

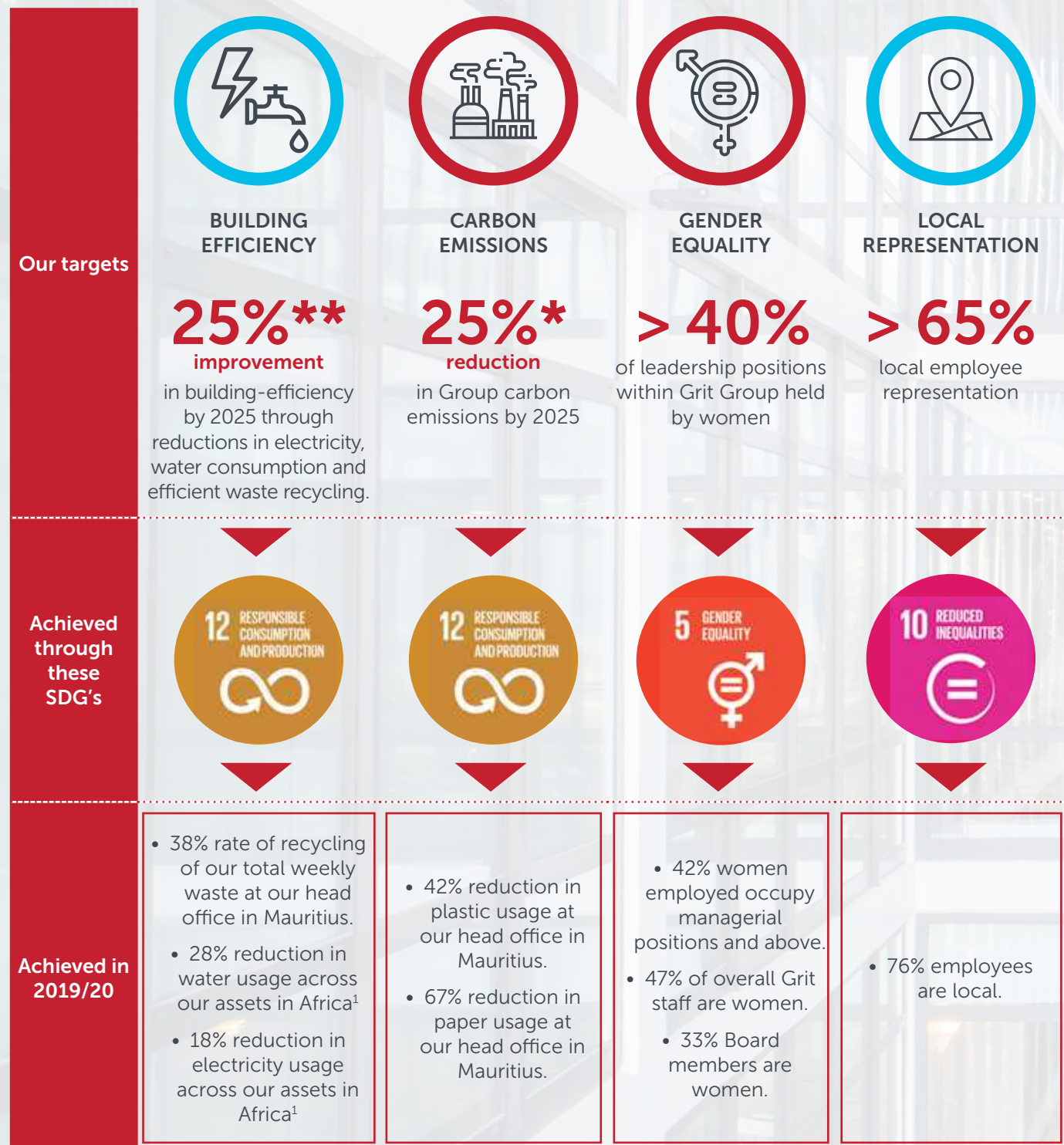


Responsibility Report 2020

grit
Real Estate
Income Group

RESPONSIBILITY

At Grit, we work towards a responsible business approach every day. We understand that there needs to be a balance between our environmental, social and governance impacts to clearly make a difference in this ever-evolving world.



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

** Measured on a per square metre basis on Group portfolio, using 2019 and a baseline year.

1. Data provided includes the following properties (Ghana: 5th Avenue, Capital Place) (Kenya: Buffalo Mall) (Morocco: Anfa Place) (Mozambique: Acacia Estate, Holland/KPMG, Vodacom, Commodity House Phase 1 & Phase 2, Vale Dos Embondeiros, Mall De Tete, Zimpeto Square) (Zambia: Cosmopolitan Shopping Centre, Kafubu Mall, Mukuba Mall).



Commodity House Phase 1 - Maputo, Mozambique

ENVIRONMENTAL

Responsible consumption:

We are committed in our journey towards responsible consumption in our overall portfolio and strive at attaining better results each year.

2019/20 Achievements:



38%

rate of recycling of our total weekly waste at our head office in Mauritius.



42%

reduction in plastic usage at our head office in Mauritius.



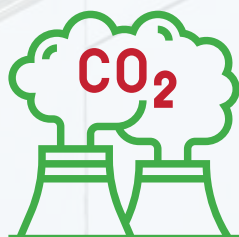
67%

reduction in paper usage at our head office in Mauritius.

2020/21 Focus points:



Deploy our **Environmental Sustainability Management** and Reporting Policy across all our assets in **Africa**.



Further develop our **carbon offset** strategy and plan in order to reach our target of net zero carbon by **2040**.



Develop a strategy to **support life on land**.

EcoGrit Committee:



Grit has implemented a Sustainability Committee which has been branded **EcoGrit**. The objective of the **EcoGrit Committee** is to strategize, implement and follow up on our various actions to achieve our Responsible Consumption goals. The Committee consists of 10 staff members from all business levels and various departments and meetings are held every quarter.



Members of the EcoGrit Committee

Actions taken to reach building efficiency:

1. Conscious electricity savings

Grit staff always make a conscious effort to turn off lights, air conditioning and general equipment when not in use. Grit also makes sure that all equipment purchased and replacing old ones are energy saving and automatically go on 'sleep mode' when not being used.

2. Reduction of paper usage

We continue in our commitment to printing less and to reduce our consumption of paper in the business. The EcoGrit committee has implemented paper-saving printing devices at the head office in Mauritius and through this initiative paper usage has been reduced by **67%** in 2019/20.

The Committee has also banned the use of disposable paper cups for water and coffee drinks. Instead, re-usable bamboo cups have been distributed to every employee at the head office thereby eliminating the need for single-use paper cups.



3. Recycling initiatives

The EcoGrit Committee has implemented a recycling initiative whereby all plastic, cardboard, metal and glass are carefully separated from organic waste, cleaned and delivered to a trusted local partner for recycling. Since the launch of this initiative early January 2020, **38%** of our total waste gets recycled on a weekly basis.

4. No to plastic

The EcoGrit Committee has banned the use of water fountains in the office. Since the implementation of the water filter in February 2020, there has been a reduction in plastic use of **over 42%** which equates to **240 10L bottles** at the Grit head office.

Grit also continues to provide aluminium bottles to new staff in a view to eliminate the need for plastic water bottles during workdays.

Therefore, in the year 2020/21, Grit would have completely eliminated the use of plastic bottles and cups.

Actions taken to reduce carbon emission:

1. Sourcing locally:

Grit has strict rules to source most office collaterals from local suppliers only, in a view to avoid any air freight. For example, birthday gifts for employees are sourced from a local supplier who makes beauty products from recyclable and bio-degradable material.

Annual Report printing is done in Mauritius with paper that is ethically sourced. This year, Grit will be reducing the number of Annual Reports printed by **90%** and will encourage shareholders to access an online version instead.

Other initiatives:

1. All Life Matters Animal Sanctuary:

Mauritius has been battling with an overpopulation of stray dogs and cats roaming its streets for many years.

ENVIRONMENTAL

All Life Matters Animal Sanctuary (ALM) believes the only humane sustainable solution to managing the overpopulation of dogs and cats is sterilisation and education. ALM is focused on sterilisation and educating people to be responsible pet owners. ALM has sterilized thousands of dogs and cats over the years. They also run an adoption programme and have managed to find homes for many stray animals. Besides the veterinary clinic, the sanctuary also provides a home for retired racehorses who can no longer race. Moira van der Westhuizen, who is the founder and president of ALM has made it her mission to save these racehorses and many other animals and to provide them with a forever home within the sanctuary.

ALM doesn't only impact on the welfare of animals. The sanctuary has also provided an opportunity for its 14 employees to do what they are most passionate about; to work with animals together with having a positive impact on them and their families.

Grit proudly donates over US\$15,000 a year and will continue to do so in a view to reduce the amount of stray dogs and cats on the roads of Mauritius and to promote awareness about the importance of sterilization and well-being of animals.

Key Focus Areas for 2020/21

1. Building efficiency across our assets.

Grit has implemented an **Environmental Sustainability Management and Reporting Policy** which will ensure that we receive consistent as well as historic data for each property in each region. This has been distributed to each facility manager and will assist in the capturing data accurately and consistently for the efficient running of our assets through responsible water and electricity consumption and waste recycling. These three areas of Environmental Sustainability have an influence on each of the premises in the Grit Real Estate Income Group's portfolio, these areas of influence are as follows:

- Overall resource consumption and waste generation;
- Cost of ownership, management and occupancy costs to tenants;
- The ability to improve performance within constrained resource supply parameters;
- The environmental impact and corporate responsibility.



a. Reducing water consumption across our assets

Africa remains a water scarce continent and the careful management, usage and recycling of water resources has become an ever-increasing priority for homes, businesses and government bodies alike. While Northern Africa has 92% safe water coverage, Sub-Saharan Africa remains at a low 60% of coverage, leaving 40% of the 783m people in that region without access to clean drinking water.

Our **Environmental Sustainability Management and Reporting Policy** proposes the following measures to reduce water consumption across our assets in Africa:

- Installation of sensor taps;
- Leak detection devices;
- Low-flow tap nozzles;
- Rain and grey water harvesting devices;
- Automated landscaping irrigation.

Through the above initiatives, we aim at decreasing water consumption across our assets by 25%.

b. Reducing electricity consumption:

- In 2017, the Worldbank issued a statistic regarding the percentage of people in Africa that has access to electricity. In 2017, this percentage was 44% of the African population.
- With this statistic in mind, it is evident that electricity is a vital segment in the Environmental Sustainability framework.

Our Environmental Sustainability Management and Reporting Policy proposes the following measures to reduce electricity consumption across our assets in Africa:

- Responsible consumption amongst all staff and tenants;
- Energy efficient equipment;
- Solar PV Plants;
- LED Lighting;
- Light Motion Sensors;
- Day Night Switches.

LED lighting has distinct advantages from older technologies such as xenon tube lighting, providing a more sustainable and cost-efficient future. Human-friendly advantages include zero electromagnetic interference, thus no background static hum. LEDs generate a full-spectrum light closely resembling daylight, illuminating tasks and enhancing work, school, and retail environments.

c. Increased recycling and better waste management:

In Africa, most of the Municipal Solid Waste (MSW) generated is plastic and 57% is organic waste, the bulk of which is currently sent to landfill. This could provide significant socio-economic opportunities for countries that take recycling initiatives. An estimated 70–80% of the MSW generated in Africa is recyclable, yet only 4% of MSW is currently recycled.

This confirms that waste recycling in Africa is currently not as effective as it can be and provides an opportunity for growth in the waste recycling sector.

Our **Environmental Sustainability Management and Reporting Policy** proposes the following measures to encourage recycling across our assets in Africa:

- Tenant education and collaboration
- Waste sorting;
- Recycling program;
- Recycling bins;
- Compost organic waste.

Grit has already initiated its search for reliable service providers in all regions to ensure waste recycling is improved, measured and recorded effectively.

2. Reduction of carbon emissions:

The lockdown we've gone through during the COVID-19 pandemic has showed us how everyone can really make a difference and significantly reduce CO² in our atmosphere.

Working from home has reduced the need to drive our cars to work or use public transport and closed borders have stopped business travel and forced us to use alternative ways of holding meetings and change the way we communicate with each other. Technology has helped business continuity and Grit intends on keeping this trend wherever possible.

a. Our commitment to reduce air travel by 25% by 2025:

The worldwide aviation industry is responsible for over 12%¹ of CO₂ emissions on the planet. With this in mind, Grit finds it imperative to reduce our business travels and pledges to reduce the latter by 25% (per person) by 2025. Grit intends on doing this by allowing business travels only for important meetings and using virtual meeting sessions where possible.

b. Reducing car travel:

Grit intends to implement a 'Once a month car-pool' activity amongst its staff members in Mauritius, an initiative proposed by staff members. With road traffic contributing to 24%² of worldwide carbon emissions, it is imperative that we begin reducing car travel.

1. [https://www.ataq.org/facts-figures.html#:~:text=The%20global%20aviation%20industry%20produces,carbon%20dioxide%20\(CO2\)%20emissions.&text=Aviation%20is%20responsible%20for%2012,to%2074%25%20from%20road%20transport.&text=Globally%2C%20the%20average%20occupancy%20of,than%20other%20forms%20of%20transport.](https://www.ataq.org/facts-figures.html#:~:text=The%20global%20aviation%20industry%20produces,carbon%20dioxide%20(CO2)%20emissions.&text=Aviation%20is%20responsible%20for%2012,to%2074%25%20from%20road%20transport.&text=Globally%2C%20the%20average%20occupancy%20of,than%20other%20forms%20of%20transport.) [accessed 15.07.20]

2. <https://www.planete-energies.com/en/medias/close/global-transportation-sector-co2-emissions-rise#:~:text=Passenger%20travel%20is%20responsible%20for,CO2%20emissions%20from%20fuel&text=Based%20on%20current%20policies%2C%20it,60%25%20between%202015%20and%202050.> [accessed 15.07.20]

SOCIAL

2019/20 Achievements:



33%

Board members
are women



47%

staff are women



42%

women in leadership
positions



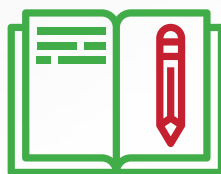
76%

local employees



Staff turnover rate
went down by

17%



Provided

600 hrs

of Leadership courses to Senior
and Line managers.



82%

staff would recommend
working at Grit.

2020/21 Focus points:



Maintain
**women in
leadership positions**
over

40%



Maintain
**local
representation**
over

65%



Launch an
Employee program
around **well-being**
and work-life balance.

Working towards Gender Equality, Diversity and Inclusion:

1. Women with Grit:

women
with **grit**



Women with Grit was first founded in 2017 under the name Women in Property Networking. As the name states, the aim of this group was to get all women in property together in a view to network and exchange experiences. The aim is to create a safe space for

working women to share, inspire and uplift each other as women in the workplace. In 2019/20 there have been 3 networking events: 1 in Mauritius, 1 in Johannesburg (South Africa) and 1 virtual event with approximately 150 participants in total.

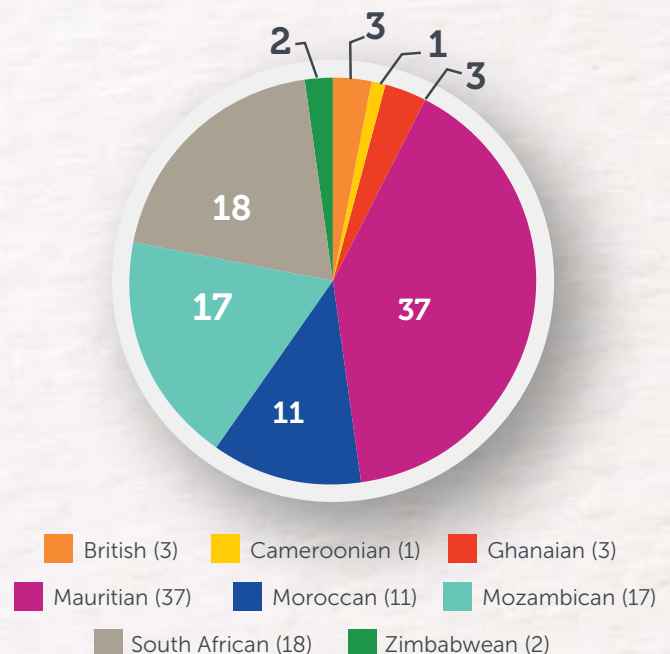
Initiatives taken in 2019/20 towards maintaining Local Representation:

2. Diversity and inclusion

We embrace diversity in every form. At Grit, inclusion and diversity is a normality and statistics speak for themselves: 76% of our employees are local and 47% are female. We recruit the best talent based on skills and attitude and not on demographics.

Our work culture evolves around celebrating differences and sharing cultural customs. We believe that Grit has the most culturally diverse workforce with staff from 8 nationalities.

Nationalities within Grit



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Grit also introduced a monthly gathering called #LetsTalk. These sessions last 15-20 minutes and are meant to provide an opportunity for every employee to openly discuss any concerns they may have in the workplace, to present new ideas and to make suggestions on the logistics and daily running of the business. They also provide a means for management to update employees on the numerous initiatives being implemented from the different committees of the business. Grit continued its #LetsTalk sessions virtually throughout COVID-19 lockdown where employees were able to share their experiences and lifestyle adjustments they were going through during this challenging time.

Human Capital:

1. Talent Attraction and retention.

In the last year, the Group has invested resources in attracting young new talents which has lead to an overall human capital increase of 33% from June 2019 to July 2020.

Our retention levels also rely on attractive compensation and benefit programs. We review our Short and Long-Term Incentive bonus scheme regularly, and our remunerating policy is reviewed yearly to ensure we stay competitive.

The recruitment of talent has been a focus of the HR department to ensure the best culture-fit and person-job fit. A thorough competence analysis has been created, together with a revamped recruitment process and this combination has proven effective as our staff turnover rate went from 26.5% in June 2019 to 9.5% in June 2020.

Grit encourages its talents to network and support other organisations aligned to its values.

Janesh Chuttoo, our Legal Advisor, has been appointed as a Member on the advisory Council of the United Nations Global Compact Network in Mauritius (UNGC Local Network) on July 10th 2020.

The UNGC is the world's largest corporate sustainability initiative and through its different networks aims to:

Do business responsibly by aligning strategies and operations with the Ten Principles of human rights, labour, environment and anti-corruption; and

Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The 10 core principles on which the UNGC's actions are based are broadly as follows:

- Human Rights;
- Labour;
- Environment;
- Anti-corruption.

The board of the Global Compact Network (Mauritius) Foundation's mandate would notably be to advance the cause of the UNGC in relation to the 10 principles. The UNGC Mauritius will actually have a regional reach for UNGC, with seats for Madagascar, Seychelles and at a later stage, Reunion island.



Janesh Chuttoo, Legal Advisor and Board Member of the UNGC.

COVID-19 and the community:

The COVID-19 pandemic has affected many of the poorer communities in Mauritius. On March 20th 2020, the Government of Mauritius ordered an immediate lockdown and many families had not had the time to buy food or didn't have the means to stock up food for a long period of time. Sanitizers and masks were out of stock on the island and many people were left in a vulnerable state.



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Grit decided to create the COVID Relief Fund donations were collected from Grit employees, partners, families and friends. Through this, Grit was able to purchase, pack and distribute food packs to needy families across the island.

Grit also made additional monetary donations of US\$20,000 and US\$73,000 for hand sanitisers and masks respectively to public servants and front liners.

In July 2020, Grit, along with preferred development partner Gateway Real Estate Africa, made another donation of 55,000 masks to the Mauritius Diabetes Association. Mauritius currently ranks 7th in the world with 22% of the population being affected by diabetes, therefore making those affected extremely vulnerable amidst COVID-19.



Bronwyn and the GREA team at the Mauritius Diabetes Association

Our Supporting for local suppliers:

In 2019, Grit has implemented strict procurement rules for the appointment of suppliers. Local suppliers are to be appointed as far as possible in each of our jurisdictions. Through this, Grit wants to ensure that business is being given to local businesses and thus contribute to the local economy and job creation.

All Life Matters: Educational Day

In December 2019, Grit held a Children's Educational day at All Life Matters farm. 36 children, including their parents and teachers, from Terre de Paix were invited to come to the farm for a half day of fun, food and education. Terre de Paix is a Non-Governmental Organisation with a mission to improve the lives of the

poorer communities in Mauritius particularly children in distress. [www.terredepaix.org]

The objective of the day was to create an energized environment out of their usual environment while making it fun and educational. The Educational day provided the opportunity for the children to be taken on a tour by ALM staff where they were told about animal care and how the farm works. The aim was to instill a notion of empathy and care for animals in these children. The day also included jumping castles, face painting, a balloon shape making class and lunch.



Employee Engagement:

We have an 'open-door' culture, based on feedback and involvement of all stakeholders in our day-to-day operations and projects and where employee engagement is highly encouraged. Employee surveys are conducted twice a year to encourage interaction and involvement in the Group's projects. These surveys also provide us with empirical data on employee engagement.

In Q1 of 2019, 71% of our employees participated on our eNPS Survey and our Employee Net promoter Score¹ was 27. An increase of 8 points compared to April 2019's survey. The highest scores were recorded for Corporate culture, Atmosphere, People at work and Leadership.

Our average engagement currently sits at 3.9 over 5 which represents **78%** of our staff and when asked if they would recommend Grit as a place of work **82%** were in agreement.

Our overall Human capital strategy is based on feedback we receive from these surveys, thus enabling us to implement the following:

- A 'Roles and Responsibilities review program' launched across the Group.

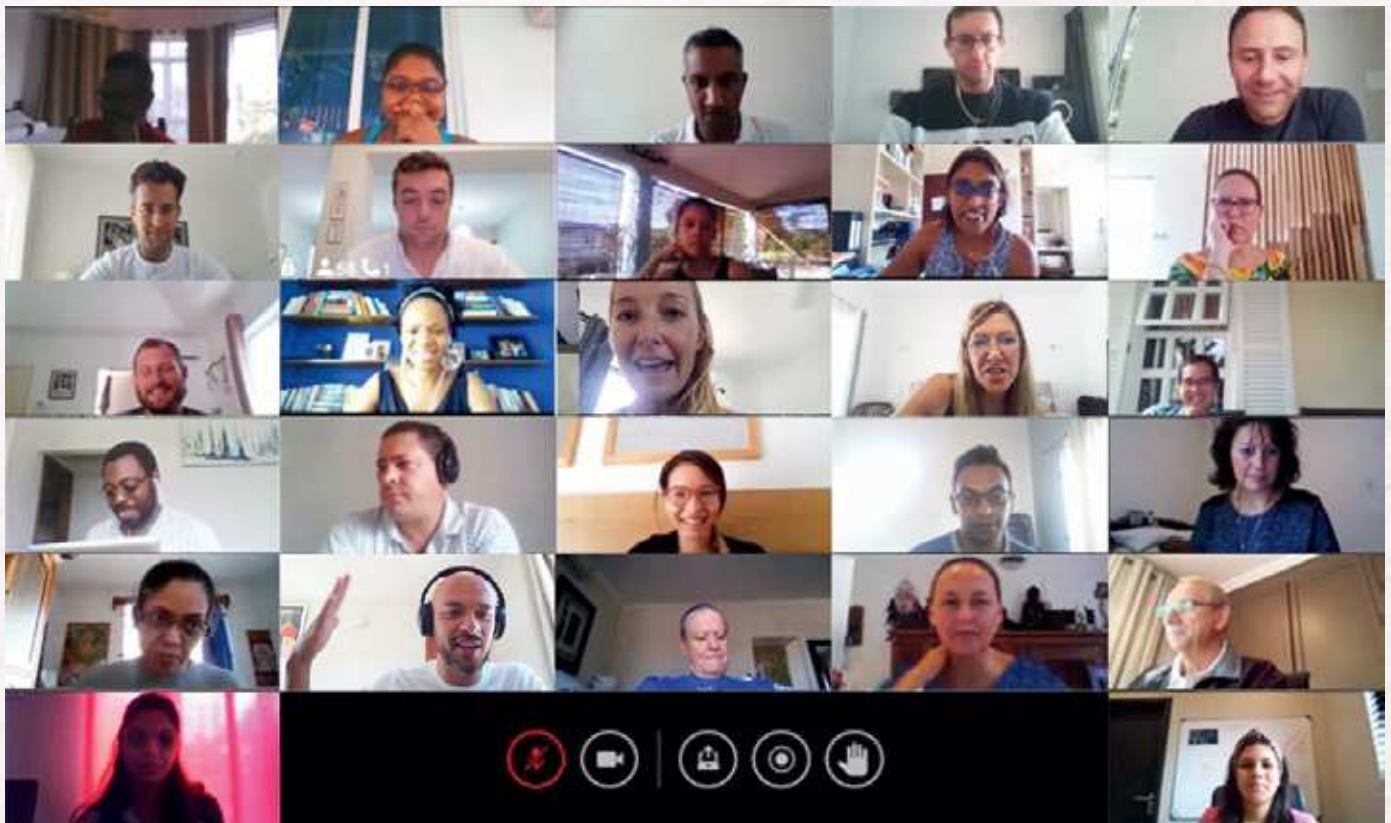
- A 6-month KPI program targeting organisational, team and individuals' Key Performance Indicators was rolled out across the company.
- Improvement of internal communication by using more interaction and with effective use of digital platforms.
- Improved work-life balance.
- The hiring of new resources in departments that needed additional back up.

The Grit Internship Program

Creating workplace opportunities for students and young graduates has been a key focus for Grit this year. Since Grit's incorporation in Mauritius, we have created an internship program whereby young graduates are given a chance to experience the real workplace. Last year, Grit had 6 internships on offer in various departments.

Leadership Program

- Strengthening leadership capabilities is a key objective of Grit's 'Human capital strategy'. The aim is to ensure that leaders are continuously updated with the appropriate knowledge and skills for heightened performance.



The Grit Team on a Zoom call during lockdown in April 2020

1. Employee Net Promoter Score (eNPS) is a metric used by companies to gauge employee satisfaction and loyalty within their organisation. It is based on the Net Promoter Score system from Bain & Company, Satmetrix Systems, Inc., and Fred Reichheld, that gauges customer loyalty. (source: <https://www.bamboohr.com/hr-glossary>)

SOCIAL

- Grit has implemented a leadership programme called P.E.R.F.O.R.M, with the help of a leadership coach. This included numerous seminars, strategic workshops and one-on-one coaching sessions. The initiative amounted to an overall of 600 hours of training provided in the last 12 months. Grit now has consolidated organisational, team and individual goals for optimal leadership and employee engagement.

Well-being

- Our employees' well-being is extremely important to us and we want to make sure that they feel valued and have work-life balance. Grit provides support and services to assist in employees' personal wellbeing. There is an 'open-door' culture between Management and staff to encourage interaction, may it be formal or informal.

With COVID-19 lockdown being implemented very suddenly in Africa and Mauritius, Grit implemented a 'Lockdown Support Committee' whereby employees were able to express their experiences and challenges they were going through while being in lockdown.

Health and Safety

- The Management of our Health and Safety risks are of utmost importance to the success of our business. We have implemented a few training sessions such as Practical Fire training and First Aid courses.



Our Health and Safety team on a fire training session.

2020/21 Focus points:

- Maintain gender equality by providing equal opportunities for women in the workplace.
- Maintain local representation high by providing work opportunities to the local workforce on all business levels and departments of the company.

Expand our Women with Grit network to various jurisdictions and allow more women to share their experiences and insights.

Continue supporting the local economy with a view to kickstart businesses that have suffered the pandemic.

- Implementation of an integrated employee handbook aimed at guiding employees from their joining date: this will include a recap of all employees related policies, procedures and guidelines in our policy manual which will enable employees to have a clear overview of the organizations' operations, business model and values.
- Strengthen the performance management with 360° feedback and introduce a calibration committee to review the scoring and employee data: this will help promote diversity, inclusion, fairness and equality.
- Launch a program focused on employee's well-being and ecofriendly initiatives: these would include emphasis on environment, outdoor team session around environmental initiatives and will help to promote interaction amongst employees of all departments and levels.

GOVERNANCE

At Grit, we believe that acting with the system of rules, practices and processes, for proper direction and control of the Company is of utmost importance, whilst acting in a fair and responsible manner.

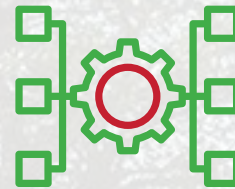
Our way of conducting business is always aligned with our values, which are then embedded into policies and procedures, creating clear lines of accountability and oversight. However, we also believe that with the pace of time, we also need to be flexible, innovative and creative.

This section provides a brief overview of governance being a major component of ESG. However, further detailed information on governance is disclosed in the Corporate Governance section on page 160 to page 161

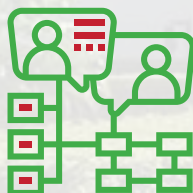
2019/20 Achievements:



Holding virtual **Board meetings** due to the **travel ban** caused by **COVID-19**.



Set up of the **Corporate Governance** Compliance Committee.



Set up of a **separate Related Party** Transactions Committee.



Compulsory training in **GDPR & Money Laundering** for all staff.

2020/21 Focus areas:



Enhancing **Board Evaluation** process



Continued **compliance training** with the **UK Code of Corporate Governance 2018**, ahead of redomiciling to Guernsey and being **Premium Listed** on the **LSE**.



Appointment of additional **Non-Executive Independent Director(s)**