

INDEPENDENT ASSURANCE REPORT ON THE ALIGNMENT OF PHATISA WITH THE OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

INTRODUCTION

IBIS ESG Assurance (Pty) Limited ("IBIS") was requested by Phatisa to perform an independent assurance engagement in respect of its alignment with the Operating Principles for Impact Management (the "Principles"), as described in its policies and procedures and summarised in its annual Disclosure Statement ("the Statement"). This assurance report is produced in accordance with the terms of our engagement letter signed 3 March 2020.

IBIS conducted the limited assurance engagement in accordance with 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. The standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements. The standard also requires that we plan and perform this engagement to obtain limited assurance about whether the Disclosure Statement is free from material misstatement.

IBIS is an independent and licensed provider of sustainability assurance services. This engagement was conducted by a multidisciplinary team of assurance and impact specialists with extensive experience in assurance engagements. The assurance team was led by Petrus Gildenhuys who has more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work.

SCOPE AND SUBJECT MATTER

The scope of the subject matter for limited assurance in accordance with the ISAE3000 (Revised) assurance standard, as captured in the agreement with Phatisa, included the alignment of Phatisa's impact management system with the Operating Principles for Impact Management, which serve as the audit criteria.

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

RESPECTIVE RESPONSIBILITIES

PHATISA

It is the responsibility of Phatisa to define the processes, roles and responsibilities necessary to align its organisation with the Principles. It is also the responsibility of Phatisa to publicly report on an annual basis, its commitment to the Principles and the extent to which impact management systems are aligned with them.

IBIS

IBIS' responsibilities were to conduct an assurance engagement and to report its conclusions to Phatisa in accordance with the assurance procedures followed.

SUMMARY OF WORK PERFORMED

Phatisa provided IBIS with the relevant supporting information and documentation related to the information in the Disclosure Statement.

IBIS' limited assurance procedures, based on our professional judgement, consisted of:

Verification

Verified that the policies and procedures in place adequately address each of the Principles.

Assessing

Assessed the quality and depth of the policies and procedures in relation to the Principles.

Interviews

Interviews were conducted with relevant functional managers responsible for defining, applying and enforcing the policies and procedures.

Testing

Performed **walk-through tests** to check the correct application of a sample of policies and procedures.

Examine

Examined the consistency of the information presented in the Disclosure Statement in relation to the policies and procedures.

INHERENT LIMITATIONS

The evidence gathering procedures performed in a limited assurance engagement vary in nature from, 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 substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

OTHER MATTERS

The maintenance and integrity of the Phatisa website is the responsibility of Phatisa' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Disclosure Statement or our independent assurance report that may have occurred since the initial date of presentation on the Phatisa website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express the opinion and conclusions on the Disclosure Statement to the management of Phatisa in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume responsibility to any third parties i.e. other than Phatisa management and the company, 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.

ASSURANCE CONCLUSION

We believe that the information provided by Phatisa and the work 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, nothing has come to our attention that causes us to believe that Phatisa has not complied, in all material respects, with the Operating Principles for Impact Management.



Petrus Gildenhuis

Director, IBIS ESG Assurance (Pty) Ltd

Johannesburg

24 March 2020

