SUSTAINABILITY REPORT 2019
KENYA

GLOBELEQ

MALINDI SOLAR GROUP LIMITED

POWERING DEVELOPMENT

WE ARE BUILDING RENEWABLE CAPACITY TO POWER SUSTAINABLE DEVELOPMENT IN KENYA.

Our 52 MWp Malindi Solar plant will increase capacity for the national grid. By helping the Kenyan Government increase access to electricity, we are supporting economic development and providing more reliable power to the Lamu area that borders Somalia.

We currently employ eight people in Kenya – in our development office in Nairobi and in the construction phase at the Malindi site. More than 200 local people also worked with contractors on site in 2019. Once operational, we estimate the power we produce at Malindi will indirectly support around 7,000 jobs.[1]

An engineering, procurement and construction (EPC) contractor is building the plant. Our team on site works closely with the EPC contractor to maintain our high standards on health, safety, environment and security – and to engage with local communities.

Our agreement includes a requirement for the EPC contractor to train and hire local people to work on the project. We are also consulting with communities to understand and respond to their needs as the project gets underway.

Construction began at the 450 acre site in June 2019. Ground works are now complete and preparations have begun to install the module mounting structures. These will support the 157,000 photovoltaic panels that will harness solar energy at the plant.

We planned to open the plant by mid 2020, but construction has been put on hold due to restrictions on movement as a result of the Covid-19 pandemic.

Once operational, the Malindi Solar plant will support the Kenyan Government's ambition to move to 100% green energy and extend access to grid electricity – and the development opportunities it brings – to more people across the country.

Brian Brooks
Malindi Solar Group Construction Director

Working in partnership

Globeleq is working with the Africa Energy Development Corporation (AEDC) and its partner IDEA Power to develop the project. AEDC will retain 10% ownership of Malindi Solar.

Sterling and Wilson Solar is the EPC contractor appointed to construct the plant, with support from subcontractors and local workers.

Once the plant is operating, electricity will be sold through a 20-year agreement with the national distribution company, Kenya Power and Lighting Company (KPLC).

POWERING CAMEROON'S GROWTH – KEY PERFORMANCE INDICATORS 2019

OUR POWER

52
MWp IN CONSTRUCTION

OUR PEOPLE

8
EMPLOYEES

OUR DEVELOPMENT IMPACT

200+
LOCALLY HIRED WORKERS DURING CONTRUCTION

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

KEEPING PEOPLE SAFE

SAFETY ALWAYS COMES FIRST IN ALL OF OUR ACTIVITIES.

MANAGING HEALTH AND SAFETY

We are in continual dialogue with our EPC contractor to manage health and safety risks. Our site manager conducts daily site inspections to check compliance with Globeleq's common procedures.

In 2019, our reportable incident rate was 1.65 for the Malindi construction site and zero for the Nairobi office.

After the notice to proceed was issued in June, the first 174 days of construction at Malindi were completed without a lost-time accident (LTA). However, there was one LTA in December when a mechanic working for a subcontractor was involved in a road traffic accident, having been wrongfully assigned to drop off staff after work.

Road safety is our biggest risk. Our EPC contractor has a traffic management plan in place. To reduce risks from driving at night, site work plans have been revised to target an earlier end time each day. We are also introducing additional road safety training for drivers.

When an incident does occur, a thorough analysis of the root causes is conducted. The Globeleq team then works with the EPC contractor to ensure measures are taken to prevent something similar happening in future.

SAFETY PERFORMANCE IN 2019

REPORTABLE INCIDENT RATE AT MALINDI PROJECT SITE[2]	LOST-TIME ACCIDENTS
1.65	1

INSTILLING A SAFETY-FIRST CULTURE

All subcontractors on site hold a toolbox talk with their teams every morning. This covers health and safety risks related to the tasks to be completed that day.

We also have weekly toolbox talks for everyone on site (see case study).

Anyone visiting or working at the project site must undergo a health and safety induction. Prior to carrying out any work, workers must obtain an induction health and safety card to show they have completed safety training. This also has information on who to contact if they need to report any safety concerns or incidents.

Workers must have permits and certificates, or practising licences, to show they have the appropriate skills and training to complete specific tasks safely. They also receive a briefing on the related risks before beginning work and this is recorded on a register.

Individuals' safety cards include a record of any disciplinary action they have received for unsafe behaviour. In 2019, two workers received a two-week suspension for non-compliance with safety procedures.

TALKING SAFETY

Every week, a toolbox talk is held with all employees and subcontractors at the Malindi site to reinforce our health and safety procedures and raise awareness of specific topics.

[2] 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).

WORKING WITH CONTRACTORS

WE OUTSOURCE CONSTRUCTION AND WORK TOGETHER WITH CONTRACTORS TO ENSURE OUR HIGH STANDARDS ARE MET.

CONTRACTORS ON SITE

Globeleq's common procedures on health, safety, environment and security include detailed requirements for the construction phase of our projects. We are working closely with the EPC contractor and subcontractors to implement these procedures at the Malindi site.

We work together to develop environmental and social management plans for construction as part of the terms of our agreement with our EPC contractor. These include site-specific plans on topics such as health and safety, labour, cultural heritage, waste management and water use.

The Globeleq team provided in-person training for EPC staff and subcontractors working on the project to make sure they understand our requirements and know how to implement them in their day-to-day work.

Private security personnel undergo a two-week training course before starting work, which covers safety and human rights.

EMPLOYING LOCAL PEOPLE

We aim to hire locally where we can. Five of our eight employees in Kenya are Kenyan nationals. Our community liaison officer for Malindi is from Baolala Village, near the project site.

We require our EPC contractor – or its subcontractors – to hire locally for any construction roles that do not require specialist skills. We provided training in construction skills to help prepare local community members for these roles (see case study).

More than 200 people from local communities were working on our site in December 2019.

UPHOLDING ETHICAL CONDUCT

Everyone working with us must share our values and follow the Globeleq Code of Business Conduct.

Employees must complete annual refresher training on the Code. We also share the Code with contractors, and include requirements on issues such as anti-bribery and corruption in their contracts.

Concerns can be raised through our grievance reporting system or via a confidential hotline.

DEVELOPING LASTING SKILLS

We provided training for 200 local people to support them in gaining construction roles on our site.

Delivered in the local language by professional trainers, the bespoke three-day course included a strong focus on health and safety as well as core skills for construction work.

The lasting skills and certificate obtained from the training will put local people in a good position to secure future job opportunities in construction elsewhere once our project is complete.

SUPPORTING OUR COMMUNITIES

WE ARE ENGAGING WITH COMMUNITIES FROM THE VERY BEGINNING OF THE PROJECT TO BUILD A SUSTAINABLE FUTURE TOGETHER.

CONSULTING COMMUNITIES

Around 17,000 people live in the four Sub-locations around our project site, which is in the rural Langobaya Location, around 50km from the town of Malindi.

Our dedicated community liaison officer helps us engage with community members from the early days of planning our development.

The main forum for engagement is a Project Stakeholder Committee (PSC) that was established with the support of area assistant Chiefs. The PSC meets every three months or more frequently as needed. It comprises representatives of surrounding Sub-locations and villages, who are nominated through community public meetings (Barazas), as well as various local interest groups.

A big focus of our engagement is to understand and manage stakeholder expectations. If a request is not possible, we maintain a dialogue with community representatives to explain what we can and cannot offer. For example, we managed early expectations of free electricity by explaining that we feed power into the grid and KPLC provides electricity to consumers.

PLANNING FOR A POSITIVE IMPACT

We are developing a socio-economic development (SED) plan that provides support where it is most needed and delivers a sustained positive impact in the long term.

The first step was to consult communities to understand their needs. We conducted a baseline survey of 367 households, held focus group discussions with 120 people, met with key stakeholders, and consulted leaders of 21 local schools, clinics and training centres.

Based on their feedback, we have identified several priorities for our SED investment. Our SED plan aligns with Globeleq's four corporate focus areas – income generation, healthcare, education and post-school professional development. It also responds to specific local needs such as access to water and sanitation, and improved systems for land tenure.

With the help of the PSC, we aim to design, implement, monitor and evaluate SED projects in collaboration with relevant community stakeholders.

SUPPORTING OUR COMMUNITIES

SUPPORTING PEOPLE AFFECTED BY THE PROJECT

Seventeen households have been directly affected by the construction of the Malindi Solar plant. In 2019, our priority was to resettle these families, and help them improve their living standards and livelihoods (see case study).

We provided compensation to 16 of the affected households to help them establish new homes in properties of their choice and we are helping them secure tenure of the land they occupy.

To enhance living standards, we built toilets for all 16 households and engaged the local public health officer to provide education to improve sanitation.

We also funded the installation of a community water pipeline to serve the new homes. Three families who resettled in homes more than 500m from the pipeline, or required additional support, were provided with equipment to enable rainwater harvesting.

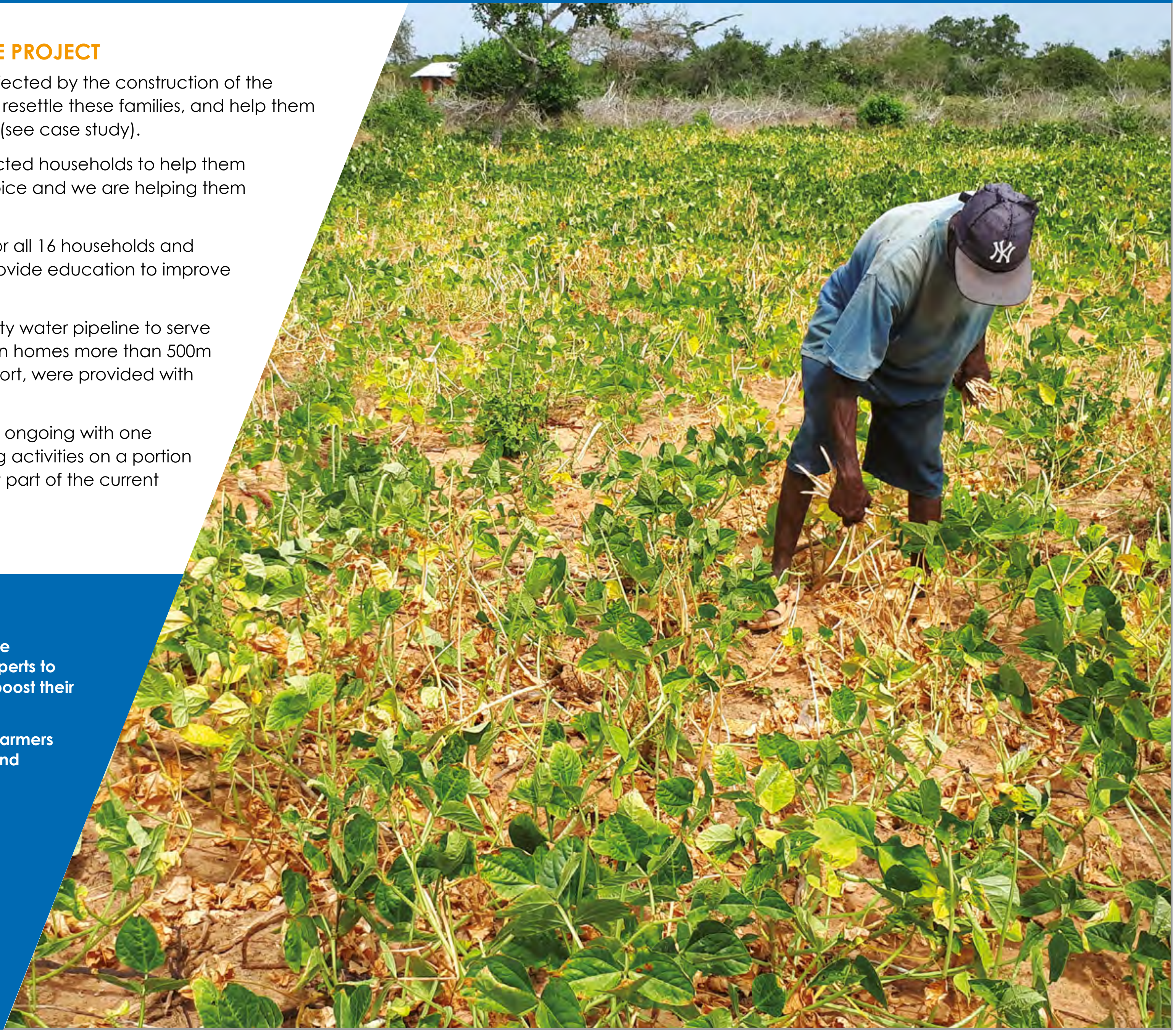
Discussions regarding eventual relocation are ongoing with one occupier who continues to undertake farming activities on a portion of land that is owned by the project but is not part of the current project development.

BOOSTING CROPS AND LIVELIHOODS

Many of the families affected by our project were subsistence farmers. We partnered with local experts to enable them to improve crop productivity and boost their livelihoods for the long term.

In September 2018, we began working with the farmers to prepare their land. We provided equipment and seeds to grow cowpeas and green grams, both drought-resistant crops that would thrive in the arid area. We also trained them on efficient farming methods.

Harvests have more than doubled from previous years and families now have enough to feed themselves and a surplus they can sell. The skills they have gained will help them sustain their harvests and income for a better future.



PROTECTING OUR ENVIRONMENT

WE HAVE STRICT PROCEDURES IN PLACE TO MANAGE ENVIRONMENTAL IMPACTS AS WE DEVELOP RENEWABLE POWER CAPACITY.

TACKLING CLIMATE CHANGE

The Malindi Solar plant will support economic growth and help to tackle climate impact by increasing Kenya's power capacity from renewables. Once operational, the 52 MWp plant is expected to avoid more than 44,500 tonnes of CO_2e per year – and nearly 900,000 tonnes during its lifetime.[3]

MANAGING ENVIRONMENTAL IMPACTS

We manage environmental risks proactively by conducting daily and weekly site inspections to check contractor compliance with Globeleq's common procedures, which are based on international standards. We also have a system in place for people working on site to report risks or incidents.

Before beginning work to clear the site in preparation for construction, we conducted an environmental and social impact assessment to help us manage our impact.

Vegetation and soil from site clearance is being used to restore natural habitats nearby (see case study).

WATER USE AND WASTE

We agreed a plan with our EPC contractor to ensure site waste is managed responsibly and we check regularly to ensure it is being implemented.

Each subcontractor working on site has its own metered connection to the local municipal water supply. Around $295m^3$ of water was used at the site in 2019, mainly for mixing concrete, cleaning and sanitary purposes. Once the site is operational, we will minimise water use by adopting a dry brushing system to keep solar panels dirt-free.

COMPLIANCE

In 2019, there were three environmental compliance issues at the Malindi site. Two related to minor oil spills – one during refuelling and the other when hydraulic machinery failed. The contractor has developed a fuel management plan to prevent similar incidents happening in future.

The third incident related to the reclamation of a local borrow pit (see case study). Although this was agreed with the National Environmental management Authority, the contractor began taking vegetation from the project site to the borrow pit before a licence had been formally granted. A stop works order was issued until the licence was in place.

RESTORING NATURAL HABITATS

We are using shrubs and soil cleared from our site to rehabilitate an abandoned borrow pit nearby that was left over from civic roadworks in Sosoni village.

The cleared vegetation will help to level the ground and enrich the soil with nutrients. We will then plant indigenous trees to complete the reclamation.

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

FIND OUT MORE

This report covers our sustainability activities and performance in 2019 at our Malindi solar development project. Employee numbers and health and safety data also include our office in Nairobi. The report excludes the operational Tsavo power plant in Kenya, in which Globeleq holds a minority share.

Visit the Globeleq website to view our global sustainability report and find out more about our approach to sustainability across the business:
www.globeleq.com/sustainability

We welcome feedback on our approach and reporting. Please contact us at
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