SUSTAINABILITY REPORT 2020

GLOBELEQ

POWERING AFRICA'S GROWTH

INTRODUCTION

IN THIS REPORT, WE SET OUT OUR APPROACH TO SUSTAINABILITY AS WE STRIVE TO POWER AFRICA'S GROWTH.

We focus on the environmental, safety, social and governance topics that matter most to our stakeholders and our business, based on consultation with representatives at corporate and local level.

This second annual Globeleq Sustainability Report provides an overview of sustainability management and performance across the business in 2020. It is supported by a series of local reports that provide deeper insight into our sustainability activities and performance in the countries where we operate.

Unless otherwise stated, the data in this report covers our global operations for the 2020 calendar year and includes our London headquarters, regional offices and 12 operational power plants. It excludes the Tsavo power plant in Kenya, in which we hold a minority stake.

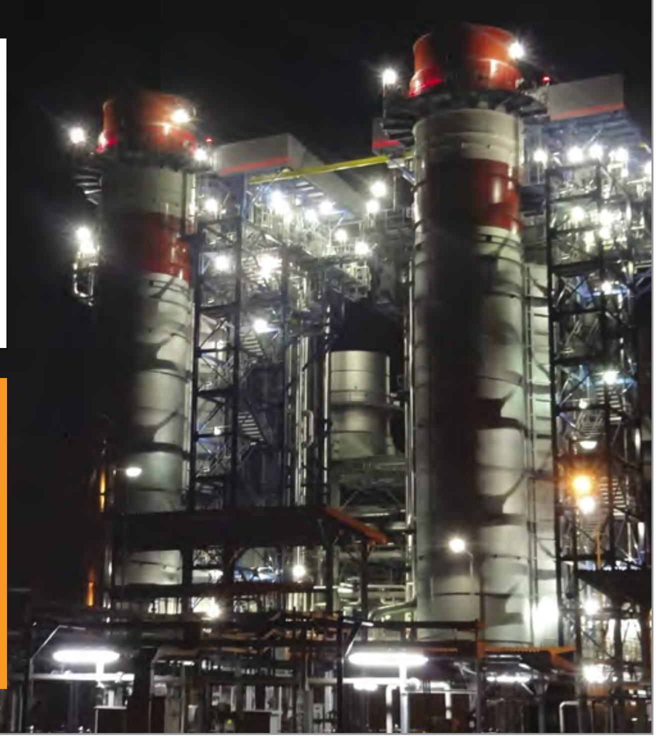
This report excludes projects in construction during 2020. However, the Kenya report includes the Malindi Solar construction project and the Côte d'Ivoire report covers activities related to the construction of Phase IV of our Azito power plant.

We welcome feedback on our sustainability approach and reporting. Please contact us at **sustainability@globeleq.com**.

Contents

Local reporting

Explore our local reports to find out more about our sustainability approach and performance in each country. Download reports at www.globeleq.com/sustainability.



MESSAGE FROM OUR CEO

GLOBALLY, COVID-19 DOMINATED 2020 AND GLOBELEQ WAS NO EXCEPTION.

Our people and businesses were challenged as they have never been before and all responded admirably. I thank each and every one for stepping up, keeping our plants running safely and serving our customers. In this global Sustainability Report, and our local reports, we set out our response to the pandemic in 2020 and I am proud of what we did to support our colleagues, customers and communities through the Covid-19 crisis.

Most of the countries we serve have been badly affected by the pandemic and many people, health systems and economies remain under pressure. The power we produce is a critical service and we prioritised keeping the power on in 2020, even if that meant accepting delayed payment from numerous customers who were struggling to manage the economic consequences of the pandemic.

Our safety and operational performance remained strong in 2020, although there is always more to be done and we strive for continuous year-on-year improvement.

Climate change and the energy transition were high on the international agenda in 2020 and we continue to align our business with the Nationally Determined Contributions of our host countries. We look forward to the rescheduled COP26 climate conference providing further clarity around medium and long-term carbon targets under the Paris Agreement, and offering more certainty around the pathways and mechanisms towards net zero.

Africa remains a continent where 580 million people have no access to electricity and 45% of primary energy consumption comes in the form of biomass, leading to deforestation, soil erosion and environmental degradation. Powering Africa's growth in a sustainable manner is at the heart of what Globeleq does and managing the energy transition in this context involves making some difficult choices.

Most countries on the continent expect their carbon emissions to increase over the next few years as they lift people out of poverty before decreasing to net zero. It is likely that Globeleq's emissions will likewise increase as new projects come online, and then decrease in line with the principles of the Paris Agreement.

Harnessing Africa's rich renewable energy resources is a priority in our development pipeline. Within five years, we aim to build a further 1,000 MW in renewable capacity to more than treble our existing 384 MW of wind and solar plants.

In this year's Sustainability Report, we talk much more about our diversity and inclusion initiatives. I am proud of what we have started and, from 2021, everyone in Globeleq has a significant part of their incentive compensation tied to improving performance in these areas. At the same time, we have linked compensation to improving our environmental and socio-economic development performance. Investing in the development and training of our people is also key to our long-term success and we have expanded our coverage of this key topic in this report.

In summary, 2020 was a very challenging year for us, we came through it well and I am proud of what we achieved. In the following pages, you will see how far we have travelled on our sustainability journey. In this, our second Sustainability Report, we have improved data quality, expanded metrics and report year-on-year performance for the first time. I look forward to reporting further progress next year.

Mike Scholey
Chief Executive Officer

ABOUT GLOBELEQ

WE ARE THE LEADING INDEPENDENT POWER PRODUCER IN AFRICA.

We develop, build, own and operate power plants across the continent.

In 2020, we had operational power plants in Cameroon, Côte d'Ivoire, South Africa and Tanzania, as well as a minority share in a plant in Kenya (excluded from this report). At the end of 2020, we acquired an energy business in Nigeria focused on commercial and industrial customers that added a further 58 MW to our portfolio and will be included in our sustainability reporting from 2021.

We have a further 305 MW in construction in Côte d'Ivoire and Kenya, and around 2,000 MW of power projects in development in several more countries across Africa, including Mozambique.

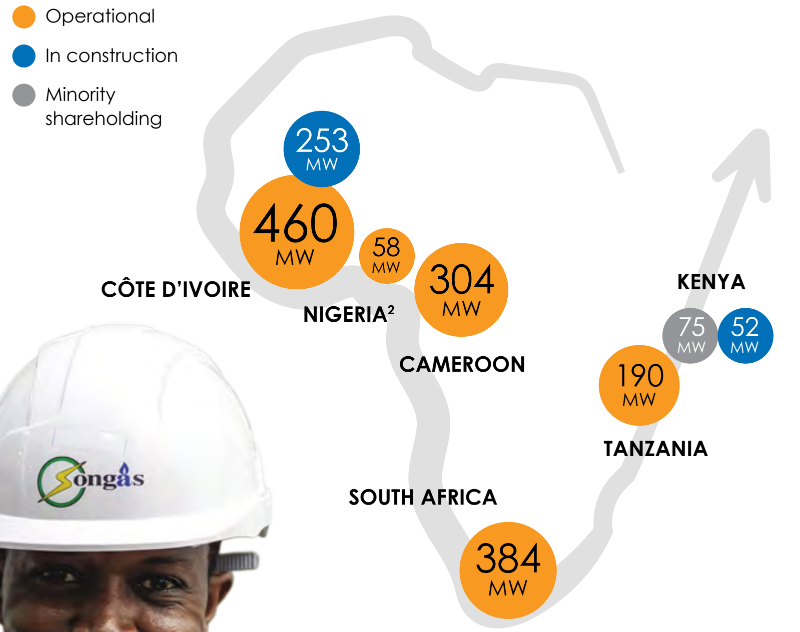
In Tanzania, we also own the gas processing infrastructure and pipeline that transports natural gas used by our power plant and other manufacturing businesses in Dar es Salaam.

Globeleq is owned by European Development Finance Institutions. CDC Group (UK) owns 70% and Norfund (Norway) owns 30%. Our focus is on developing power projects that are economically, environmentally and socially sustainable for the long term. We have around 500 employees who are helping us realise our vision.

We collaborate with public and private partners to deliver our projects. We hold ourselves, and those we work with, to high environmental, social and governance (ESG) standards in line with the International Finance Corporation (IFC) Performance Standards.

An unwavering commitment to sustainability is a prerequisite for working with Globeleq and supporting Africa's development.

Find out more about our business, plants and projects at **www.globeleq.com**.



POWER CAPACITY IN 2020

GAS	SOLAR	WIND	HEAVY FUEL OIL
866 MW	219 MW	165 MW	88[1] MW

[1] Excludes Tsavo power plant in Kenya, in which Globeleq holds a minority share. [2] Nigerian operations acquired at the end of 2020 (not included in our 2020 reporting).

POWERING DEVELOPMENT

WE ARE POWERING AFRICA'S GROWTH. THAT'S OUR MISSION.

Access to energy is recognised as a critical enabler for social and economic development. The UN has made this one of its key Sustainable Development Goals (SDGs) for 2030, emphasising the need to provide universal access to affordable, reliable and sustainable energy.

Despite recent progress, around 770 million people around the world still do not have access to electricity. Around 580 million – 75% – of them are in sub-Saharan Africa[3] and every second person across the African continent lacks access to electricity.

We are powering development by generating reliable and affordable electricity for households and businesses in Africa. The electricity we produced in 2020 reached 14.6 million consumers,[4] distributed by utilities through national grids across the continent.

FOCUS ON SUSTAINABILITY

Sustainability is one of our core values.

As we power Africa's growth, we are committed to protecting the environment, having a positive impact on local economies and people, and delivering financial returns for our shareholders and local partners. For us, key aspects of sustainability include:

Technical sustainability

The operational performance of our plants is critical to provide reliable power that people and businesses can depend on. Our plants offer high rates of availability (see page 15), and we conduct regular technical audits to continually improve operations, reliability and safety.

Financial sustainability

We invest in long-term power projects. Making sure our business is financially sustainable enables us to keep our operations running and invest in new plants, as well as delivering returns for our shareholders and partners.

Affordability

We are not only improving the availability and reliability of power in Africa, we are also helping utilities make electricity more affordable by producing power locally using renewables or gas sourced from local fields.

Environmental sustainability

We have robust systems in place to manage environmental impacts across the business and we are developing a climate change strategy to help us align with the Paris Climate Agreement (see page 12).

Socio-economic sustainability

We hire and develop local people to run our operations and the 6,504 GWh of electricity we generated in 2020 indirectly supports an estimated 218,980 jobs.[5] We also engage with local communities and invest in programmes to support their socio-economic development (see page 10).

POWERING AFRICA'S GROWTH – KEY PERFORMANCE INDICATORS 2020

OUR POWER

1,338 MW OPERATIONAL[6]

305 MW IN CONSTRUCTION

OUR PEOPLE

499 EMPLOYEES

98% FROM THE AFRICAN COUNTRIES WHERE THEY WORK

OUR DEVELOPMENT IMPACT

218,980 JOBS INDIRECTLY SUPPORTED[5]

14.6 m CONSUMERS REACHED BY THE ELECTRICITY WE PRODUCE[4]

[3] International Energy Agency, 2020 Access to Electricity Report. [4] Estimate provided by CDC based on the amount of electricity we produce and average national consumption per capita.
[5] Estimated indirect employment enabled by businesses using electricity generated based on Joint Impact Model (used by CDC Group). [6] Excludes the Tsavo power plant in Kenya and our newly acquired Nigerian operations.

RESPONDING TO COVID-19

WHEN THE COVID-19 PANDEMIC TOOK HOLD IN 2020, WE PRIORITISED PROTECTING OUR PEOPLE, KEEPING THE POWER ON AND SUPPORTING COMMUNITIES THROUGH THE CRISIS.

PROTECTING OUR PEOPLE AT WORK

First and foremost, we focused on keeping our people and their families safe and well throughout the pandemic. We developed recommendations and guidelines on Covid-19 safety at work, based on national and international guidance, to support effective prevention measures across the business.

We reprioritised activities and postponed major maintenance projects to reduce the number of people working on site to the minimum needed to keep our plants operating safely. Employees moved to homeworking wherever feasible, and we provided equipment and connectivity to help them work safely and effectively from home.

Covid-19 measures at our plants included social distancing, staggered shifts to keep teams separate, body temperature checks, additional personal protective equipment (PPE), sanitising and installation of more handwashing stations, as well as Covid-19 testing where locally available. Many of our plants also provided private transportation to and from work to avoid unnecessary social contact.

KEEPING THE POWER ON

As part of our ongoing focus on business continuity, we quickly put in place Covid-19 action plans to ensure our plants could continue to operate safely. We set up a system to track implementation of these plans, overseen by a dedicated Covid-19 business continuity planning team led by our Chief Executive Officer. The team, including local Managing Directors, met regularly in 2020 to monitor risks and share mitigation strategies.

Thanks to the dedication and commitment of teams across the business, all our plants remained fully operational throughout the year despite extremely difficult circumstances. Availability rates remained strong (see page 15), and we engaged with governments and utilities to reassure them that we were able to deliver power to national grids as required.

CARING FOR EMPLOYEE WELLBEING

Regular training and communications from our leaders raised awareness of steps employees should take to prevent Covid-19 infections at work and at home, and we provided PPE and sanitising kits for employees and their families.

Our employee assistance programmes offered support on wellbeing issues related to the pandemic in 2020 and managers checked in regularly with their teams to gauge how they were coping.

Feedback in our companywide survey in September 2020 included questions on our Covid-19 response and showed employees feel supported by Globeleq during the pandemic.

SUPPORTING COMMUNITIES THROUGH COVID-19

We channelled Covid-19 support for communities through our socio-economic development programmes in 2020.

Local measures included donations of PPE and sanitising kits, installation of water supplies and handwashing stations, and communications campaigns to raise awareness of Covid-19 prevention measures among communities. Many of our plants also provided support for struggling local businesses (see case study).

SUPPORTING SMALL BUSINESSES AND SAFER SCHOOLS

Many small businesses across South Africa faced Covid-19 hardship in 2020. At the same time, schools needed PPE to enable children to return to classrooms safely following closures. Our team at the Boshof Solar Power plant found a way to address both challenges by funding the local Relethabetse Sewing cooperative to make 11,000 facemasks that we then donated to local schools.

KEEPING PEOPLE SAFE AND WELL

WE EMPOWER EVERYONE AT GLOBELEQ TO WORK SAFELY EVERY DAY. SAFETY COMES FIRST, ALWAYS.

MANAGING HEALTH AND SAFETY

We have robust policies and common procedures for health and safety that are aligned with international standards (see page 14). Our health and safety management systems are certified to ISO 45001 at all our operating plants, except those in South Africa which are working towards certification in 2022.

Senior managers conduct site safety reviews at least once a month and we complete annual in-depth health and safety audits at each plant.

We have a strong track record on safety, with several of our plants achieving many years without lost-time accidents (LTAs). In 2020, our reportable incident rate was 0.38, down from 0.41 the previous year. This puts us in the top decile in comparison with power plants in the USA.[7]

But complacency is not an option when it comes to safety. During 2020, we had two LTAs. We perform a thorough root cause analysis of every safety incident, supported by our Chief Operating Officer, the Director of Operations and Maintenance, and senior managers from other plants. The results are shared across the business.

In 2021, we will pilot more leading performance indicators to help us better anticipate potential health and safety issues.

INSTILLING A SAFETY-FIRST CULTURE

We expect our people to take ownership of their safety and the safety of those around them. Safety is integral to our operational performance and our incentive plans for management and employees.

Everyone working at, or visiting, a Globeleq plant must undertake a safety induction and employees complete mandatory safety training every year. We encourage everyone at our sites to report and take action to prevent unsafe situations, and we plan to enhance our focus on behaviour-based safety in 2021.

To reinforce our safety-first culture, we run regular toolbox talks, weekly sessions on specific risks and companywide safety awareness days. Our Chief Executive Officer issued a video message to mark World Safety Day in April 2020 and we communicated regularly through the year on Covid-19 prevention measures (see page 6). In 2021, we will roll out our 12 ‘Safety Savvies’ campaign on key risks.

We hold a health, safety and environment (HSE) conference each year for HSE managers from across the business to share best practices. Our Chief Operations Officer and our Director of Operations and Maintenance hold weekly virtual meetings with all HSE managers and officers, and plant managers, from across the business to talk about safety. Most of our plants also have dedicated health and safety committees with local management and employee representatives.

All our local Managing Directors, plant managers, operation managers, maintenance managers, site supervisors, and HSE managers and officers enrolled in intensive online training to the rigorous standards of the UK National Education Board for Occupational Health and Safety (NEBOSH) in 2020 (see quote). They will complete the training by 2022.

SUPPORTING HEALTH AND WELLBEING

Employee health programmes in 2020 focused mainly on Covid-19 (see page 6). We provide support for wellbeing, including free counselling, through our Employee Assistance Programme. In 2021, we plan to increase our focus on mental health with awareness campaigns, mental health champions and training for managers.

SAFETY PERFORMANCE IN 2020

REPORTABLE INCIDENT RATE [8]	LOST-TIME ACCIDENTS
0.38	2

“I honestly thought I knew enough about safety. I could not have imagined that I had so much more to learn and, as safety is one of our values, we should accept that we can never know enough about it!

Safety does not happen by accident. A good safety culture is a state of mind, and people look up to leaders and follow their example. This certificate gave me great insight and many valuable, practical insights that I can immediately apply in the field.”

OLIVIER BELINGA MAINTENANCE MANAGER AT DIBAMBA POWER IN CAMEROON ON HIS EXPERIENCE OF THE NEBOSH TRAINING

[7] Based on data from US Bureau of Labour Statistics. [8] Incident rate includes lost-time accidents and incidents resulting in medical treatment or work restriction. Calculated in line with OSHA definition (200,000 x reportable incidents/working hours).

INVESTING IN OUR PEOPLE

WE VALUE THE INDIVIDUAL TALENT AND PERSPECTIVES EVERY ONE OF OUR PEOPLE BRINGS TO THE BUSINESS, AND WE WANT TO HELP THEM GROW WITH US.

In 2020, we developed a new human resources strategy and roadmap to support the needs of our business and our people over the next three years. Priorities include recruiting and developing diverse talent, engaging our people, creating a high-performance culture, and improving our processes for learning, development, reward and recognition.

PROMOTING DIVERSITY AND INCLUSION

We aim to empower people by respecting and appreciating what makes them different. Employees from different countries, roles and backgrounds form a companywide working group to drive our diversity and inclusion activities, and local teams raise awareness at our sites.

In 2020, we formalised governance of diversity and inclusion within the remit of our Board-level Environmental, Safety, Social and Governance Committee. We have set goals to drive progress and performance against these goals will be integrated in our Short-Term Incentive Plan from 2021 (see page 14).

Over the next three years, our focus is on: increasing representation of women at all levels of the business; growing local talent in the countries where we operate; creating an open and inclusive culture where everyone can be themselves; and offering flexible, modern and family-friendly policies.

To help us recruit more diverse candidates, we require recruitment shortlists to include local talent and gender diversity, particularly for management and senior roles.

In 2020, 98% of our employees working in Africa come from the countries where they work and most of the remaining 2% have lived in the country where they work for many years. Women represented 23% of senior management positions at the end of 2020 and we aim to increase this to 30% within two years.

We introduced mandatory Diversity Dialogues training in 2020 to raise awareness and embed an inclusive culture (see case study). Our teams around the business celebrated International Women's Day in March 2020 and we aim to support more events that celebrate diversity in future. We are developing family-friendly and flexible working policies that will be rolled out in 2021, as well as exploring how to address barriers to flexible working.

HELPING PEOPLE DEVELOP

In 2020, we invested more than US$500,000 – equivalent to around US$1,000 per employee – in learning and development to help our people grow. Covid-19 restrictions have reduced opportunities for face-to-face training, but the online platform we are creating to accompany our new learning and development capability framework and curriculum will support more virtual training opportunities for all employees in 2021.

WOMEN REPRESENTATION IN 2020

GLOBELEQ AFRICA LTD BOARD	SENIOR MANAGEMENT	MANAGEMENT (EXCLUDING SENIOR MANAGEMENT)
11%	23%	20%

PERMANENT EMPLOYEES	INTERNS
22%	44%

DIVERSITY DIALOGUES

All employees across Globeleq took part in our Diversity Dialogues between September 2020 and March 2021. The half-day workshops, held online due to Covid-19 restrictions, saw small groups come together virtually for learning and lively discussions facilitated by external trainers.

The workshops aimed to help people become more aware of how they see themselves and those they work with, understand how unconscious bias can affect daily interactions, and adopt skills and behaviours to embrace diversity and inclusion.

Feedback from participants rated the course an average of 4.2 out of 5 for gaining new insights and 4.0 out of 5 for enabling them to feel more confident in having conversations with people different from themselves.

INVESTING IN OUR PEOPLE

We have a strong focus on developing local people and we aim to encourage more people into the power industry in Africa, including through internships (see page 11 and quote below).

All employees set development goals with their managers and review progress as part of our annual performance and compensation process. We encourage promotion from within and support high-potential people to build their careers with us through our talent management process.

From 2021, twice-yearly Globeleq-wide talent reviews will support succession planning and enable more international development opportunities. We will also introduce programmes to mentor diverse talent, strengthen people management skills for line managers and increase our focus on a high-performance culture by rolling out common objectives and further embedding Globeleq values (see page 14) in our ways of working.

EMPLOYEE ENGAGEMENT SURVEY RESULTS

Engagement score (out of 10)

SEPTEMBER 2019	APRIL 2020	SEPTEMBER 2020
7.1	7.3	7.2

ENGAGING EMPLOYEES

Listening to our employees helps us to be a better employer. In September 2020, 95% of employees responded to our twice-yearly companywide engagement survey. Our overall engagement score of 7.2 out of 10 has improved since the first survey in 2019 and is above the global sector benchmark of 7.0.

The results of the survey showed employees continue to have a strong affinity with Globeleq's values and highlighted key strengths such as strategy and meaningful work. Employees also felt well supported through Covid-19 (see page 6).

We identified several priorities from the survey feedback that apply across the business. The question about people from all backgrounds being treated fairly at Globeleq received a below-benchmark score of 7.0. The major programme we are implementing on diversity and inclusion will address this feedback.

Other areas for improvement include a desire to have more informal spaces for breaks, which we are creating where possible at site level, and a more caring approach which we are addressing through our focus on health and wellbeing (see page 7).

We analyse and share survey results at local level to enable managers to take specific action in response to feedback from their teams. Employees also took the time to contribute thousands of individual comments, which are helping to guide further discussions and action plans.

"As an intern, my role was to learn from everyone. The atmosphere was very warm and supportive, and I learned a lot. The internship at Azito opened my eyes to important things for my professional life and it helped me gain confidence. I met passionate people who communicated their passion to me and this has motivated me to go further in my goals."

YLÉ SILUE ACCOUNTING ASSISTANT AT AZITO PHASE IV, RECRUITED FOLLOWING A 12-MONTH INTERNSHIP WITH AZITO ENERGIE

RECOGNISING AND REWARDING OUR PEOPLE

We strive to offer competitive pay and benefits in each market based on local benchmarks. In 2020, we regraded and standardised roles to improve consistency across the business. We are introducing a standardised process for assessing external market data and benchmarking reward across the business. In 2021, we will also begin a pilot gender pay gap survey.

Our Short-Term Incentive Plan rewards employees based on individual and company performance, and we offer a Long-Term Incentive Plan for senior management. In addition to these annual incentive schemes, we have introduced a new spot recognition scheme to enable more frequent opportunities for recognition and reward throughout the year.

We respect the right to collective bargaining and have labour agreements in place with trade unions in some countries.

SUPPORTING OUR COMMUNITIES

WE WANT TO MAKE A SUSTAINABLE POSITIVE CONTRIBUTION TO THE COMMUNITIES WHERE WE OPERATE.

INVESTING IN SOCIO-ECONOMIC DEVELOPMENT

Our common procedures (see page 14) set out our strategy for socio-economic development (SED). We target our support in four key focus areas: health, education, income generation and post-school professional development (see page 11).

These are based on alignment with the UN SDGs and input from SED leads in each country, who understand local needs. Some plants also invest in other programmes to meet the specific needs of their communities. In 2020, we increased support for health programmes to help people through Covid-19 (see page 6).

We invested US$3.6 million in SED programmes that reached nearly 200,000 people in 2020. We are working to better understand and measure the impact of these programmes, and we report impact of some individual programmes in our local sustainability reports.

To maximise the impact of our investment, we emphasise the importance of meaningful partnerships with local stakeholders. Our aim is to make our SED programmes sustainable in the long term without depending on our continued financial support.

SED managers from across the business normally gather at a conference each year to share best practices and create common approaches. However, the 2020 conference was postponed due to Covid-19 restrictions.

ENGAGING LOCAL STAKEHOLDERS

Good relationships with our neighbouring communities are essential to the success of our business. Covid-19 restrictions limited opportunities for face-to-face meetings, but we continued to engage and support communities throughout 2020.

We have dedicated community liaison officers to help build these relationships during the development and construction phases of each project. Local SED managers maintain community relations once plants are operational.

We have clear processes and forums to keep local stakeholders informed, listen to their concerns, understand their needs and respond appropriately. These are supported by formal grievance mechanisms that ensure any issues raised by communities are documented, followed up and properly addressed.

Our sustainability reporting includes country-level reports to communicate our activities and performance transparently to communities and other local stakeholders.

People living near our plants often expect to get access to electricity, which we explain is the responsibility of the local utility company.

Job opportunities are also a high priority. We aim to hire locally if we can, and we source goods and services from local suppliers where possible. We support skills development as part of our SED programmes, and we provide training to help local people gain construction skills that can be used on our projects and beyond.

In some cases, development of new plants displaces people from land they use for farming or, in exceptional cases, from their homes. We work closely with communities to develop respectful and suitable programmes to compensate and support those affected.

SUSTAINABLE FISHING AND LIVELIHOODS

We have been working with Sea Sense, an NGO, to help fishing communities near our Songas operation in Tanzania gain the knowledge and skills they need to conserve marine ecosystems and improve their livelihoods over the long term.

A priority was to promote alternatives to dynamite fishing, which was harmful to the marine environment and put our under-sea gas pipeline at risk. Studies show that there has been an increase in fish catches since the programme began in 2017 and species that had previously declined as a result of overfishing are now re-emerging.

Engaging and empowering women is a key focus. In 2020, we raised awareness of their important role as part of community theatre performances that underlined the need to conserve marine resources.

SED INVESTMENT: FOCUS AREAS AND 2020 HIGHLIGHTS

HEALTH

Objective: Improve access to quality basic health services by refurbishing or building capacity at healthcare centres and supporting awareness campaigns.

% SED SPEND IN 2020:  18%

Highlights in 2020: Maternal health is an important focus of many of our health programmes. In Tanzania, our funding to construct and equip maternity wards in local villages has supported increased attendance rates for child deliveries to help women deliver their babies safely. We also provided medical equipment for local dispensaries to increase provision of health services for pregnant women.

EDUCATION

Objective: Improve access to quality education for children by improving facilities at schools.

 40%

Highlights in 2020: By constructing new classrooms and sanitation facilities for local schools, we are supporting better learning environments for children and teachers. Following support to reduce class sizes at primary schools in the village of Azito near our power plant in Côte d'Ivoire, academic results have improved from a 60% pass rate in 2017 to 100% in 2020. We have now extended the local kindergarten too.

INCOME GENERATION

Objective: Contribute to income generating opportunities to help people financially sustain themselves and their families.

 20%

Highlights in 2020: We stepped in to support local entrepreneurs struggling to keep their businesses afloat through the Covid-19 crisis. Jo-Ann's Heavenly Treats Bakery in the Northern Cape of South Africa is one of the small businesses benefiting from De Aar Solar Power's enterprise development accelerator programme. Our support enabled the bakery to invest in premises and equipment, and become certified as an essential service to continue operating through lockdown.

PROFESSIONAL DEVELOPMENT

Objective: Create post-school development opportunities through bursaries for further education, and internships and work experience at our operations.

 15%

Highlights in 2020: We provide local young people with valuable work experience to help kickstart their careers. Through internships of six to 12 months, we offer mentoring support and ongoing feedback to help them maximise learning opportunities. Although we were not able to offer as many internships as usual due to Covid-19 restrictions in 2020, 77 young people – 44% of them women – gained experience as interns with us.

OTHER LOCAL PROGRAMMES

Objective: Support programmes specific to local needs, such as working with indigenous communities and providing access to safe drinking water.

 7%[9]

Highlights in 2020: Better access to potable water can transform lives and we have continued to invest in infrastructure to improve water supplies. The 27 boreholes we have built in Cameroon provide safe drinking water for over 25,000 people. In 2020, we installed further water supplies at three schools and began construction of a solar-powered borehole to provide potable water for the health centre and school.

US$3.6m
INVESTED IN SED PROJECTS IN 2020

199,300
PEOPLE REACHED IN 2020

[9] Includes pipeline wayleave protection/security in Tanzania.

ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL IMPACTS

WE ARE PRODUCING MORE POWER FROM CLEANER, GREENER SOURCES AND WE HAVE STRONG SYSTEMS TO MANAGE OUR IMPACT ON THE ENVIRONMENT.

ADDRESSING CLIMATE CHANGE

During 2020, we worked in consultation with stakeholders to develop a strategy on climate change that will ensure our operations and development pipeline are fully aligned with the Paris Climate Agreement.

The strategy, to be finalised in 2021, will inform our investment decisions for new business development and our climate risk management for existing assets.

We used the recommendations set out by the Taskforce for Climate-related Financial Disclosures (TCFD) as a framework to guide the development of our climate change strategy. We are putting in place governance and risk assessment processes to support the strategy in 2021, and we report key metrics in this sustainability report.

The Board is ultimately responsible for our climate change strategy. Board-level Committees will be responsible for its implementation, including ensuring that climate risk and opportunities are considered in all development decisions as well as in the management of our existing assets.

Our approach

Globeleq is fully committed to supporting the transition to a low-carbon future. As a leading independent power producer in Africa, we aim to contribute to the UN's goal of achieving sustainable energy for all by accelerating investment in affordable and reliable electricity systems on the continent.

To ensure alignment with the Paris Climate Agreement, from 2021 all our development projects and major improvement projects at existing plants will be screened to ensure they are fully aligned with the national climate plans (Nationally Determined Contributions) of the countries where we operate.

Our existing wind and solar plants will avoid an estimated 18.3 million[10] tonnes of CO_2-equivalent (CO_2e) in their lifetime and we aim to increase this total with new projects in development (see case study). By 2026, we aim to build a further 1,000 MW in renewable capacity to more than treble our existing 384 MW portfolio of wind and solar plants.

However, renewables alone cannot currently provide enough reliable energy to meet Africa's growing demand for electricity. Thermal power plants will still be needed as a transitional fuel until national grids can handle more intermittent power from renewables.

The focus of our thermal portfolio is on natural gas, except where heavy fuel oil (HFO) is used to maintain existing capacity where gas or renewable alternatives are not viable. Our HFO plant in Cameroon generates power only during times of peak demand. We will not invest in further development of HFO plants.

We will continue to invest in improving the operational efficiency of our thermal plants where feasible to reduce their greenhouse gas intensity.

We also support climate resilience by assessing and mitigating physical risks to our assets. In addition, we aim to define opportunities to direct some of our SED investment into projects that improve climate resilience for communities.

ENVIRONMENTAL PERFORMANCE IN 2020

EMISSIONS AVOIDED FROM RENEWABLE POWER PRODUCED

913,000
TONNES CO_2e

TOTAL GREENHOUSE GAS FOOTPRINT

CO_2e

2.6m
TONNES CO_2e

DEVELOPING AND STORING SOLAR POWER

Our Cuamba Solar project in northern Mozambique will see us not only generate but store solar power for the first time in our portfolio.

Currently in development, the 19MWp/15MWac solar project will include batteries capable of storing up to 2MW/7MWh of energy. This means the plant can provide power to the grid when it is needed, even at night or when the sun is not shining.

The plant will be the first utility scale energy storage system in Mozambique, paving the way for wider uptake of renewable power and the benefits it brings for sustainable development.

[10] Lifetime avoided emissions calculated using the 50% probability production forecast over a 20-year operating lifespan.

ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL IMPACTS

Managing climate risk

Together with our shareholder CDC, we have developed a tool to help us assess any future investments in gas power to ensure they are fully aligned with the host country's Nationally Determined Contributions under the Paris Agreement and represent the best low-carbon solution in each context for the delivery of affordable and reliable electricity.

We are also developing a tool to identify physical and transitional climate-related risks to our assets, and monitor changes over time. The tool will help us define mitigation and management measures to address these risks.

During 2021, we will use these tools to screen our full development pipeline as well as all existing assets.

Reporting our performance

Our wind and solar power plants helped to avoid 912,914 tonnes of CO_2e emissions in 2020.

Recent investments, including major upgrades in Côte d'Ivoire and Tanzania in 2019, have improved the efficiency of our gas plants in 2020. However, the total carbon footprint of our thermal plants depends on the amount of energy we are asked to generate, which is in turn dictated by demand from the grid.

In 2020, our business had a total greenhouse gas footprint of 2.6 million tonnes of CO_2e emissions and a greenhouse gas intensity of 403 tonnes of CO_2e per GWh of energy produced.

MANAGING ENVIRONMENTAL IMPACTS

Our common procedures (see page 14) set out clear requirements for management of environmental impacts across the business – from climate and biodiversity to air quality, waste and water use – and compliance with environmental regulations.

Environmental management systems are certified to ISO 14001 at all our plants, except those in South Africa which are working towards certification by 2022.

When considering a site for a new project, we conduct a process to screen for environmental risks, including any potential impact on biodiversity (see case study). We take steps to address any adverse impact at local level and look for opportunities to enhance biodiversity around our sites.

At our thermal plants, we monitor emissions that can affect local air quality, such as nitrogen oxides, to ensure we stay within limits set by national regulations and IFC Performance Standards.

The water we use at our plants is from licensed boreholes, municipal sources or rainwater harvesting. We take steps to reduce consumption, including recycling cooling water at some thermal plants and trialling ways to reduce water use for cleaning photovoltaic panels at solar plants. We used 253,570m³ of water in 2020.[12] We also monitor and treat wastewater to avoid polluting local watercourses.

We aim to minimise and recycle waste where possible. However, appropriate recycling facilities are not always available in the areas where we operate. In 2020, we generated 1,805 tonnes of waste. This includes 1,132 tonnes of hazardous waste, such as used oil, oily rags from maintenance of equipment and sludge from treatment of oily wastewater. All hazardous waste is tracked, recorded and either recycled or disposed of responsibly by licensed waste contractors.

ENVIRONMENTAL PERFORMANCE YEAR ON YEAR

OUR GREENHOUSE GAS FOOTPRINT AND INTENSITY

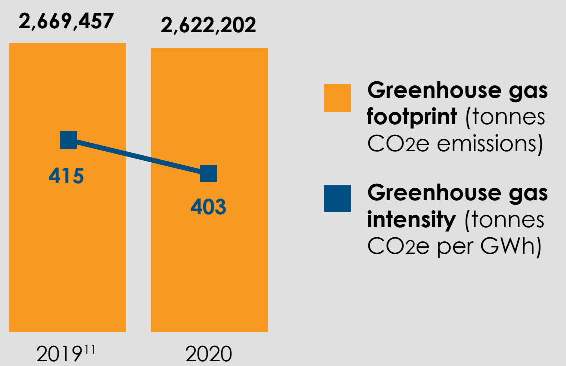


PHOTO: TEMO ALVES, ALTITEC BLADE SERVICES

CONSERVING BIODIVERSITY

Our biodiversity action plan at Jeffreys Bay Wind Farm in South Africa is designed to reduce fatalities of raptors and bats that are susceptible to collisions with wind turbines. And it goes further by aiming to support a net gain of the endangered black harrier raptor.

We have already trialled sonar devices on turbines to prevent bats flying into the blades and we are exploring other measures, such as painting turbine blades to help raptors see and avoid moving blades.

[11] 2019 data has been updated to reflect improved data quality. [12] Excludes two of our solar sites in South Africa where data on water use is unavailable.

GOVERNANCE AND ETHICS

SUSTAINABILITY IS CENTRAL TO OUR BUSINESS STRATEGY AND CRITICAL TO OUR INVESTORS.

GOVERNING SUSTAINABILITY

Sustainability at Globeleq is overseen by our Board-level Environmental, Safety, Social and Governance (ESSG) Committee, which meets at least three times a year. The Committee is made up of three Board members and chaired by a non-executive director, who reports material matters at each Board meeting.

Our ESG Director reports to the Committee on environmental, social and governance matters, and our Director of Operations and Maintenance reports on health and safety. In 2020, we formally integrated diversity and inclusion into the ESSG Committee's remit. The Committee meetings are attended by shareholder representatives and our Chief Executive Officer, who has ultimate responsibility for sustainability at Globeleq.

We have policies on key ESSG topics and we have established practical common procedures, based on international best practices, to ensure these are integrated into each stage of every project – from initial due diligence and development through to construction, operation and eventual decommissioning. A Globeleq management review committee evaluates and updates these annually.

Managing Directors are responsible for local implementation and compliance with national regulations. Our new centralised internal reporting system supports more proactive management across key business areas, including ESSG.

Operational performance, including health and safety, is an established part of our Short-Term Incentive Plan for managers and employees. From 2021, this incentive plan will also be linked to diversity, social and environmental performance.

WORKING WITH INTEGRITY

We expect everyone who works with us to live our values (see below) and follow our Code of Business Conduct in everything they do. The message is clear: do what is right and talk to others in the company if you are unsure.

Employees learn about the Code as part of their induction to the company and must complete refresher training every two years thereafter. Anyone failing to do so may face disciplinary action. As part of the refresher training, all employees must also formally confirm that they are not aware of any breaches.

OUR VALUES

- SAFETY
- INTEGRITY
- EXCELLENCE
- UNITY
- SUSTAINABILITY
- FULFILMENT

Read more about what our values mean to us at www.globeleq.com/our-company.

We encourage people to speak up and report any potential breaches of the Code to a manager or our Compliance Officer – either directly or via the independent and confidential Globeleq Hotline. All reports are investigated and we take appropriate disciplinary action if necessary. In 2020, three employees were dismissed and one left the business following investigations into misconduct.

The Code clearly states that bribery or corruption is unacceptable in any form. Our Anti-Corruption and Bribery Policy sets out our requirements in more detail and we include these in all our contracts with consultants and contractors. The biggest risk arises during the development of new projects and our Audit Committee regularly reviews contracts with consultants supporting this work.

RESPECTING HUMAN RIGHTS

We are committed to respecting the human rights of our employees, the communities where we work and anyone else who may be affected by our business, in line with the UN Declaration on Human Rights, the Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Our due diligence processes help us assess and mitigate the potential for our activities to cause or contribute to adverse human rights impacts. This is one of the key ESSG considerations during our development process and any concerns must be addressed before an investment decision is made.

Security contractors undergo training to make sure security risks are managed in a way that protects human rights. We also have policies to ensure that anyone who works for us – directly or indirectly – is treated fairly in line with the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

WORKING WITH PARTNERS

We conduct due diligence and apply our robust governance standards when working with public and private partners to deliver our projects in each country.

Global contractors and local sub-contractors support the construction, operations and maintenance of our plants. We take direct responsibility for ESSG on our projects and maintain oversight to ensure our high standards are met at every stage of the process.

Engineering, procurement and construction (EPC) contractors must sign up to our Code of Business Conduct or equivalent standards and we include ESSG criteria, based on IFC Performance Standards, in their contracts. Before a project commences, we develop environmental and social management plans that EPC contractors are required to implement during construction.

PERFORMANCE SUMMARY

The table provides a summary of year-on-year performance for key indicators on our most material sustainability topics.

Data excludes the Tsavo power plant in Kenya, in which Globeleq holds a minority share, our Nigerian operations that were acquired at the end of 2020 and projects in construction.

	2019	2020
POWERING DEVELOPMENT		
Operational power capacity (MW)	1,338	1,338
Electricity generated (GWh)	6,433 [13]	6,504
Average availability (%)[14]		
– Gas turbines	90.8	95.7
– Solar	96.8	97.0
– Wind	96.2	90.9 [15]
– Engines	93.6	93.7
Consumers reached by the electricity we produce [16]	–	14,584,311
Jobs indirectly supported through electricity generated [17]	241,700	218,980
HEALTH AND SAFETY		
Reportable incident rate [18]	0.41	0.38
Lost-time accidents	4	2
EMPLOYEES		
Number of employees	492	499
– **Women** (%)	21	22
Women in senior management (%)	– [19]	23
Women in management (excluding senior management) (%)	– [19]	20
Employees working in African countries who are nationals of that country (%)	97	98
Employee engagement (score out of 10) [20]	7.1	7.2
COMMUNITIES		
Total spend on socio-economic development (SED) projects (US$ million)	3.6	3.6
Number of people reached by SED projects (estimated)	183,200	199,300
ENVIRONMENT		
Greenhouse gas emissions avoided from renewable power production (tonnes CO_2e) [21]	970,754 [13]	912,914
Greenhouse gas emissions generated (tonnes CO_2e)	2,669,457 [13]	2,622,202
– **Scope 1 emissions (gas/fuel use)**	2,635,127	2,588,925
– **Scope 2 emissions (electricty use)**	32,444 [13]	32,489
– **Scope 3 emissions (air travel)**	1,886	788
Greenhouse gas emissions intensity (tonnes CO_2e/GWh produced)	415 [13]	403
Water use (m^3) [22]	238,186	253,570
Total waste generated (tonnes)	1,390	1,805
– **Hazardous waste generated** (tonnes)	787	1,132

13 2019 data has been updated to reflect improved data quality.

14 Equivalent availability factor, as defined by the Institute of Electrical and Electronics Engineers 762, for gas and HFO. Inverter availability for solar and wind farm availability for wind.

15 Wind availability declined in 2020 due to pandemic-related delays getting spare parts when blades were damaged during maintenance.

16 Estimate provided by CDC based on the amount of electricity we produce and average national consumption per capita. We are reporting this indicator for the first time in 2020.

17 Estimated indirect employment enabled by businesses using electricity generated based on Joint Impact Model (used by CDC Group).

18 Incident rate includes lost-time accidents and incidents resulting in medical treatment or work restriction. Calculated in line with OSHA definition (200,000 x reportable incidents/working hours).

19 We have regraded positions so we cannot report a comparable figure for women in senior management or management in 2019.

20 Year-on-year engagement score taken from surveys in September of each year. Interim survey results are provided on page 9.

21 Calculated based on national grid factors in each country of operation.

22 Excludes two of our solar sites in South Africa where data on water use is unavailable.

FIND OUT MORE

Visit our website to view our local sustainability reports and find out more about sustainability at Globeleq.

www.globeleq.com/sustainability

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