP has provided feedback during the review of GHG, energy, and water inventories with specific areas that have been flagged for clarification or improvement. Growthpoint has addressed all requests for clarification and has completed all necessary corrective actions.

The details of the scope of this assurance review can be found in Table 1. Given that there are no verification standards specific to water, principles of GHG verification were adapted and applied.

Table 1: Assurance Scope

Assurance Parameter	Relevant Inventory	Specification
Calculation and Reporting Protocol	GHG and Energy	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
	Water	Guidance adapted for water from: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Verification Standard	GHG and Energy	ISO 14064-3
	Water	Verification guidance adapted for water from: ISO 14064-3
Type of Assurance	GHG, Energy, and Water	Limited (as per ISAE3000)
Organisational Boundary	GHG, Energy, and Water	Properties under Growthpoint operational control.
Geography	GHG, Energy, and Water	Australia
Inventory Period and Emissions Covered	GHG, Energy, and Water	January 1, 2018 to December 31, 2018
Scope 1 Managed Assets	GHG	724 tCO ₂ e Tonnes CO ₂ -e (all Scope 1 sources)
Scope 2 Managed Assets & Head Office	GHG	12,498 tCO ₂ e Tonnes CO ₂ -e (all Scope 2 sources)



Assurance Parameter	Relevant Inventory	Specification
Total Scope 1 and 2	GHG	13,222 tCO ₂ e Tonnes CO ₂ -e (all Scope 1 & 2 sources)
Total Scope 3	GHG	45,065 tCO ₂ e Tonnes CO ₂ -e (all Scope 3 sources for data provided)
Energy (excluding diesel)	Electricity	14,457 MWh
	Gas	3,900 MWh
Water	Water	88,113 m ³ (managed office assets only) 172,162 m ³ (indirectly managed assets, for data provided)
	Supporting Documents Reviewed	GHG, Energy, and Water
Date Review Complete	27th June 2019	

Assurance Finding

Based on these review processes and procedures, WSP has no evidence that the 2018 GHG, energy, and water inventories are not materially correct, are not a fair representation of the corresponding data and information, or have not been prepared in accordance with the Greenhouse Gas Protocol.

Professional Conduct

WSP has conducted this limited assurance review in its capacity as an independent third party in accordance with the ISO 14065 International Standard, *Greenhouse gases — Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition*. ISO 14065 specifies the principles and requirements employed by WSP to make this GHG assertion. Members of the WSP Assurance Team have not contributed to the compilation of the 2018 GHG, energy, or water inventories and are not working with Growthpoint's 2018 GHG, energy, or water inventories beyond what is required of this assignment.

Yours Sincerely

Tim Parker
 Director, Sustainability Manager ANZ
 WSP Australia Pty Limited
 Level 27, 680 George Street
 Sydney, NSW
 2000 Australia





Glossary of terms.

\$ or dollar refers to Australian currency unless otherwise indicated

AFSL Australian Financial Services Licence

A-REIT Australian Real Estate Investment Trust

AUD Australian Dollars

ASX Australian Securities Exchange

bn billion

Board the board of directors of the Company

Capex capital expenditure

Company or responsible entity Growthpoint Properties Australia Limited

cps cents per security

CY13, CY14, CY15, CY16, CY17 and CY18 the calendar year ended 31 December in the year listed i.e. "CY18" means the calendar year ended 31 December 2018

distributions the amount Securityholders receive by way of income in their hand (before any tax or brokerage costs). It is similar to a dividend by a company but it is payable by the Trust

dps distributions per security

FY13, FY14, FY15, FY16, FY17, FY18 and FY19 the 12 months ended on 30 June in the year listed i.e. "FY19" means the 12 months ended 30 June 2019

FY20, FY21, FY22, FY23 and FY24 the 12 months ending on 30 June in the year listed i.e. "FY20" means the 12 months ending 30 June 2020

HY13, HY14, HY15, HY16, HY17, HY18 and HY19 the six months ended on 31 December in the prior calendar year listed i.e. "HY19" means the six months ended 31 December 2018

HY20, HY21, HY22 and HY23 the six months ending on 31 December in the prior calendar year listed i.e. "HY20" means the six months ending 31 December 2019

Gearing interest bearing liabilities less cash divided by total assets less cash

GHG Greenhouse Gas

GRESB Global ESG Benchmark for Real Assets

GOZ the ASX trading code that Growthpoint trades under

Green Star an internationally recognised sustainability rating system issued by the Green Building Council in Australia

GRI Global Reporting Initiative

Growthpoint or the Group Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities

Growthpoint SA or GRT Growthpoint Properties Limited of South Africa (Growthpoint's majority Securityholder) which trades on the JSE under the code "GRT"

JLL the Australian arm of Jones Lang LaSalle, an international professional services and investment management firm

JSE Johannesburg Stock Exchange

kWh kilowatt hour unit of energy

m million

MJ Mega Joule unit of energy

MW Megawatt unit of power equal to one million watts

NGER National Greenhouse and Energy Reporting

NABERS National Australian Built Environment Rating System (a national system for measuring environmental performance of buildings)

REIT real estate investment trust

Scope 1 GHG emissions Emissions from operations that are owned or directly controlled by Growthpoint (i.e. natural gas in use for base building operations)

Scope 2 emissions Indirect emissions from purchased electricity consumed at sites under Growthpoint operational control (i.e. base building electricity consumed by facilities within Growthpoint's operational control and electricity consumed at Growthpoint's Head Office)

Scope 3 emissions All other indirect emissions from sources that include upstream and downstream activities that fall outside Growthpoint's operational control, to

support business operations (i.e. purchased goods and services, tenancy electricity and gas consumption, indirect losses from transmission and distribution of electricity and natural gas and business travel)

Securityholder an owner of Growthpoint securities

sqm square metres

sustainability a process for ensuring activities are able to be continued and assets and resources are able to endure for the medium to long-term

tCO2-e Tonnes of carbon dioxide equivalents. The universal unit of measurement to indicate the global warming potential of greenhouse gases

Trust Growthpoint Properties Australia Trust



Contact details.

Retail Investors:

Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne VIC 3001 Australia

Phone (within Australia): 1300 850 505

Phone (outside Australia): +61 (0)3 9415 4000

Fax: +61 (0)3 9473 2500

Email: webqueries@computershare.com.au

Institutional Investors:

Email: info@growthpoint.com.au

Investor Services Line: 1800 260 453

www.growthpoint.com.au

Corporate directory.

Growthpoint Properties Australia Limited
ABN 33 124 093 901; AFSL No 316409

Growthpoint Properties Australia Trust
ARSN 120 121 002

Registered Office

Level 31, 35 Collins Street,
Melbourne VIC 3000 Australia

Phone: (03) 8681 2900

Fax: (03) 8681 2910

www.growthpoint.com.au

Directors

Geoffrey Tomlinson, Timothy Collyer, Maxine Brenner, Estienne de Klerk, Grant Jackson, Francois Marais, Norbert Sasse, Josephine Sukkar

Company Secretaries

Dion Andrews, Yien Hong¹

Auditor KPMG

Tower 2, 727 Collins Street
Melbourne VIC 3008 Australia

ASX Code

Growthpoint Properties Australia securities are listed on the Australian Securities Exchange (Code GOZ).



2019 Securityholder calendar*

22 August 2019

- Results for the full year ended 30 June 2019 announced to ASX

30 August 2019

- Distribution paid for the half year ending 30 June 2019
- FY19 Annual Report sent to Securityholders

31 October 2019

- Investor Update released to ASX

21 November 2019

- Annual General Meeting

* Dates indicative and subject to change by the Board.

1. Yien Hong has been appointed Company Secretary and General Counsel on a fixed term contract until 23 August 2019.

2019 Sustainability Report

Growthpoint Properties Australia
Level 31, 35 Collins Street, Melbourne VIC Australia
Investor Services Line: 1800 260 453
www.growthpoint.com.au

