



grit

Grit Sustainability Policy

Revision History		
Revision reference	Date	Description of changes
V02	January 2022	- Addition of 2 major KPIs - Alignment to UNSDGs
V03	June 2022	Change of titles and processes

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P-ESG_Sustainability	October 2020	June 2022	No. 3	Responsible Business	Responsible Business Committee	June 2022

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1. PURPOSE

The purpose of this policy (“Policy”) is to define the sustainability framework of Grit Real Estate Income Group Limited (“Grit” or “Company”) and its subsidiaries (collectively the “Grit Group”).

Our progress in ensuring that we remain a sustainable corporation is measured against a set of sustainability objectives and targets, which are reviewed quarterly, by Grit’s Sustainability Committee called the ESG Exco and the Responsible Business Committee, in addition to the Board of Directors.

This Policy forms the foundation of this core component of our business. It is the Company’s intention to develop a wider collection of frameworks, objectives and targets in support of this Policy over time.

2. SCOPE OF APPLICATION

The Policy applies to the whole Grit Group in relation to its sustainable objectives.

3. INTRODUCTION

Grit’s primary objective is to deliver strong and sustainable income for shareholders, with the potential for income and capital growth. In so doing, the Company strives to be a leading responsible investor and owner and active manager of a diversified portfolio of sustainable real estate assets in carefully selected African countries. Grit’s assets actively support the businesses of our wide range of blue-chip multinational tenants as well as delivering positive financial and non-financial impact and value to the communities our assets serve across Africa, sustainable for both short and long-term.

Grit recognises that it is its duty, as a prominent good corporate citizen across multiple territories across Africa, to ensure it acts and manages its business in a way that is responsible and sustainable and strives to deliver positive social, environmental and economic change and value for shareholders and all its stakeholders for both short and long-term.

Across our business, portfolio and communities around our assets, Grit continues to work closely with all its stakeholders to create and deliver ESG programmes and implement its strategies to provide them with further attractive, long-term profitable outperformance and sustainable value.

A core part of Grit’s strategy is driving improvements in its ESG performance, demonstrating not only its commitment to ESG, but also how environmental, social and governance matters are an intrinsic part of every element of the Group’s business and investment strategy and increasingly embedded in the way the Group operates. Grit’s ESG journey is aligned to its culture and values and its approach to ESG is also part of its approach to risk management.

Grit firmly believes that a rigorous focus on sustainability will ensure its long-term viability and commercial success, by helping the Grit Group make sound decisions in the best interest of all its stakeholders. Progression on its ESG journey and effective ESG measurement and reporting is a key priority at Board level and permeates across the business.

4. GRIT’S ESG MANAGEMENT FRAMEWORK

The Board and the Responsible Business Committee (“RBC”) of Grit have overall responsibility for the Group’s ESG strategy and the direction which the Group will take, through the Sustainability Policy of the Grit Group, a copy of which is available at <https://grit.group/governance/>.

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In assisting the Board to discharge such responsibilities, authority has been delegated to the Head of Responsible Business to monitor adherence to the Sustainability Policy, through the ESG Exco, which oversees the ongoing development of overall ESG strategy from the Group, ensuring that there is Board level discussion and input.

ESG Exco oversees/ensures:

- the delivery of environmental sustainability initiatives and commitments throughout the business;
- the delivery of initiatives impacting our people and the communities in which Grit operates;
- that levels of governance and oversight across the business continue to be upheld to a high standard; and
- that Grit's ESG strategy is embedded throughout the business and provide key support to the communities around the Group's assets.

The successful delivery and further development of Grit's ESG strategy across our business also requires the continuing collaboration and support of all of Grit's people.

Adherence to the Policy and the Key Performance Indicators ("KPIs") are reported to the Board and at quarterly RBC meetings by the Head of Responsible Business at regular and appropriate intervals.

The Sustainability Report tabled at the RBC meetings sets out the details linked to monitoring the KPIs, whilst it is one of the key focus areas of the RBC to enhance the technical standards, scoring framework and the way data is collected.

5. GRIT'S SIX MAJOR PILLARS LINKED TO SUSTAINABILITY

To provide a clear focus on how we set out to conduct ourselves as a responsible and sustainable business, we have defined six major pillars and focus areas when it comes to Sustainability.

These are:

1) **Managing our assets responsibly**

At Grit, we constantly find ways to drive efficiency and improve our business, through the close monitoring of our assets, and further developing and delivering innovative solutions that optimize utility for the tenant, returns for its shareholders and positive change and value for all its stakeholders.

2) **Uplifting communities**

Grit provides support and resources to the communities in which it operates to ensure that its on-the-ground presence and not just its assets, add value and provide access and opportunities to the surrounding communities.

3) **Developing our employees**

The Company realizes that it is important to build people, who in turn, build businesses, by creating opportunities for individuals and teams to grow, upskill, innovate, debate, problem-solve and realise their full potential.

4) **Designing and delivering environmentally conscious and efficient spaces**

Grit strives to provide spaces which are energy-efficient, reduce water usage, promote prudent waste management and consider the environment, while also reducing operating costs for the benefit of both its tenants and shareholders.

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5) Adhering to the highest standards of Health and Safety

Grit strives to create and provide a safe and healthy work and living environment for its stakeholders by implementing the ISO45001 health and safety standards and management system.

6) Protecting human rights

Human rights are basic rights that belong to everybody. They embody key values in our society such as fairness, dignity, equality and respect. They are an important means of protection for us all, especially those who may face potential abuse and neglect. At Grit, the protection of human rights and fundamental freedoms is managed from both an internal and external perspective.

4. KEY HIGH LEVEL KPIS

Further to the above core pillars, Grit has identified 4 high-level KPI's that the Company has set to achieve and maintain over 5 years, from 2019 to 2025. These are as follows:

- 1) 25%¹ reduction in Group carbon emissions by 2025
- 2) 25%² improvement in building-efficiency by 2025 through reductions in electricity & water consumption
- 3) At least 40% of leadership positions within Grit Group held by women
- 4) At least 65% local employee representation

The above KPIs are monitored and reported to the RBC and Board. These are also reported through Grit's Integrated Annual Report.

6. HOW TO OPERATE AS A SUSTAINABLE BUSINESS

Over and above these high-level KPI's, the company intends to continue to operate as a sustainable business in the following ways:

- Ensuring alignment of our Sustainability strategy to the United Nation's Sustainable Development Goals (SDGs) and the United Nations Global Compact. Refer to Annexure I for indication on how Grit's 6 major KPI's align to the UNSDGs
- Adherence to Grit's Environmental Sustainability Reporting Policy
- Placing Sustainability as a key strategic imperative across our entire value chain and all our operations.
- Providing spaces and environments which impact positively on the lives of our employees and occupiers.

¹ using 2019 as a base year, measured on a per employee basis, in air travel and portfolio building carbon emissions respectively

² Measured on a per square metre basis on Group portfolio, using 2019 as a baseline year.

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- Providing guidance to enable our various business teams to include key sustainability considerations in their decision-making and business activities.
- Continuously seeking to improve our sustainability performance and promote higher levels of responsibility across our operations.
- Ensuring complete compliance with the various legal and corporate governance requirements which form part of operating in the Listed Real Estate Sector.
- Regular engagement with our key stakeholders, addressing any key concerns swiftly and transparently.

7. REVISION OF THE POLICY

This Policy shall be reviewed on an annual basis, which will include an assessment of the KPIs and the framework.

Any revision shall be proposed by the Head of Responsible Business to the RBC for review and approval and the RBC shall in turn discuss such change with the Board as may be required and recommend any such revision to the Board for approval.

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ANNEXURE I – Grit’s 6 Major Pillars Aligned to UNSDGs

Grit’s ESG priorities

Our Sustainability Policy and Framework sets out what being a responsible business means to us, defining our major pillars and high-level KPIs.

Major Pillars	What it means to Grit	Linked to UN SDG
1. Managing our assets responsibly	At Grit, we constantly find ways to drive efficiency and improve our business, through the close monitoring of our assets, and further developing and delivering innovative solutions that maximize utility for the tenant, returns for our shareholders and positive change and value for all our stakeholders.	
2. Designing and delivering environmentally-conscious and safe, healthy and efficient spaces	Grit provides spaces which are energy-efficient, reduce water usage, promote prudent waste management and consider the environment, while also reducing operating costs for the benefit of both our tenants and shareholders.	
3. Uplifting communities	Grit provides support and resources to the communities in which we operate to ensure that our on-the-ground presence, and not just our assets, add value, and provide access and opportunities to the surrounding communities.	
4. Developing our employees	The Company realizes that it is important to build people, who in turn, build businesses, by creating opportunities for individuals and teams to grow, innovate, debate, problem-solve and realise their full potential.	
5. Setting the highest standards of Health and Safety	Grit creates and provides a safe and healthy work and living environment for our stakeholders by implementing the ISO45001 health and safety standards.	
6. Protecting human rights	Human rights are basic rights that belong to everybody. They embody key values in our society such as fairness, dignity, equality and respect. They are an important means of protection for us all, especially those who may face potential abuse and neglect. At Grit, the protection of human rights and fundamental freedoms is managed from both an internal and external perspective.	

