SUSTAINABILITY REPORT 2021

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 at corporate and local level.

This third annual Globeleq Sustainability Report provides an overview of sustainability management and performance across the business in 2021.

Unless otherwise stated, the data in this report covers our global operations for the 2021 calendar year – our London headquarters, regional offices and 13 operational power plants – and excludes projects that were in construction during this period. For the purposes of this report, the Malindi Solar project in Kenya is considered under construction during 2021, although the plant began exporting renewable power to the grid in December 2021.

The report excludes the Tsavo thermal power plant in Kenya, in which we hold a minority share, where the power purchase agreement ended in September 2021. It also excludes our energy business in Nigeria.

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

Contents

Local snapshots

Local reporting

The local snapshots on pages 16-23 of this report provide a summary of sustainability activities and performance in each of the countries where we operate.

We also publish separate reports for two countries where we have strong local brands: Azito in Côte d'Ivoire and Songas in Tanzania. Download the reports at www.globeleq.com/sustainability.

MESSAGE FROM OUR CEO

Africa remains a continent where almost half the population has no access to electricity. Powering Africa's growth in a sustainable manner is at the heart of what Globeleq does.

2021 was a very successful year for Globeleq.

We entered the renewable energy market in Egypt and reached financial close on two greenfield projects in Mozambique. Later in this report, our country directors Ghada Darwish and Samir Sale talk about the context of these projects and the role we play in these countries.

Our operational performance was good and financially we had a great year with arrears from customers massively reduced. The refinancing of three of our South African plants was a win–win, with half the value accruing to shareholders, enabling re-investment in new projects, and the other half passed to customers through a reduction in the price we charge for energy.

Our safety performance in 2021 was exceptional, but we cannot allow over-confidence to creep in. We want to improve year on year, and need to ensure the pressure of good performance and reporting good performance doesn't lead to people looking the other way. We are alive to this risk and will report back next year.

Covid-19 continued to surprise us and has changed some things, such as the nature of office work, maybe forever. But the importance of our business, and the dedication of Globeleq people, are as strong as ever.

I want to take this opportunity to thank Globeleq people for what they did to support our colleagues, customers and communities during the last year, including through our socio-economic development projects to support people most in need near our plants.

With our expertise and experience in renewables, we are well placed to build renewable capacity across the continent. In 2021, together with our partners, we won 1,424 MW of renewable projects in South Africa, exceeding the commitment we made last year to add at least 1,000 MW of renewables to our portfolio by 2026. We are also expanding our work on exciting new technologies such as renewable water desalination and green hydrogen.

Managing the energy transition will involve making some difficult choices and there remains much more to do in the climate space. Globeleq is committed to reach net zero by 2050, and we are currently performing detailed modelling and building scenarios to inform the choices we must make to get there.

In this year's Sustainability Report, we talk at length about our diversity and inclusion initiatives and the progress we are making. In addition to more traditional key performance indicators, from 2021 every Globeleq person has part of their compensation tied to performance on diversity and inclusion as well as social and environmental criteria. This is something I am very proud of, but as ever there is more to do.

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 2021, we had operational power plants in Cameroon, Côte d'Ivoire, South Africa and Tanzania, and acquired a new operational solar plant in Egypt.

Construction of our 52 MWp Malindi Solar plant in Kenya was completed in late 2021, and we had another 722 MW in construction in Côte d'Ivoire and Mozambique in 2021. A further 2,000 MW of power projects are in early-stage development in several countries across Africa.

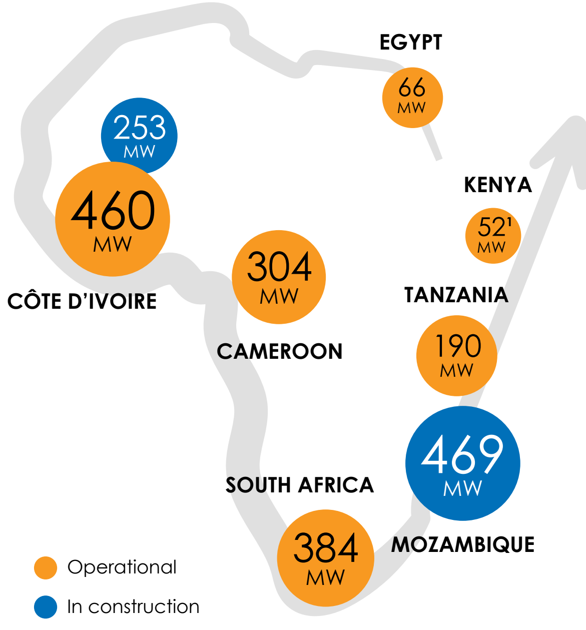
In Tanzania, we own the gas processing infrastructure and pipeline that transports natural gas used by our power plant and other manufacturing businesses in Dar es Salaam.

Globeleq is owned by two Development Finance Institutions. British International Investment (BII, formerly known as CDC Group plc) (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 more than 500 employees who are helping to 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 2021[1]

(AS AT 31 DECEMBER 2021)

GAS	SOLAR	WIND	HEAVY FUEL OIL
866 MW	337 MW	165 MW	88 MW

[1] Includes our 52 MW Malindi Solar project in Kenya that began exporting energy to the grid in December 2021.

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.

Approximately 770 million people around the world still do not have access to electricity. More than three quarters of them are in sub-Saharan Africa and every second person across the African continent lacks access to electricity. Recent progress has been eroded by the effects of the Covid-19 pandemic, which have made basic electricity services unaffordable for 30 million more people in Africa.[2]

We are powering development by generating reliable and affordable electricity for households and businesses in Africa, all produced locally using renewables or local fuel sources. The strong operational performance of our plants, with high rates of availability (see page 15), supports economic growth by providing reliable power that people and businesses can depend on.

Sustainability is one of our core values. As we power Africa's growth, we are committed to protecting the environment, aligning our projects with the Paris Climate Agreement, having a positive impact on communities, and delivering financial returns for our shareholders and local partners.

Our development impact

We can make a significant contribution to the SDGs through the economic, social and environmental impact of our operations at country and community level.

In 2021, we completed an analysis to identify the SDG targets where we can make the biggest contribution, and defined impact objectives for our business based on the potential outputs, outcomes and impact of our activities (see page 6). Our development projects in Mozambique contribute to all four of our impact objectives (see case study on page 6).

We already measure and report some indicators related to our impact on sustainable development:

- The 7,141 GWh of electricity we produced in 2021 reached an estimated 9 million consumers[5] and indirectly supports an estimated 236,515 jobs[4] in addition to the 517 people we employ directly.
- Almost all (99%) of our employees working in Africa come from the countries where they work, and we have significantly increased the representation of women in management roles in 2021 (see page 8).
- Our socio-economic development programmes reached an estimated 185,300 people in 2021 (we are not able to report their collective impact in a meaningful way but include examples on page 11).
- The renewable energy we generated in 2021 helped avoid 940,420 tonnes of CO_2-equivalent emissions.

Our next focus is on establishing more indicators to better measure our development impact to inform decision-making in relation to new and existing projects, and report progress to our stakeholders. We will also work with partners to unlock opportunities to enhance our impact.

POWERING AFRICA'S GROWTH – KEY PERFORMANCE INDICATORS AS AT 31 DECEMBER 2021

OUR POWER

1,456 MW operational [3]

722 MW in construction

OUR PEOPLE

517 employees

99% from the African countries where they work

OUR DEVELOPMENT IMPACT

236,515 jobs indirectly supported in 2021 [4]

9 m consumers reached by the electricity we produced in 2021 [5]

[2] International Energy Agency, World Energy Outlook 2021. [3] Includes our 52 MW Malindi Solar project in Kenya that began exporting energy to the grid in December 2021.
[4] Estimated indirect employment enabled by businesses using electricity generated based on Joint Impact Model (used by BII). [5] Estimated based on actual project level production and national per capita consumption.

Our impact objectives

IMPACT OBJECTIVE	IMPACT SCALE	SDGs	SDG TARGETS
Economic growth (sustainable business/projects, provision of power, and direct and indirect jobs)	**Country level**	7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH	7.1, 8.2, 8.5
Contribution to the transition towards a low carbon economy	**Country level**	7 AFFORDABLE AND CLEAN ENERGY	7.2, 7.3
Catalysing investment	**Country and community level**	17 PARTNERSHIPS FOR THE GOALS	17.3
Improved quality of life (health, education outcomes and social capital)	**Country and community level**	7 AFFORDABLE AND CLEAN ENERGY	7.1, 7b

"As a country that is at risk from the worst effects of climate change, our government fully supports the Paris Agreement. We are working on our long-term decarbonisation plans in line with that Agreement and the Temane power project is fully in line with our transition which also includes developing hydro, solar and wind projects."

Ernesto Elias Max Tonela
Mozambique Minister of Economy and Finance, and former Minister of Mineral Resources and Energy

Supporting sustainable development in Mozambique

Mozambique has one of the lowest levels of electrification in the world – around 35% of people currently have access to electricity.

This lack of power is thwarting economic growth and has a hugely detrimental impact on people's lives. Mozambique remains one of the least developed countries in the world, ranking 181st out of 189 countries in the UN's latest Human Development Index.[6]

We have invested in two new projects that will support the Mozambican Government's goal to offer universal access to electricity by 2030 and make a significant contribution to the country's sustainable development.

Our 450 MW Temane project will increase the country's power capacity by around 16%. The electricity it produces will meet the demand of 1.5 million Mozambican households and indirectly create an estimated 14,000 jobs. The highly efficient gas-fired power plant will use Mozambique's own gas reserves to provide a reliable supply of affordable energy.

The project is aligned with the Paris Climate Agreement and will support Mozambique's longer-term sustainable energy transition. The plant is designed to offer either baseload or variable power as needed to complement intermittent power from renewable energy generation projects. The turbines are also designed to be easily upgraded for high hydrogen content in future to further reduce the plant's carbon impact.

In parallel, we are supporting the Mozambican Government in developing further opportunities for the country to harness its rich renewable resources. Our 19 MWp solar project at Cuamba includes Globeleq's first energy storage system – and the first in the country at utility scale. Its battery system is capable of storing up to 7 MWh of energy so the plant will be able to supply electricity to the grid even when the sun is not out.

See page 20 for more on our projects in Mozambique.

[6] UNDP Human Development Index Ranking 2020.

KEEPING PEOPLE SAFE

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 at all our operating plants are certified to ISO 45001 except those in South Africa, which are working towards certification in 2023, and our new acquisition in Egypt.

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 2021, the reportable incident rate for our operational plants and offices was 0.06, down from 0.38 the previous year. We remained 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 2021, we had zero LTAs at our operating plants, but there was one LTA involving a contractor during construction in Kenya. 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 piloted more leading performance indicators to understand which ones would be most effective to help us better anticipate potential health and safety issues. We have identified five suitable leading indicators, relating to criteria such as observed hazardous situations and overtime hours, that we will track and set targets on in future.

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 makes up 10% of our Short Term Incentive Plan for Globeleq people.

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. In 2021, we ran training on incident prevention and mindful leadership, and our next focus will be on behaviour-based safety.

To reinforce our safety-first culture, we run regular toolbox talks, weekly sessions on specific aspects of safety, and an annual company-wide safety awareness day led by our Chief Executive Officer and other senior leaders. In 2021, we rolled out our Safety Savvies campaign on key risks (see case study below).

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 comprising local management and employee representatives.

In 2021, our local managing directors, plant managers, operation managers, maintenance managers, site supervisors, and HSE managers and officers continued intensive online training to the rigorous standards of the UK National Education Board for Occupational Health and Safety (NEBOSH), to be completed in 2022.

Protecting health

Employee health programmes in 2021 continued to focus mainly on Covid-19 prevention measures. These included social distancing, staggered shifts to keep teams separate, body temperature checks, additional personal protective equipment, sanitising and handwashing stations, as well as Covid-19 testing and communications to raise awareness. We also enabled people to work remotely where feasible, and provided equipment to help them do so.

[7] Based on data from US Bureau of Labor 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).

SAFETY PERFORMANCE IN 2021

OPERATIONS

REPORTABLE INCIDENT RATE [8]	LOST-TIME ACCIDENTS
0.06	0

CONSTRUCTION

REPORTABLE INCIDENT RATE [8]	LOST-TIME ACCIDENTS
0.20	1

Signposting ways to be safety savvy

We have developed a series of 12 'Safety Savvies' to distil critical safety messages related to specific risks at our plants into engaging language and visuals. Topics range from safe use of ladders to use of personal protective equipment, and awareness of road safety and snakes around our sites.

Eye-catching signs, in local languages, have been installed at our plants to keep the Safety Savvies top of mind where risks are most likely to occur. We reinforced these messages through videos and awareness sessions for operational teams.

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.

Our human resources strategy and roadmap set out several key priorities to support the needs of our business and our people. These 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. A working group of around 30 employees from different countries, roles and backgrounds help to drive our diversity and inclusion (D&I) activities, and local teams raise awareness at our sites.

In 2021, we ran awareness campaigns and supported a range of events that celebrate diversity, such as International Women's Day, Disability and Mental Health Awareness Days, and Pride Month. We have also established online employee Yammer communities focused on topics such as gender, race and ethnicity, age and LGBTQ+. In 2022, we will follow up last year's Diversity Dialogues with further mandatory D&I training for all employees.

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.

Our D&I score of 7.9 out of 10 in the 2021 employee engagement survey places us just below the industry benchmark of 8.0. To drive progress towards our goals, 10% of our Short-Term Incentive Plan for employees is now linked to D&I performance indicators.

Almost all (99%) of our employees working in Africa come from the countries where they work. In 2021, we increased representation of women in senior leadership positions to 30%,[9] we welcomed our first female country director (see quote below) and two female employees joined the boards of our local entities. In January 2022, a second woman joined the Globeleq Limited Board.

To help us recruit more diverse candidates, we require recruitment shortlists to include local talent and gender diversity – 86% of shortlists for our manager level vacancies met these criteria in 2021.

We have introduced a new one-year mentoring programme to empower high potential women and help them develop with us. Seventeen mentees in the first group have each been paired with one of our senior leaders as a mentor. They will also participate in virtual training on board fundamentals as part of the programme.

We rolled out family-friendly and flexible working policies in South Africa and the UK, and explored how to address barriers to flexible working in other countries. We also invited external speakers to run a global session on gender-based violence and harassment to raise awareness of this issue on the UN's International Day for the Elimination of Violence against Women.

Helping people develop

In 2021, we invested more than US$800,000 – equivalent to over US$1,500 per employee – in learning and development to help our people grow.

"It makes me very proud to be Globeleq's first female country director. Women working in male-dominated industries have to overcome a lot of challenges. I believe that colleagues and mentors can play a big role in empowering young female professionals, shaping their personalities and giving them the confidence to stand up to bias. That's why I make time to mentor others and share my experiences through networks that encourage more women to pursue and develop their careers in the energy sector."

Ghada Darwish
Globeleq Country Director, Egypt

WOMEN REPRESENTATION 2021[9]
(AS AT 31 DECEMBER 2021)

GLOBELEQ LIMITED BOARD	SENIOR MANAGEMENT	MANAGEMENT (EXCLUDING SENIOR MANAGEMENT)	PERMANENT EMPLOYEES	INTERNS
11%	30%	27%	25%	44%

[9] Excludes our operations in Nigeria, in line with scope of the report.

We've created a new online on-demand interactive learning platform, GQ Aspire, that enables employees across the business to access virtual self-paced training to suit their individual development needs. More than 60% of our people had used the platform by the end of 2021 and we expect uptake to increase in 2022.

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). In 2021, we introduced twice-yearly Globeleq-wide talent reviews to support succession planning and enable more differentiated development opportunities.

All employees set performance and development goals with their managers and review progress as part of our annual performance and compensation process. In 2021, we standardised performance management and objective setting processes across the business. We've introduced new training for line managers to help them engage with people and lead their teams, and in 2022 we will introduce standard objectives for line managers and a line manager survey.

We encourage promotion from within and support high-potential people to build their careers with us through our talent management process.

Engaging employees

Listening to our employees helps us to be a better employer. In 2021, 88% of employees responded to our annual companywide engagement survey and took the time to contribute thousands of individual comments.

Our overall engagement score remained steady at 7.2 out of 10, but fell slightly below the global sector benchmark which rose to 7.4. We analyse and share survey results at local level to enable managers to take specific action in response to feedback from their teams.

The results of the survey highlighted key strengths such as strategy, goal setting and meaningful work. Employee feedback also helped us identify several priorities that apply across the business, including employee support, equality and openness. We've responded to this feedback through an increased focus on wellbeing, initiatives to promote D&I and a new internal communications platform.

Recognising and rewarding our people

We strive to offer competitive pay and benefits in each market based on local benchmarks. In 2021, we introduced a standardised process for assessing external market data and benchmarking reward across the business.

We conducted a salary survey in each market where we operate and introduced clearer processes for defining reward. We also completed a pilot gender and ethnicity pay gap survey in the UK.

Our Short-Term Incentive Plan rewards employees based on individual and company performance, and we offer a Long-Term Incentive Plan for management. In addition to these annual incentive schemes, our PowerUP spot recognition scheme offers more frequent opportunities for recognition and cash rewards throughout the year.

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

Supporting wellbeing

We provide support for wellbeing through regular communications and counselling, and we are working to extend our Employee Assistance Programme to staff across the business. In 2021, we increased our focus on mental health with awareness sessions, an online employee community and training for Mental Health First Aiders (MHFAs). We now have qualified MHFAs in Kenya (see quote), South Africa and the UK, and more employees will complete this training in 2022 to ensure we have MHFAs at each of our locations.

"The Mental Health First Aiders course was eye-opening both on a general level acquiring invaluable knowledge on aspects of mental health, and on a personal level learning about how mental health affects me and those around me. This training has not only helped me become a certified Mental Health First Aider so I can help others, it has also enabled me to improve my communication skills and situational awareness."

Andrew Njoroge
Business Development Associate and Mental Health First Aider, Kenya

EMPLOYEE ENGAGEMENT SURVEY RESULTS
(ENGAGEMENT SCORE OUT OF 10)

2019	2020	2021
7.1	7.2	7.2

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.

These are based on alignment with the UN SDGs and input from SED leads in each country, who understand local needs. Some of our existing programmes already contribute to climate resilience and we are adding this as a fifth focus area in 2022. Some plants also invest in other programmes to meet the specific needs of their communities.

We invested US$4 million in SED programmes that reached an estimated 185,000 people in 2021. 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.

In 2021, we linked 5% of our Short Term Incentive Plan for employees to social performance indicators related to our SED programmes. Progress is tracked and discussed as part of our monthly operational review led by our Chief Operating Officer. We conducted a social audit this year to check how we're doing on the implementation of SED initiatives and stakeholder engagement. We discussed the findings at our annual conference for SED managers from across the business to help us share best practices and identify opportunities for further improvement.

Engaging local stakeholders

Good relationships with our neighbouring communities are essential to the success of our business.

Dedicated community liaison officers help build these relationships during the development and construction phases of each project. Local SED managers then 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 information (see pages 16-23) 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 whenever the opportunity arises, 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 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 in line with IFC Performance Standards.

Beehives helping people thrive

We're helping communities in the Mkuranga district of Tanzania to generate a new source of income from beekeeping.

This year, we trained six groups – 78 people in total – on beekeeping and business skills. We provided each group with 10 beehives and plots of land to plant mango trees to support the bees. One group selling honey, oil and toiletries made from bee products has already obtained official registration and received a loan from the district council to grow their business further.

We also provided training, hives and trees to local schools to get children interested in beekeeping from an early age, as well as giving the schools a source of income.

SED INVESTMENT: FOCUS AREAS AND 2021 HIGHLIGHTS

% SED SPEND IN 2021:

HEALTH

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

10%

Highlights in 2021: In partnership with Norfund, we supported communities near our Malindi Solar project in Kenya through Covid-19 by training 80 community health volunteers to raise awareness of prevention measures. We provided the volunteers with bicycles to help them reach more people. We also enhanced capacity at the local health centre and supported vulnerable families (see page 18).

EDUCATION

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

50%

Highlights in 2021: In South Africa, we helped improve learning conditions and increase capacity at early childhood development centres near two of our plants this year. Improvements will enable the crèche near Aries Solar to increase its intake from 40 to 70 children. The refurbished crèche near Boshof Solar has increased intake by 50% with enough classrooms and toilets to accommodate nearly 200 children in much improved conditions.

INCOME GENERATION

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

20%

Highlights in 2021: We've helped 400 women entrepreneurs in Côte d'Ivoire boost their livelihoods by establishing a cooperative to produce and sell attiéké, a local dish made from cassava. Over the last three years, we have constructed a factory, which began operating in late 2021, provided equipment, and offered training to help the women run the business and improve literacy. The cooperative's next focus is on securing a contract to export attiéké.

PROFESSIONAL DEVELOPMENT

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

12%

Highlights in 2021: 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. In 2021, 177 young people – 44% of them women – gained experience as interns with us in a range of roles, from finance to operations and maintenance.

OTHER LOCAL PROGRAMMES

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

8% [10]

Highlights in 2021: In Cameroon, we continued our focus on improving access to safe drinking water this year by installing four new solar-powered boreholes for two schools, a hospital and the community, as well as maintaining the 27 boreholes we had constructed previously that serve over 25,000 people. We also helped 132 indigenous Bagyeli people obtain formal identification documents.

US$4.0m
INVESTED IN SED PROJECTS IN 2021

185,000
PEOPLE REACHED IN 2021

[10] Includes pipeline wayleave protection security in Tanzania.

ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL IMPACT

We're producing more power from cleaner sources and have strong systems to manage environmental impact.

Addressing climate change

Our new climate strategy, approved by the Board in 2021, is designed to ensure our operations and development pipeline are aligned with the Paris Climate Agreement. It informs our investment decisions for business development and our climate risk management for existing assets.

We developed the strategy in consultation with stakeholders using the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations as a framework. We are now undertaking scenario analysis to assess the potential future impact of transitional and physical climate risks on our business, and working towards TCFD reporting.

The Board is ultimately responsible for our climate change strategy and the Executive Committee is 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 committed to reach net zero by 2050. We aim to contribute to the UN's goal of achieving sustainable energy for all by accelerating investment in affordable and reliable electricity systems in Africa.

To ensure alignment with the Paris Climate Agreement, all our development projects and major improvement projects at existing plants are 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 20.7 million tonnes of CO_2-equivalent (CO_2e) in their lifetime[11] and further projects are in development. With our new solar acquisition in Egypt and Malindi Solar in Kenya coming online at the end of 2021, we have increased our renewable capacity to more than 500 MW. We are on track to meet our target to add at least 1,000 MW of renewables to our portfolio between 2020 and 2026.

However, renewables alone cannot currently provide enough reliable energy to meet Africa's growing demand for electricity. Thermal power plants will still be needed during the transition period until national grids can handle more intermittent power from renewables and commercial progress is made on low carbon alternatives, such as hydrogen and carbon capture and storage.

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, and from 2022 we are making climate resilience for communities a focus area for future SED projects (see page 10).

Managing climate risk

In 2021, we assessed our full portfolio of existing assets and our project pipeline using a new bespoke Climate Risk and Opportunity Assessment (CROA) tool. The tool enables us to use forward looking modelling scenarios to screen climate risks and define mitigation and management measures where needed.

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

ENVIRONMENTAL PERFORMANCE IN 2021

EMISSIONS AVOIDED FROM RENEWABLE POWER PRODUCED	TOTAL GREENHOUSE GAS FOOTPRINT
940,420 TONNES CO_2e	**2.9m** TONNES CO_2e

CO_2e

Building renewable capacity in South Africa

Together with our partners in the Ikamva Consortium, we were named by South Africa's Department of Minerals, Resources and Energy as the preferred bidder for 12 of the 25 projects chosen in South Africa's Renewable Energy Independent Power Producer Procurement Programme fifth bidding round.

The 12 new projects – six wind and six solar PV – will add an estimated 1,424 MW of capacity in South Africa, bringing our total renewable capacity there to around 1,800 MW. By investing in these projects, we are playing a significant role in the country's path to a cleaner energy future.

We found that many of our existing assets are not at risk of physical climate impacts. Those which are at risk – from extreme heat, storms or droughts – have procedures in place to manage these risks that we will review and strengthen where needed. Our long-term power purchase agreements, typically lasting for 20 years or more, help to protect our business from market-related transitional risks.

In 2022, we will update the CROA to incorporate the Intergovernmental Panel on Climate Change's latest shared socio-economic pathways and the International Energy Agency's World Energy Outlook scenarios.

We also screen any potential gas power project developments, using a tool co-developed with BII, to ensure they are aligned with the host country's Nationally Determined Contributions under the Paris Agreement and represent the best low carbon solution for the delivery of affordable and reliable electricity in each context.

Reporting our performance

In 2021, our wind and solar power plants helped to avoid 940,420 tonnes of CO_2e emissions.

Our business had a total greenhouse gas footprint of 2.9 million tonnes of CO_2e emissions and a greenhouse gas intensity of 406 tonnes of CO_2e per GWh of energy produced. As almost all (99%) of our operational greenhouse gas emissions come from the fuel used by our thermal plants, our total carbon footprint depends on the amount of energy we are asked to generate, which increased this year due to higher demand from the grid.

We also measure and report our Scope 3 emissions from air travel (see page 15). We are currently reviewing Scope 3 emissions across our value chain to better understand which categories are significant (or material) to our business and identify opportunities to reduce these.

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 at all our operational plants are certified to ISO 14001, except those in South Africa, which are implementing the standard in preparation for certification in 2023, and our new acquisition in Egypt.

We have developed a new set of environmental performance indicators that we review through monthly operational reports and meetings with representatives from all our plants. We linked 5% of our Short Term Incentive Plan for employees to climate-related deliverables in 2021.

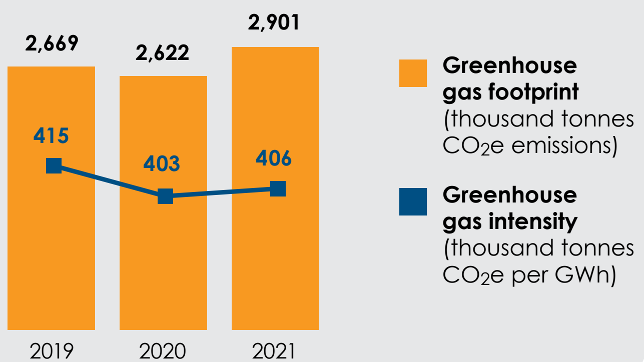
When considering a site for a new project, we conduct a process to screen for environmental risks, including any potential impact on biodiversity. We take steps to address any adverse impact at local level and look for opportunities to enhance biodiversity around our sites (see case study below).

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.

We used 263,697m^3 of water in 2021 from licensed boreholes, surface water, municipal sources or rainwater harvesting. We reduce water use by recycling cooling water at some thermal plants and relying on rain to clean solar panels where feasible. We also monitor and treat wastewater to avoid polluting local watercourses.

We aim to minimise and recycle waste where possible, but appropriate recycling facilities are not always available where we operate. In 2021, we generated 2,487 tonnes of waste, a third of which was recycled. This includes 1,080 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



Promoting biodiversity: pot or plot

To celebrate World Environment Day in June 2021, we set employees a challenge to promote biodiversity at their sites. Teams across the business created small pots or larger plots at our sites to restore native species, support ecosystems for wildlife and promote climate resilience.

The winning entries were both from wind farms in South Africa – Jeffreys Bay won Best Plot and Klipheuwel won Best Pot. They featured native wildflowers that support pollinators, local protected species, tree stumps to create a habitat for lizards and Spekboom, an edible plant that's one of the most effective carbon sequestrators in the world.

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, Social, Safety 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 Managing Director of ESSG reports to the Committee on environmental and social matters (including climate), our Director of Operations and Maintenance reports on health and safety, and our Chief Human Resources Officer reports on diversity and inclusion. The Committee meetings are attended by shareholder ESG representatives and our Chief Executive Officer, who has ultimate responsibility for sustainability at Globeleq.

We consider ESSG risks as part of our annual review of risk registers. 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 of new projects or acquisitions 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 we monitor compliance through regular internal audits.

In 2021, we linked our Short-Term Incentive Plan for managers and employees to performance on diversity and inclusion, social and environmental indicators, in addition to health and safety which was already included in the Plan as part of our operational performance.

Working with integrity

We expect everyone who works with us to live our values (see photo) 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.

OUR VALUES

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

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.

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 2021, one employee was issued with a warning and one was dismissed 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 and Risk 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 of 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.

Unless otherwise stated, data excludes the Tsavo power plant in Kenya, in which Globeleq holds a minority share, our Nigerian operations, and projects that were in construction during 2021.

	2019	2020	2021
POWERING DEVELOPMENT (see page 5)			
Operational power capacity (MW) as at 31 December	1,338	1,338	1,456
Electricity generated (GWh)	6,433	6,504	7,141
Average availability (%)[12]			
– Gas turbines	90.8	95.7	92.2
– Solar	96.8	97.0	98.7
– Wind	96.2	90.9 [13]	94.5
– Engines	93.6	93.7	93.6
Consumers reached by the electricity we produce [14]	–	8,226,300 [15]	9,085,500
Jobs indirectly supported through electricity generated [16]	241,700	218,980	236,515
HEALTH AND SAFETY (see page 7)			
Reportable incident rate (operations) [17]	0.41	0.38	0.06
Lost-time accidents (operations)	4	2	0
Reportable incident rate (construction) [17]	1.41	1.06	0.20
Lost-time accidents (construction)	1	1	1
EMPLOYEES [18] (see page 8)			
Number of employees	492	499	517
– Women (%)	21	22	25
Women in senior management (%)	– [19]	23	30
Women in management (excluding senior management) (%)	– [19]	20	27
Employees working in African countries who are nationals of that country (%)	97	98	99
Employee engagement (score out of 10)	7.1	7.2	7.2
COMMUNITIES (see page 10)			
Total spend on socio-economic development (SED) projects (US$ million)	3.6	3.6	4.0
Number of people reached by SED projects (estimated) [20]	183,200	199,300	185,300
ENVIRONMENT [21] (see page 12)			
Greenhouse gas emissions avoided from renewable power production (tonnes CO_2e) [22]	970,754	912,914	940,420
Greenhouse gas emissions generated (tonnes CO_2e)	2,669,457	2,622,202	2,900,975
– Scope 1 emissions (gas/fuel use)	2,635,127	2,588,925	2,863,615
– Scope 2 emissions (electricty use)	32,444	32,489	36,220
– Scope 3 emissions (air travel)	1,886	788	1,140
Greenhouse gas emissions intensity (tonnes CO_2e/GWh produced)	415	403	406
Water use (m^3)	238,186 [23]	253,842 [15, 23]	263,697
Total waste generated (tonnes)	1,390	1,805	2,487
– Hazardous waste generated (tonnes)	787	1,132	1,080

12 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.

13 Wind availability declined in 2020 due to delays getting spare parts when blades were damaged during maintenance.

14 Estimated based on actual project level production and national per capita consumption.

15 Data restated due to an error in our 2020 reporting.

16 Estimated indirect employment enabled by businesses using electricity generated, based on Joint Impact Model (used by BII).

17 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).

18 Excludes our operations in Nigeria, in line with scope of the report.

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

20 Excludes Egypt where we contribute to joint community projects as part of the wider Benban Solar Park.

21 Environmental indicators increased in 2021 due to higher output from our thermal power plants and some specific local issues (see pages 16-23) as well as improved reporting.

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

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

SOUTH AFRICA

We're investing in 1,424 MW more renewable capacity to power South Africa's growth.

"Investing in renewable energy gives the Government and communities confidence that we are focused on the long term, and inspires the people who work for us.

We're embarking on 12 new solar and wind projects in South Africa (see page 12). Our existing assets continued to perform well operationally in 2021 and, with our strong focus on safety, we achieved zero reportable incidents for the first time.

Our South African team is well positioned to share operational experience as Globeleq's renewable portfolio widens. The remote monitoring team in Cape Town is already supporting our new solar plants in Egypt and Kenya. Globeleq also has capabilities and experience to support Paris-aligned projects using gas as a transition fuel to power development in the region.

Refinancing three of our South African assets this year freed up cash to reinvest in new projects, as well as enabling us to reduce tariffs so energy users can benefit from lower rates."

Dhesen Moodley
Managing Director,
Globeleq South Africa
Management Services

2021 highlights

Health and safety

- There were no lost-time accidents across our South African operations in 2021 and the reportable incident rate was zero.
- Jeffreys Bay Wind Farm celebrated 1,000 days without lost-time accidents (LTAs) in November 2021.
- We introduced an incentive scheme that rewards site staff for every quarter without a reportable incident, while making clear that failure to report incidents may result in disciplinary action.
- We raised awareness of health and safety topics through training, weekly safety sessions, our Safety Savvies campaign, local safety days and the annual Globeleq Safety Day.
- We completed an internal assessment and began implementing actions to help us prepare for our South African operations for ISO 45001 certification in 2023. We also reviewed and updated emergency response plans at all sites.
- All permanent, and some temporary, contractors have undergone health and safety audits as part of our new safety certification scheme.

Our people

- We have increased the representation of women in management in 2021, including appointing a female senior operations manager. Women now represent 38% of senior management and 42% of other management roles in our South African operations.
- We continued to implement our three-year Employment Equity Plan that builds on our commitment to diversity and inclusion by achieving greater parity with the diversity of the country's economically active population.
- The Diversity Dialogues workshops completed by all employees showed our teams recognise the importance of diversity and inclusion, and we are planning follow up sessions in 2022 to keep the conversation going.
- Our entire remote monitoring team in Cape Town completed a skills development programme to build their capabilities. Following the training, we hired a former intern into a permanent position and two people were promoted.
- We had a 100% response rate to our employee survey this year. Overall engagement levels fell slightly from the high level of 7.6 in 2020 to 7.4 out of 10, equalling the international sector benchmark for 2021. Employees scored us highly on reward, strategy and autonomy. They also highlighted collaboration space and physical activity as areas for improvement.
- We responded to employee feedback by establishing a formal flexible working policy that will also alleviate the need for additional collaboration spaces with fewer people working in the office full time.

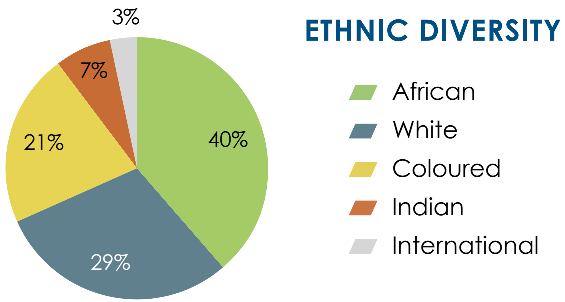
Communities

- We invest 1.5% of our revenue in South Africa in enterprise development (EnD) and SED projects each year.

Working in partnership

Globeleq works in partnership with the South African Government, Eskom, private sector developers, investors, lenders, constructors, suppliers and local communities to deliver projects in South Africa.

ETHNIC DIVERSITY IN 2021



- EnD/SED projects in 2021 focused on supporting small, medium and micro-enterprises (SMMEs) and funding scholarships for students. We also expanded capacity and improved sanitation at schools and creches (see page 11), which was particularly important to enable Covid-19 prevention measures.
- Ten local young people completed internships with us in 2021, including seven women.
- The independent trusts supported by each of our eight power plants invested an additional R40 million in 2021 in projects for local communities that focused on issues, such as youth skills and nutrition.
- Our South African business is rated as Level 4 for Broad-Based Black Economic Empowerment.

Environment

- Our solar and wind plants helped South Africa avoid 863,651 tonnes of CO_2e and will avoid an estimated 18.3 million tonnes of CO_2e over their lifetime.
- A trial to cut water use by reducing panel washing at our solar sites found that rain alone cleaned panels sufficiently at most sites without significantly affecting performance.
- We identified a suitable contractor to recycle old solar panels and explored the feasibility of refurbishing panels for reuse where possible.
- As part of our biodiversity action plan at Jeffreys Bay, we studied roosting and breeding areas to determine how net gains can be achieved for the endangered black harrier raptors. We also trialled an observer-led shutdown system where we employ a team of local bird observers to continuously survey the site and alert us when a protected species is close to a turbine so we can temporarily shut it down until the bird has passed by safely. In addition, we continued to collaborate with local stakeholders to protect areas of high biodiversity through the Greater Kromme Stewardship Initiative.
- Employees created pots and plots to nurture native species at our sites as part of a Globeleq-wide biodiversity initiative (see page 13).

South Africa performance summary

South Africa performance summary	2019	2020	2021
POWERING DEVELOPMENT			
Operational power capacity (MW)	384	384	384
– Solar	219	219	219
– Wind	165	165	165
Average availability (%)[24] **– Solar**	96.8	97.0	98.7
Average availability (%)[24] **– Wind**	96.2	90.9	94.5
Electricity generated (GWh)	963	906	896
Consumers reached by the electricity we produce [14]	–	46,900 [15]	46,500
Jobs indirectly supported through electricity generated [16]	1,000	1,487	1,384
HEALTH AND SAFETY			
Reportable incident rate [17]	1.47	1.17	0.00
Lost-time accidents	3	2	0
EMPLOYEES			
Number of employees	79	90	98
– South African nationals (%)	96	98	96
– Women (%)	39	40	41
Women in senior management (%)	– [19]	21	38
Women in management (excluding senior management) (%)	– [19]	31	42
Employee engagement (score out of 10)	7.0	7.6	7.4
COMMUNITIES			
Total spend on enterprise development and socio-economic development (EnD/SED) projects (R m)	32.3	35.0	37.1
Number of people reached by EnD/SED projects (estimated)	41,000	67,800	35,700
ENVIRONMENT			
Greenhouse gas emissions avoided from renewable power production (tonnes CO_2e) [22]	970,754	912,914	863,651
Greenhouse gas emissions generated (tonnes CO_2e)	3,684	3,639	3,702
Greenhouse gas intensity (tonnes CO_2e/GWh produced)	3.83	4.02	4.13
Water use (m^3)	3,522 [23]	878 [23]	2,511
Total waste generated (tonnes)	73	81	76
– Hazardous waste generated (tonnes)	3	21	20

[24] Inverter availability for solar and wind farm availability for wind. (Refer to page 15 for other footnotes.)

KENYA

Our 52 MWp Malindi Solar plant began exporting renewable power to the grid in December 2021.

“The power it produces will help to stabilise the grid in Kenya’s coastal region and provide more reliable, sustainable and affordable electricity to support the local and national economy.

Completing construction of the project was a significant achievement in the midst of the Covid-19 pandemic. Now the plant is up and running, it has shown strong technical performance during the first months of operation.

Malindi Solar is the first renewable power project in an area that has traditionally relied on expensive, carbon intensive thermal energy. This project cements Globeleq’s position as a key energy player in Kenya.

We aim to capitalise on this success by exploring further opportunities for renewable projects – solar, wind, storage and geothermal – to power Kenya’s growth.”

Edouard Wenseleers
Business Development Director, East Africa

2021 highlights

Health and safety

- Following work to address a series of non-compliances by our EPC contractor in 2020, compliance with our health and safety standards improved significantly at Malindi Solar in 2021.
- More than 1,000 people coming onto the project site completed health and safety induction training and regular toolbox talks raised awareness.
- There was one lost-time accident during construction, when a worker was injured when putting down some stones. This led to an incident rate of 0.21 at the Malindi Solar site in 2021.

Our people

- More than 800 workers – over half from the local community – were on site at Malindi Solar at the peak of construction activities.
- We have 11 permanent employees in Kenya. Ten are Kenyan nationals, four of whom are women.
- We offered internships to two local people in 2021 and one has been hired for a permanent position.
- We invited Open for Business, a global organisation that promotes LGBT+ inclusion in the workspace, to run an awareness session for employees and endorsed its Nairobi Business Declaration on Inclusion.

Communities

- In partnership with Norfund, we supported local communities through Covid-19 (see page 11). We also began providing monthly food donations and training on entrepreneurship and farming for 345 vulnerable families facing hardship, to be continued in 2022.
- We completed our four years of support for the few families directly affected by the Malindi Solar project and conducted an audit to assess how their livelihoods have improved.

Working in partnership

The Africa Energy Development Corporation, the original project sponsor, retains 10% ownership of Malindi Solar. Sterling and Wilson Solar is the EPC contractor for construction of the project, and will support the operations and maintenance of the plant. Electricity is sold through a 20-year agreement with the national distribution company, Kenya Power and Lighting Company (KPLC).

- We held two meetings with the Project Stakeholder Committee to discuss planned SED projects, including support for schools, solar power for the local health centre and tree planting. These will begin in 2022.
- Solar panels that work well, but no longer meet warranty requirements for a grid scale plant due to minor damage during transport, will be put to use for communities as part of our SED projects.

Environment

- The Malindi Solar plant is expected to avoid more than 44,500 tonnes of CO_2-equivalent per year – and nearly 900,000 tonnes during its lifetime.
- Our specialist snake handler captured and relocated over 600 snakes from the Malindi Solar site during construction. In 2021 alone, more than 60 venomous snakes were relocated to the BioKen snake farm in Malindi where indigenous species are protected and milked to create a more effective anti-venom treatment for people in Kenya.

Compliance

- We engaged with the EPC and contractors to resolve grievances related to late payments to workers in 2021.

EGYPT

We're supporting Egypt's ambitious goal to source 42% of its electricity from renewables by 2030.

"Egypt now generates more than enough electricity to meet its growing needs. With the vast majority coming from fossil fuels, the next challenge is to decarbonise the grid.

Our 66 MWp ARC Solar plant is located within the wider Benban Solar Park – one of the biggest solar parks in the world. The park already provides a collective capacity of 1,465 MWp to Egypt's national grid and there are plans to expand.

Acquiring the operational ARC Solar plant and establishing a local team provides Globeleq with a platform for further investments in the country. We are looking at potential projects across a range of technologies, including solar, wind, battery energy storage and, in the longer-term, water desalination and green hydrogen.

Globeleq's expertise in renewables elsewhere in Africa puts us in a strong position to support Egypt in deploying more renewable electricity to pursue its ambitious climate action plan."

Ghada Darwish
Country Director,
Egypt

2021 highlights

We completed the acquisition of the 66 MWp ARC Solar plant in August 2021, almost two years after it first began operating commercially. During the acquisition process, Globeleq supported the original developers and lenders to achieve the final takeover certificate under the EPC contracts to ensure the project performs optimally.

OUR POWER IN EGYPT

SOLAR

66 MWp CAPACITY

99.8% AVAILABILITY IN 2021

Health and safety

- Everyone working on site must complete a health and safety induction, and our operations and maintenance contractor conducts weekly health and safety awareness sessions.
- We had no lost-time accidents in Egypt in 2021 and the incident rate was zero.

Our people

- We welcomed Ghada Darwish, Globeleq's first female country manager, and champion of women in the energy industry (see page 8), to head up our newly acquired Egypt operations. She is one of four permanent employees in the country, based in Cairo and Aswan. All four are Egyptian nationals.
- Our Egypt team, together with the operations and maintenance contractor, visited Globeleq's South African renewable operations in November 2021 as part of ongoing knowledge sharing and support from our remote monitoring centre in South Africa.

Communities

- We contributed around EGP40,000 to support communities through collective SED initiatives run by the Benban Solar Park as a whole. In 2021, these included building toilets and shaded areas for local women selling produce at the Benban market, renovating and providing new equipment for three schools, raising awareness of Covid-19 and distributing supplies to prevent the spread of the virus, and donating food to support families affected by the pandemic. The park also contributed to relief efforts to support local communities in the wake of the devastating floods this year.

Environment

- The 154 GWh of electricity we generated in Egypt in 2021 avoided 76,769 tonnes of CO_2e.

Compliance

- We conducted extensive due diligence prior to and following our acquisition of ARC Solar, including checking that the operations and maintenance contractor meets our health, safety, environmental and social standards.
- Everyone joining Globeleq through the acquisition completed online training on our Code of Conduct and anti-bribery policy, and we are rolling out training and audits in relation to other policies and procedures.

Working in partnership

ARC Solar is one of 32 solar power plants located within the vast Benban Solar Park – the largest in the Middle East and Africa. The operation and maintenance contractor is GILA Al Tawakol. Electricity is sold to the Egyptian Electricity and Transmission Company (EETC) under a 25-year power purchase agreement.

MOZAMBIQUE

Around 35% of Mozambicans currently have access to electricity.

"We see a huge opportunity to help lift people out of poverty by increasing power generation in Mozambique and our first two projects are now in construction.

Our 450 MW gas plant at Temane will generate reliable, affordable electricity for 1.5 million Mozambican households, using gas sourced from Mozambique's own gas fields. The Paris-aligned project will provide reliable baseload capacity that complements intermittent power from renewable sources. We have also built in capability to transition the plant from gas to zero-carbon hydrogen in future.

Mozambique has tremendous potential for solar, wind and hydro power. Our solar project at Cuamba will see us not only generate but store power from the sun. As the first utility scale energy storage system in the country, it will pave the way for wider uptake of renewable power.

These two pioneering projects open up tremendous potential. We are already exploring possibilities for further projects to power Mozambique's growth.

See page 6 for more on how we are supporting sustainable development in Mozambique."

Samir Sale
Country and Business Development Director, Mozambique

2021 highlights

Both the Temane and Cuamba projects reached financial close in December 2021 and construction has begun.

Health and safety

- Health, safety, environmental and social standards are built into contractual obligations with our EPC contractors on both projects. Globeleq's project teams will monitor compliance on site regularly during construction.
- We had no lost-time accidents in Mozambique in 2021 and the incident rate was zero.

Our people

- We directly employ 17 permanent staff in Mozambique. All are Mozambican nationals and 10 are women. Once operational, we expect to employ around 90 permanent staff to run the Temane plant and 10 at Cuamba, with Mozambicans prioritised.
- The Temane plant alone is expected to create around 830 jobs during construction, and we will train local people in construction skills to help them gain work during the construction phase of our projects.
- We appointed a Gender-Based Violence (GBV) Officer in Temane to address the issues around gender-based violence and harassment with communities and contractors.

Communities

- We engaged with communities around both sites to understand and respond to their concerns. Through these consultations and household surveys, we identified local priorities that we will address through our community development plans for each plant. These include improving access to education, health services, water and sanitation, as well as job opportunities.
- We consulted the 48 people who were directly affected by the projects and the transmission line, and provided compensation and support to restore the livelihoods of those whose subsistence farming activities were affected. We also provided new houses, land and water supplies for the two extended families who were resettled from their homesteads at Temane.

CAPACITY IN CONSTRUCTION

TEMANE	CUAMBA	CUAMBA
GAS	SOLAR	ENERGY STORAGE
450 MW	19 MWp	7 MWh

Environment

- We conducted various biodiversity surveys in 2021 to help us understand and manage any potential impacts from the Temane project.

Compliance

- One employee was dismissed in 2021, following an investigation into misconduct.

Working in partnership

We are partnering with the national power utility, Electricidade de Moçambique (EDM), on both our projects in Mozambique. Our other project partners are Sasol on the Temane project and Source Energia (a Lusophone Africa energy developer) on the Cuamba project. The EPC contractor on both projects is TSK. The Temane plant will anchor a new 563km high-voltage transmission line, funded separately, that will reinforce a South–North corridor of electrification in Southern Mozambique and contribute to a more stable national grid.

TANZANIA

We partner with the Government to deliver reliable, affordable power.

"Opened in 2004, our 190 MW Ubungo power plant uses gas from Tanzania's own reserves that we process and transport via our pipeline. Our strong track record over the last 17 years positions us as a reliable and strategic partner in meeting the country's growing demand for electricity.

We believe that power from our gas-fired plant can continue to make an important contribution to the country's energy mix over the next decade, and we are in discussions with the Government to extend our existing power purchase agreement. In parallel, we are exploring opportunities to develop Tanzania's renewable power capacity through solar and wind projects.

For us, taking good care of our communities, our people and the environment is fundamental to the success of our business and supports our mission to power Tanzania's development."

Anael Samuel
Managing Director,
Songas Ltd

2021 highlights

- The Ubungo plant celebrated five years without a lost-time accident in 2021 and we scored in the 95th percentile of the UK Health and Safety Executive's Safety Climate Tool's All Industry Benchmark.
- We completed the transition to a 100% Tanzanian team and continued to develop local talent by investing 424 million TZS in training and welcoming 15 local young people, including 11 women, as interns.
- We increased representation of women in our Tanzanian senior management roles to 40% and supported further development opportunities for female employees.
- Our employee engagement score increased to 7.5 out of 10, exceeding the international benchmark of 7.4 for the industry.
- Through our socio-economic development programmes, we helped to improve learning environments for over 5,000 students, built a maternity ward and empowered local people to boost their livelihoods through beekeeping (see page 10).
- We continued to provide life-changing access to water and electricity to the people of Songo Songo Island.
- We invested in two significant pipework upgrades that will further improve the reliability of the Ubungo plant and ensure it can operate as efficiently as possible.

Full report

Find out more in our separate local report for Songas in Tanzania, available at www.globeleq.com/sustainability.

CÔTE D'IVOIRE

Our 460 MW Azito plant is the most available and reliable power plant in Côte d'Ivoire.

"Azito contributes 20% of Ivorian power capacity and this will soon increase to 30% when the Phase IV expansion comes online early in 2023.

By providing reliable power and expanding capacity, we are supporting the Ivorian Government in its ambitions to extend electricity to more communities across the country, power industrialisation of the economy and become an energy hub for West Africa as a net exporter of electricity.

We have built strong relationships with the Government, local communities and our staff over the two decades we have been operating in Azito.

Our commitment to technical, environmental and social sustainability is fundamental to our business and our mission to power Côte d'Ivoire's growth."

Honorat Boua
Managing Director,
Azito O&M

Luc Aye
Managing Director,
Azito Energie

2021 highlights

- The Azito plant maintained its strong track record on health and safety, celebrating 5,000 days without a lost-time accident, and we increased our focus on employee wellbeing as a key component of the plant's ISO 45001 certification.
- Our employee engagement score increased to 7.1 out of 10, and we invested over 113.5 million CFA in training to help our employees – almost all of them Ivorian – develop their skills and careers.
- We invested 326 million CFA in socio-economic development programmes to improve learning environments for children, help women entrepreneurs boost their livelihoods, and offer young men and women work experience as interns.
- We retained our ISO 14001 certification at the Azito plant.

Full report

Find out more in our separate local report for Azito in Côte d'Ivoire, available at www.globeleq.com/sustainability.

CAMEROON

We provide around 20% of Cameroon's electricity, helping to power economic growth and improve quality of life.

"In 2021, the electricity generated by our two plants reached an estimated 891,600 consumers and indirectly supported around 46,783 jobs, in addition to the 193 Cameroonians we employ directly.

Our 216 MW Kribi plant uses gas sourced from Cameroonian gas fields and our 88 MW Dibamba plant uses heavy fuel oil (HFO) to meet peaks in electricity demand. We are working with the Government to explore the potential to expand capacity at our plants and to convert Dibamba from HFO to gas, which is less carbon intensive.

Complying with strict environmental and social standards helps us establish Globeleq as a partner of choice for the Government. We also have a strong bond with the communities we are part of, helping to improve access to education, health and safe drinking water through our social programmes.

Environmental and social sustainability remain central to our approach as we strive for operational excellence and growth now and in the future."

2021 highlights

Health and safety

- Both our plants in Cameroon have maintained a notable record of zero lost-time accidents (LTAs) since they began operating – over 12 years for Dibamba and over eight years for Kribi.
- One case of work restriction led to a reportable incident rate of 0.24 in 2021.
- We retained ISO 45001 certification at Kribi and Dibamba, and ran training on various aspects of safety. Thirteen leaders continued NEBOSH training (see page 7).

Our people

- All our employees in Cameroon are Cameroonian nationals. In 2021, we continued to develop local talent, with 133 young people taking part in our internships and our Elite One graduate programme, 38% of them women (see quote below).
- We increased the number of women in management roles and celebrated International Women's Day by raising awareness of careers in engineering among female students at local high schools.

Working in partnership

We work in partnership with the Government of Cameroon, which holds a minority share in Dibamba Power and Kribi Power. We sell electricity to the national utility company, ENEO, through 20-year agreements.

- Employee engagement remained constant at 6.8, but was below the international industry benchmark of 7.4. We responded to employee feedback by defining clearer career paths for technicians, conducting a salary survey, introducing spot bonuses, training managers to improve communications and performance evaluation, and introducing on-site leisure activities.
- Around 70% of employees in Cameroon are members of trade unions and we held formal consultations on various topics in 2021. The collective agreement we signed in 2019 lasts for five years.

Communities

- We constructed and equipped new classrooms and offices at three schools near our plants, ran awards for academic excellence, and supported an orphanage in Dibamba including funding the children's education.

Frédéric Mvondo
Managing Director
Globeleq Cameroon –
Dibamba Power (left)

Hans Francis Simb Nag
Managing Director,
Kribi Power (right)

"The Elite One programme has given me the opportunity to learn so many things. I've been able to blend theory and practice by working in operations and supporting a maintenance engineering project. Working with the Globeleq team, someone experienced is always on hand and willing to help. My time at the Dibamba Power Plant has given me great experience in the energy sector and helped me create a network of energy enthusiasts to support my ambition to become a renewable energy consultant in future."

Mikah Minuiwufo Ngwasha
Engineering graduate and Elite One participant

- We constructed a new ward at Kribi hospital and supported an annual campaign to help more than 500 people get access to free medical treatment.
- We continued to extend access to safe drinking water by installing four new boreholes (see page 11).
- Working with non-profit, APED, we helped 132 indigenous Bagyeli people obtain formal identification documents. We also funded school and exam fees for 100 Bagyeli students.
- We held more than 100 consultations with communities near our plants in 2021, with discussions focused mainly on SED support. Six grievances were raised and all but one of these were resolved by the end of the year. We also continued to monitor noise at Kribi.

Environment

- We maintained ISO 14001 certification at both plants.
- Our carbon footprint in Cameroon grew in line with increased power production, but our carbon intensity remained stable. Power production more than doubled at the Dibamba plant to meet increased demand, although it still ran at only 14% of its capacity partly as a result of local fuel shortages.
- Training on waste management helped us increase the proportion of waste that was recycled, despite a rise in total waste due to technical issues.
- Exhaust stacks at the Dibamba plant remain temporarily lowered for repair works, but monthly air quality monitoring demonstrate that emissions remain within the guidelines defined by the World Health Organization.

Compliance

- Following investigation of a reported concern about a supplier attempting to bribe one of our employees, we issued a warning to the employee and sent out a memorandum from our Managing Directors to all employees and suppliers to reinforce our policies on anti-corruption and gifts. We also commissioned an external audit to identify ways to strengthen our procurement procedures.

Cameroon performance summary [25]

	2019	2020	2021
POWERING DEVELOPMENT			
Operational power capacity (MW)	304	304	304
Average availability (%) [26]			
– **Kribi Power**	88.6	89.5	89.9
– **Dibamba Power**	98.5	97.9	97.2
Electricity generated (GWh)	1,177	1,198	1,411
Consumers reached by the electricity we produce [14]	–	757,100 [15]	891,600
Jobs indirectly supported through electricity generated [16]	39,800	40,465	46,783
HEALTH AND SAFETY			
Reportable incident rate [17]	0.21	0.00	0.24
Lost-time accidents	0	0	0
EMPLOYEES			
Number of employees	189	197	193
– **Cameroonian nationals** (%)	100	100	100
– **Women** (%)	13	13	14
Women in senior management (%)	– [19]	27	20
Women in management (excluding senior management) (%)	– [19]	11	23
Employee engagement (score out of 10)	6.7	6.8	6.8
COMMUNITIES			
Total spend on socio-economic development (SED) projects (CFA m)	254	317	278
Number of people reached by SED projects (estimated)	26,500	35,000	28,300
ENVIRONMENT			
Greenhouse gas emissions generated (tonnes CO_2e) [22]	579,938	587,870	694,790
Greenhouse gas intensity (tonnes CO_2e/GWh)	493	491	492
Water use (m^3)	55,002	39,739	40,617
Total waste generated (tonnes)	937	1,324	2,031
– **Hazardous waste generated** (tonnes)	743	924	995

[25] Data includes all three Globeleq entities in Cameroon: Globeleq Cameroon Management Services S.A., Dibamba Power Development Company S.A. and Kribi Power Development Company S.A. [26] Equivalent availability factor, as defined by the Institute of Electrical and Electronics Engineers 762. (Refer to page 15 for other footnotes.)

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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