



GRIT - FACILITIES MANAGEMENT

ENVIRONMENTAL SUSTAINABILITY REPORT

As at 31 Dec 2020

Grit Real Estate Income Group Limited

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1. INTRODUCTION

1.1. About the Report

Grit Real Estate Income Group is sensitive to the challenges faced in conserving our natural resources and the impact our properties and operations have on the environment.

Buildings are major consumers of energy; it is our responsibility as property owners and managers to develop long and short-term strategies that have a positive impact on the environment.

It is also of importance to disclose the environmental performance of the Group that is clear, transparent, and accurate.

This data will serve as benchmark for the future as well as assisting in the identification of objectives to ensure that Grit Real Estate Income Group is aligned with international standards and best practice in Environmental Sustainability.

This report will focus on the following areas of Environmental Sustainability: Water Consumption and Electricity Consumption. These 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
- 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

1.2. Our Values

Grit Real Estate Income Group is committed to supporting environmental sustainability and the management thereof.

Our environmental approach is based on these core values:

- Continued commitment to the advancement of our Environmental Sustainability Program
- Minimize the impact that our organization and our practices have on the environment
- Integration of environmental sustainability practices into the company decisions
- Ensure compliance with regulations and legislation in each jurisdiction
- Educate, inform, and engage stakeholders
- Commitment from all employees on the implementation of our Environmental Sustainability Policy

1.3. Our Objectives

Grit Real Estate Income Group is required to report on our Environmental Sustainability Management System, which includes the initiatives implemented to reduce our environmental footprint, sustainability strategies going forward and providing actual utility consumption data allowing us to track, measure, and document results.

Our objectives are to reduce:

- Electricity & Water Consumption
- 25%* reduction in Group carbon (CO₂) emissions by 2025
- 25%** improvement in building-efficiency by 2025 through reductions in electricity & water consumption.
- Waste to Landfill
- Diesel Consumption



- Aircon Refrigeration loss

The objectives of this report and the implementation of our Environmental Sustainability Reporting Policy is the following:

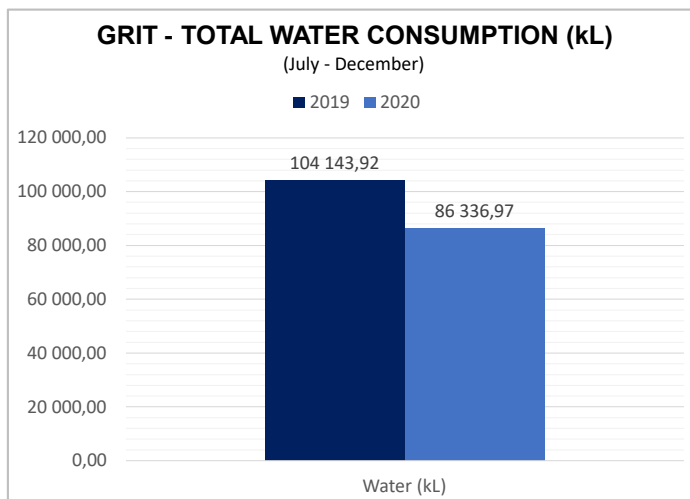
- 2019 vs 2020 consumption data (Water & Electricity)
- Report on CO₂ Emissions (2019 vs 2020)
- Report on COVID-19 impact
- Plans for future reduction of water usage
- Plans for future reduction of electricity usage
- Plans for implementing waste recycling measures

2. WATER CONSUMPTION

This report will focus on the total water consumption, including analysis per property as well as per sector. This is done by using the data collected from each region and the benchmarks determined in the previous sustainability report. This report will focus on the following points in terms of water consumption:

- 2019 vs 2020 water consumption (**July – December**)
- Six (6) months water consumption for each property
- Equivalency result
- Sectoral water consumption results

The graphs below compare July – December 2020 data vs the same period in 2019. It is evident that there has been a positive result in the reduction of water consumption, as the 2020 data is much lower than that of the same period in 2019. This will be mostly due to the COVID-19 pandemic and the related restrictions in the regions, work from home policies, as well as good work and planning by teams on site to manage non-essential equipment.



17% REDUCTION

17 806 kL SAVED

EQUIVALENCY RESULTS:



Daily water use of:

378 THOUSAND

Households in Africa

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

* Water consumption statistics provided are in Kilolitres.

2.1. Sectoral Water Consumption Statistics

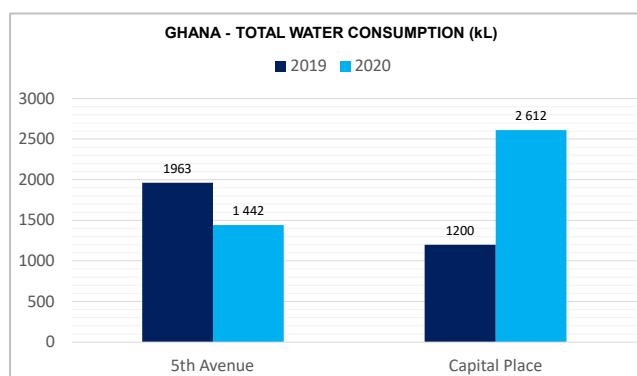
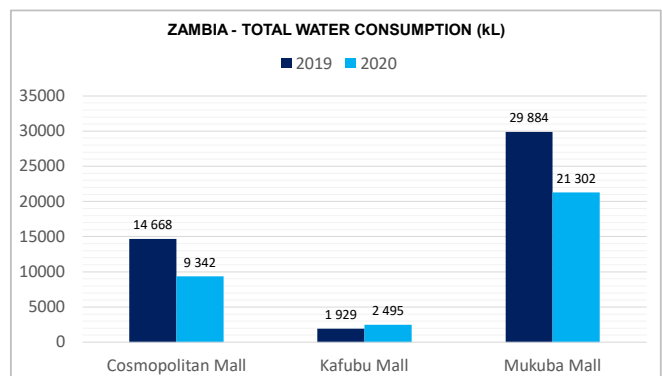
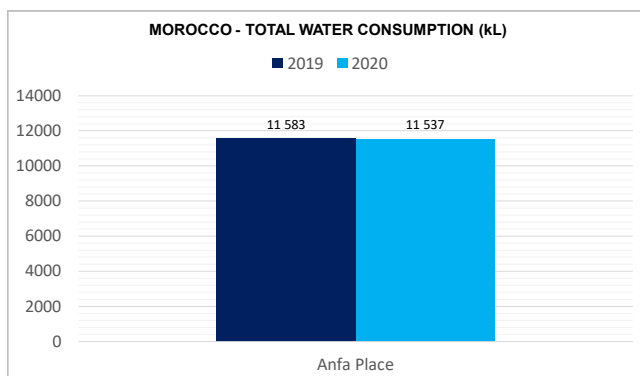


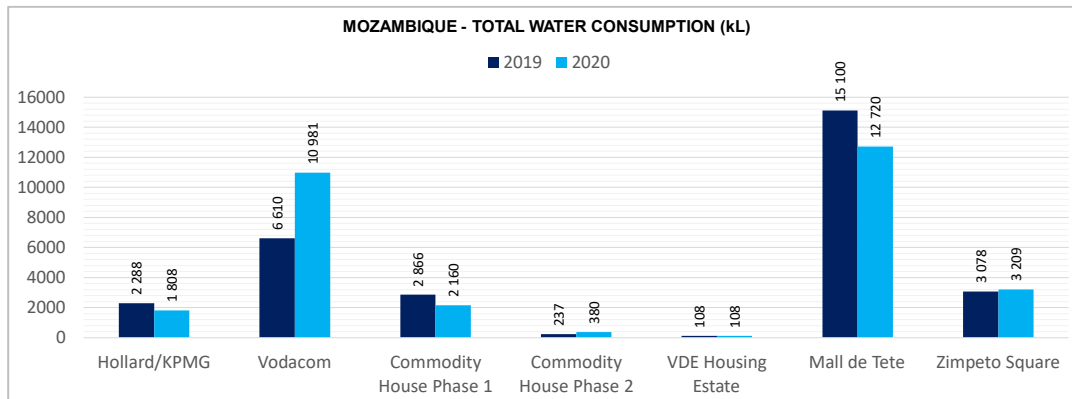
*Increase in the office sector water consumption is mainly due to a faulty municipal water meter at Capital Place, Ghana. This resulted in recording lower water consumption, the meter was replaced by the municipality in 2020 and is now reflecting actual water consumption.



2.2. Regional Water Consumption Statistics

The graphs below compare six (6) months data (July – December 2019 data vs the same period in 2020).





2.3. Future Initiatives

An Environmental Sustainability Management and Reporting Policy was developed and distributed to all facility managers. This policy will assist in the capturing data accurately and consistently.

Measures to reduce water consumption proposed in the policy is the following:

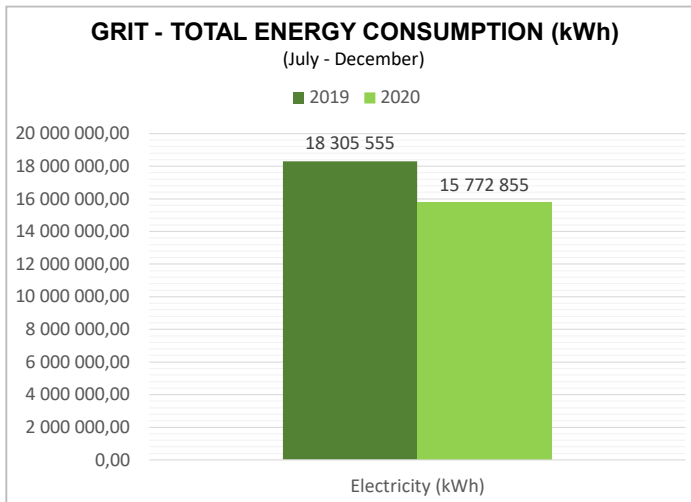
- Sensor taps
- Leak detection
- Low-flow tap nozzles
- Rain and grey water harvesting
- Automated landscaping irrigation

3. ELECTRICITY CONSUMPTION

This report will focus on the total electricity consumption, including analysis per property as well as per sector. This is done by using the data collected from each region and the benchmarks determined in the previous sustainability report. As indicated in our objectives, we are now reporting on Carbon (CO₂) emissions generated by our properties. This report will focus on the following points in terms of electricity consumption:

- 2019 vs 2020 electricity consumption (**July – December**)
- Six (6) months electricity consumption for each property
- Total Carbon (CO₂) emissions
- Equivalency results
- Sectoral electricity consumption results

CO₂ emissions have been calculated using the South African factor of 0.93 kg CO₂ per kWh of electricity generated as indicated in the ESKOM 2019 sustainability report. The graphs below compare July – December 2020 data vs the same period in 2019. It is evident that there has been a positive result in the reduction of electricity consumption. This will be mostly due to the COVID-19 pandemic and the related restrictions in the regions, work from home policies, as well as good work and planning by teams on site to manage non-essential equipment.



14 % REDUCTION

2.5 MILLION kWh SAVED

**CO₂ EMISSIONS REDUCED BY
2.3 MILLION kg / 2355 mt**

EQUIVALENCY RESULTS:



Greenhouse Gas (GHG) Emissions From:
517 Passenger vehicles driven for one year



Carbon (CO₂) Emissions From:
230 homes' energy use for one year



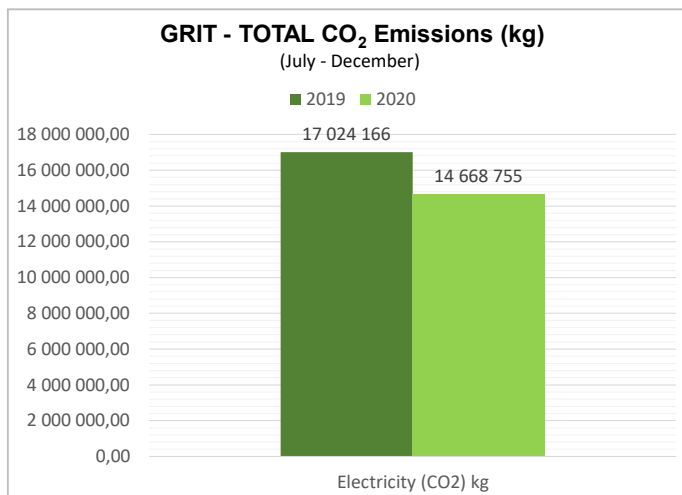
Equivalent to:
157 THOUSAND
Trees Conserved



Carbon (CO₂) Emissions From:
230 THOUSAND
Smartphones charged



Carbon (CO₂) Emissions From:
25 MILLION
Kilometers driven by an average passenger vehicle



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

*Consumption statistics provided are in Kilowatt Hours for Electricity and Kilograms for Carbon Emissions (CO₂)

3.1. Sectoral Electricity Consumption Statistics



RETAIL - ELECTRICITY CONSUMPTION (2019 vs 2020)

JANUARY – NOVEMBER 2019	JANUARY – NOVEMBER 2020	VARIANCE	
14 220 006 kWh	12 861 304 kWh	1 358 701 kWh	20,51 % ▼



OFFICE - ELECTRICITY CONSUMPTION (2019 vs 2020)

JANUARY – NOVEMBER 2019	JANUARY – NOVEMBER 2020	VARIANCE	
2 170 185 kWh	1 927 852 kWh	242 333 kWh	11,17 % ▼

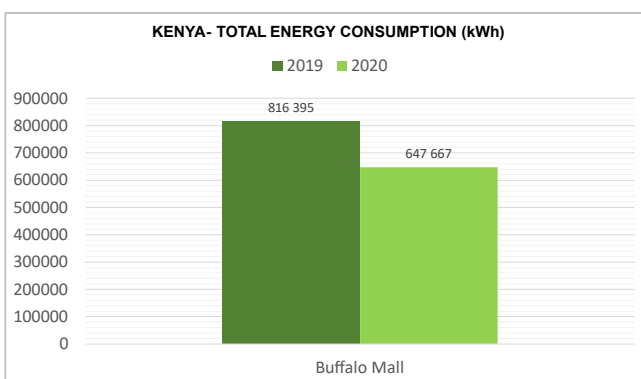
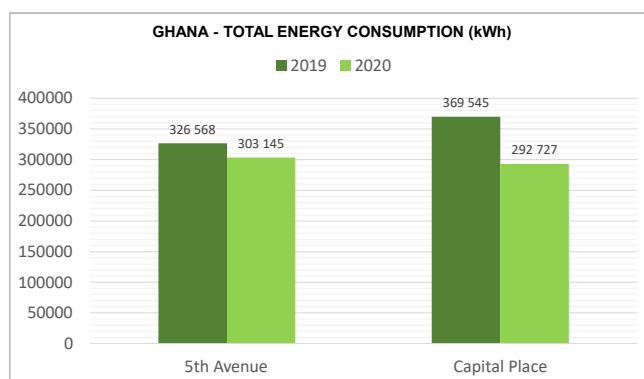
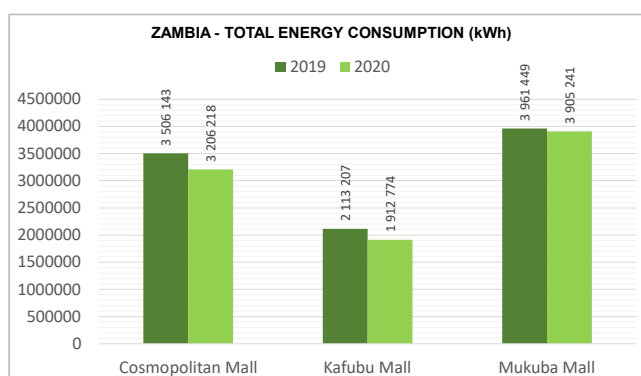
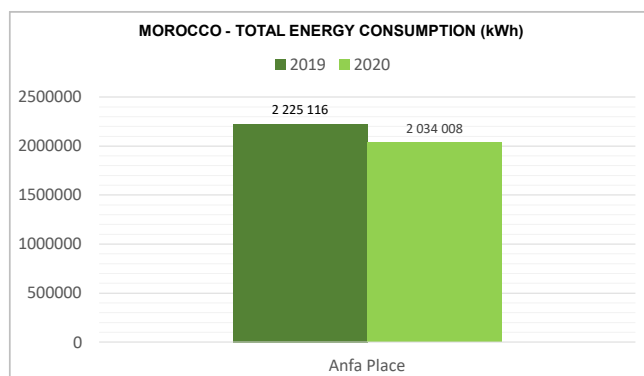


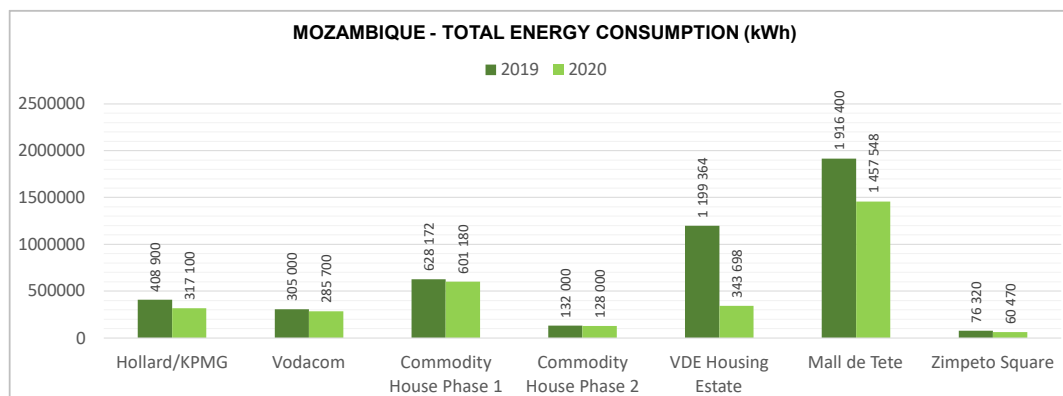
RESIDENTIAL - ELECTRICITY CONSUMPTION (2019 vs 2020)

JANUARY – NOVEMBER 2019	JANUARY – NOVEMBER 2020	VARIANCE	
1 915 364 kWh	983 698 kWh	931 666 kWh	48,64 % ▼

3.2. Regional Electricity Consumption Statistics

The graphs below compare six (6) months data (July – December 2019 data vs the same period in 2020).





3.3. Initiatives

As indicated in the Environmental Sustainability Management and Reporting Policy several electricity reduction initiatives are proposed. These initiatives are as follows:

- Responsible consumption
- Energy efficient equipment
- Solar PV Plants
- LED Lighting
- Light Motion Sensors
- Day Night Switches

With regards to LED lighting, Grit Real Estate income Group has already started replacing older lighting technology with LED lighting.

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.

LEDs can provide exceptional directional lighting application of two main initiatives - installing LED lighting and power factor correction equipment. LEDs enhance and enlighten a work area and create a bright, clear light for showcasing retail. The extreme durability and low maintenance nature of LEDs also render them perfect for commercial use: LEDs can withstand shaking and vibrating without breaking, work well in hot or cold environments and can withstand moderate power surges and are not affected by frequent cycling on or off. This increases the life span and reduces the amount of waste produced by lighting solutions for our properties.

The other advantages in terms of reduction and avoidance is:

a) Maximum Efficiency

LED lighting use substantially less power than incandescent or compact fluorescent lamps (CFLs). Replacing existing lighting with LED lighting can save between 50% and 90% of lighting energy costs.

b) Minimum Heat

LEDs generate very little heat, transferring power to light instead of heat. Heat from traditional lighting creates a higher load on air conditioning systems, adding to the energy inefficiencies of non-LED lighting.

c) Minimum Environmental Impact

LEDs are 100% recyclable. In addition, LEDs do not require a Material Safety Data Sheet (MSDS) or hazardous waste disposal. Retrofitting to LEDs creates energy efficiencies, reducing our carbon footprint and minimising the impact of human activities regarding the amount of greenhouse gases produced.



For future initiatives, a sustainability budget has been proposed to start with implementation of more sustainable electricity consumption methods, for example solar PV plants.

4. COVID-19 IMPACT

Even though COVID-19 has had a major impact on the health of people worldwide as well as on economies in every country, the positive effect on the environment cannot be ignored. As indicated by the Australian Academy of Science, (<https://www.science.org.au/curious/earth-environment/what-impact-will-covid-19-have-environment-the-drop-in-CO2>) emissions will be the greatest annual fall, greater than any economic crisis or war since the 20th century.

The data provided below indicates the overall reduction in the consumption of electricity and water at our properties during the peak of the global pandemic. The key contributors include lower occupancy due to “work from home” policies, trading restrictions as well as initiatives implemented by the facilities management teams. This included the shutdown of all non-essential equipment (e.g. lighting and heating, ventilation and air-conditioning - HVAC).

*Consumption statistics provided are in Kilowatt Hours for Electricity and Kilolitres for Water.

ELECTRICITY CONSUMPTION (2019 vs 2020)			
MARCH – JUNE 2019	MARCH – JUNE 2020	CONSUMPTION REDUCTION	
12 494 358 kWh	10 192 057 kWh	2 302 301 kWh	18,43% ▼
ELECTRICITY CO ₂ EMISSIONS (2019 vs 2020)			
MARCH – JUNE 2019	MARCH – JUNE 2020	CONSUMPTION REDUCTION	
11 619 753 Kg CO ₂	9 478 613 Kg CO ₂	2 141 140 Kg CO ₂	18,43% ▼
WATER CONSUMPTION (2019 vs 2020)			
MARCH – JUNE 2019	MARCH – JUNE 2020	CONSUMPTION REDUCTION	
71 903,52 kL	47 441,43 kL	24 462,09 kL	34,02% ▼

*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)

5. CONCLUSION

As Grit Real Estate Income Group continues to move forward with our environmental sustainability program it is important to note that these changes will impact operations in all regions. The continued communication and education for employees, service providers, our tenants and clients are key to the success of our environmental sustainability program.

The environmental sustainability journey has no end and requires a collaborative effort from all stakeholders to ensure the continual advancement of our environmental sustainability program.