



## **Introduction**

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IBIS ESG Consulting Africa (Pty) Ltd (IBIS) has been engaged by Investec Property Fund Limited (“IPF” or “the Issuer”) to perform a pre-issuance Second Party Opinion (SPO) assurance engagement to determine the alignment of the Investec Property Fund Limited – Green Bond (bond code IPFG02) with the International Capital Markets Association (ICMA) Green Bond Principles of June 2021 (the Green Bond Principles or GBPs). The green bond is supported by the Green Bond Information Memorandum January 2023 (referred to as the Information Memorandum in this document). This report is produced in accordance with the terms of our engagement letter dated 17 January 2023.

Investec Property Fund Limited is a South African Real Estate Investment Trust (REIT) that is listed on the Johannesburg Stock Exchange (JSE). The Issuer pursues a bi-regional investment strategy, focused on building scale and relevance in its core geographies of South Africa and Western Europe. The Issuer's investment portfolio is currently comprised of R22.5 billion of direct and indirect real estate investments located across both these regions.

The Issuer recognizes the complexity and urgency of climate change and is committed to the transition to a cleaner low-carbon world. The Issuer is committed to creating a sustainable future by embracing its responsibility to manage its direct environmental impact and to create awareness that encourages positive sustainable behaviour. ESG is a core strategic priority for the Issuer, intending to create financial and social value that positively impacts our planet; acts as an enabler of ESG within its tenants’ businesses; and improves the lives of the communities in which they operate.

## **IBIS Independence And Quality Control**

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IBIS is an independent provider of non-financial assurance services. This engagement was conducted by a multidisciplinary team of non-financial assurance specialists led by Petrus Gildenhuys, who has more than 25 years of experience in non-financial performance measurement involving both advisory and independent assurance work and supported by assurance consultants, Seko Mbatha and Uchechukwu Nwachukwu. IBIS conducted the engagement based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board, which Standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements.

## **Scope and Objectives**

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The objective of this assurance engagement is to verify the Information Memorandum with the ICMA GBPs Pre-issuance core component requirements in terms of:

- Use of Proceeds;
- Process for the Project Evaluation and Selection;
- Management of Proceeds; and
- Reporting.

IBIS’ responsibilities do not extend to any other disclosures or assertions.

## Investec Property Fund's and IBIS' Responsibilities

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The management of IPF is responsible for generating and maintaining accurate and reliable information provided to IBIS for this assessment. IBIS shall not be held liable if any of the information provided by IPF management were not accurate or complete.

IBIS' responsibilities are to conduct a Second Party Opinion to report its conclusions to the Directors of IPF in accordance with the assurance procedures followed.

## Inherent limitations

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The evidence-gathering procedures performed in a Limited Assurance engagement vary in nature, form, and are less in extent, than for a Reasonable Assurance engagement. As a result, the level of assurance obtained in a Limited Assurance engagement is lower than the assurance that would have been obtained had we performed a Reasonable Assurance engagement.

## Restriction of liability

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Our work has been undertaken to enable us to express a conclusion on the specified scope and objectives of the engagement to the Directors of IPF in accordance with the terms of our engagement, which include the publication of this assurance statement, and for no other purpose. We do not accept or assume responsibility to any third parties i.e., other than to the Directors of IPF, for our work or for this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

## Summary of work performed

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IPF provided IBIS with the Information Memorandum document and other supplementary information to support the assessment process. IBIS' Limited Assurance procedures were based on our professional judgement and consisted of:

- Management enquiry;
- Inspection and corroboration of the publicly available market documentation and information; and
- Evaluation of the Information Memorandum characteristics against the ICMA GBP requirements related to the Use of Proceeds, Process for the Project Evaluation and Selection, Management of Proceeds and Reporting.

## Summary of Findings

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The Issuer aims to issue R550 million as a senior unsecured green bond listed on the Johannesburg Security Exchange Sustainability Segment. The issuance will be done under the Issuers Domestic Medium Term Note Programme. The bond aims to embed IPF's sustainability value proposition into its mainstream financing activities. The Issuer intends to use the green bond as a mechanism to support its sustainability plan and bring alignment between the Issuer's financing and its sustainability strategies. This would contribute positively to its priority SDGs namely SDG 6, 7, 11, 12 and 13.

The proposed green bond would be notionally used to finance and/or refinance a portfolio of eligible Green Buildings, that reduce the impact on the environment, to help mitigate climate change-related risks in the portfolio and address climate change through supporting the transition to a low carbon and climate resilient economy.

**Use of proceeds:** IBIS has assessed the Information Memorandum, and confirms that the issuer has eligibility criteria for its use of proceeds that align with the ICMA GBPs. The Green Project category, selected by the Issuer, namely Green Buildings is in line with the ICMA GBPs.

Environmental benefits are articulated and quantified, and excluded projects are listed to ensure that the use of proceeds aligns with the GBPs.

**Process for Evaluation and Selection of Projects and Assets:** The Process for Project Evaluation and Selection as presented by IPF's Information Memorandum as assessed, is aligned with the ICMA GBPs.

**Management of Proceeds:** The Management of Proceeds proposed by IPF is aligned with the GBPs. IPF commits to appropriately tracking the net proceeds and has disclosed the intended types of temporary investment instruments for unallocated proceeds.

**Reporting:** IPF's reporting on bond performance is aligned with the GBPs. IPF has established a transparent process on the level of expected reporting in terms of allocation and impact. Selected indicators for the use of the proceeds category have been defined.

## Second Party Opinion Conclusion

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We believe that the information provided by IPF, and the assessment performed by IBIS are sufficient and appropriate to form a basis for our Limited Assurance conclusion.

In our opinion, and based on our Limited Assurance procedures conducted, nothing has come to our attention that causes us to believe that IPF's Information Memorandum does not conform in all material respects to the ICMA GBPs of June 2021, with regard to:

- Use of Proceeds;
- Process for the Project Evaluation and Selection;
- Management of Proceeds; and
- Reporting.



Petrus Gildenhuys

**DIRECTOR, IBIS ESG CONSULTING AFRICA (PTY) LTD**  
Johannesburg

09 February 2023

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