

SUSTAINABILITY REPORT 2019 SOUTH AFRICA



GLOBELEQ
SOUTH AFRICA MANAGEMENT SERVICES

POWERING DEVELOPMENT

WE ARE INVESTING IN SOLAR AND WIND CAPACITY THAT'S POWERING DEVELOPMENT IN SOUTH AFRICA AND SUPPORTING THE TRANSITION TO A GREENER ECONOMY.

Our business was transformed in 2019 with the acquisition of five additional renewable power plants. We now have two wind farms and six solar plants in our South African portfolio.

Globeleq's strong track record on safety, environment and community has helped us earn the trust of government, communities, lenders, shareholders and employees. We will work hard to build on that trust in the years ahead.

South Africa remains the most economically unequal country in the world.¹ Our enterprise development and socio-economic development programmes support efforts to overcome inequality, and ensure our presence creates a long-term positive impact for the communities in which we operate.

Our focus on education will reap rewards for many years, even after our plants cease to operate. This includes supporting early childhood development projects,

establishing and running the country's leading industry intern programme and investing in training for our employees.

Safety remains our top priority. As the Covid-19 crisis unfolded at the start of 2020, we have taken additional steps to keep our people safe while maintaining essential power supplies.

All of us at Globeleq in South Africa are inspired and fulfilled by the higher purpose of making our beautiful part of Africa more sustainable and inclusive. This shared vision helps us attract and retain high performing staff – and makes Globeleq a great place to work.

Dhesen Moodley

Managing Director,
Globeleq South Africa Management Services

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. We work in compliance with local laws and international standards, including International Finance Corporation Standards and Guidelines.

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POWERING SOUTH AFRICA'S GROWTH – KEY PERFORMANCE INDICATORS 2019

OUR POWER



384
MW

OUR PEOPLE



79
EMPLOYEES

OUR DEVELOPMENT IMPACT



1,000
JOBS INDIRECTLY
SUPPORTED
IN 2019²

96%
SOUTH
AFRICAN
NATIONALS



SOLAR CAPACITY IN 2019

Boshof Solar Power ³	66 MW
De Aar Solar Power	50 MW
Droogfontein Solar Power	50 MW
Soutpan Solar Power ³	31 MW
Konkoonsies Solar Power ³	11 MW
Aries Solar Power ³	11 MW
Average availability⁴	96.8%



WIND CAPACITY IN 2019

Jeffreys Bay Wind Farm	138 MW
Klipheuwel Wind Farm ³	27 MW
Average availability⁴	96.2%

¹ 2018 World Bank report. ² Inverter availability for solar and wind farm availability for wind. ³ Acquired in May 2019.

⁴ Estimated indirect employment enabled by businesses using electricity generated based on Joint Impact Model (used by CDC Group).

KEEPING PEOPLE SAFE

A STRONG SAFETY CULTURE IS FUNDAMENTAL TO EVERYTHING WE DO.

MANAGING HEALTH AND SAFETY

Our health and safety management system is aligned with Globeleq's common procedures, which are based on international standards. In 2020, we plan to begin the process to certify our health and safety management systems in South Africa to ISO 45001.

Two plants celebrated major milestones in 2019: De Aar reached 1,000 days without lost time accidents (LTAs) in January and Droogfontein achieved 2,000 days in September.

SAFETY PERFORMANCE IN 2019



Across our South African operations, the reportable incident rate was 1.47 in 2019. This is an 11% increase from 2018 and includes five newly-acquired plants. There were three LTAs – a minor shock from an electric fence and two

minor accidents that resulted in bruising. We thoroughly investigate all incidents and act to prevent anything similar happening.

INSTILLING A SAFETY-FIRST CULTURE

Across our power plants and offices, we conduct risk assessments and closely follow safety procedures. Our biggest risks include working with electricity, road safety and working at height.

All employees complete regular health and safety training specific to their role. Before beginning a task on site, employees and contractors must provide competency and medical certificates to show they are able to complete the job safely.

Everyone working on our sites must use appropriate safety gear and personal protective equipment (PPE). In 2019, we changed the type of PPE we use to help prevent diseases resulting from biting insects, such as ticks.

Security at our sites is overseen by trained specialist contractors. They meet with our site supervisors weekly

to ensure standards are in line with Globeleq's robust common procedures on security, which include safety and human rights.

RAISING AWARENESS

Each plant has a health and safety committee, made up of management, employee and contractor representatives, that meets every two months to address any concerns and keep safety a core focus.

Employees and contractors from our sites across South Africa participated in our two safety awareness days in 2019. They discussed a wide range of topics – including how to avoid unsafe situations, the importance of healthy diet and sleep patterns for shift workers, and the inclusion of health and safety performance in the employee incentive scheme.

We also held workshops in 2019 to improve understanding of wellbeing issues. We provide free counselling services and other support through our Employee Assistance Programme.



FOR SAFETY'S SAKE

Senior managers from across Globeleq joined health, safety and environment (HSE) managers and local teams in Jeffreys Bay for our annual International HSE Conference in November 2019.

Over four days, they participated in working sessions to learn from each other and external experts on the critical role of management in instilling our HSE culture throughout the business.

⁵Incident rate includes lost time accidents and incidents resulting in medical treatment or work restriction. Calculated in line with OSHA definition (200,000 x reportable incidents/working hours).

INVESTING IN OUR PEOPLE

WE STRIVE TO HAVE A POSITIVE IMPACT ON THE PEOPLE OF SOUTH AFRICA, STARTING WITH OUR EMPLOYEES.

DEVELOPING OUR PEOPLE

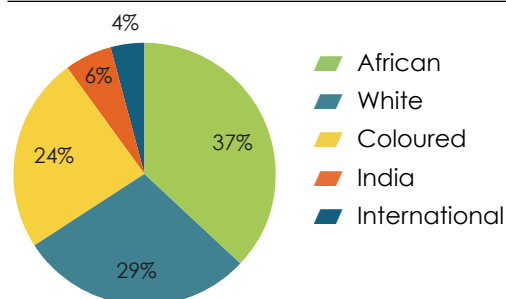
We hire local people wherever we can – 76 of our 79 employees are South African nationals and the others have been living and working in the country for many years. The expertise we need does not always exist locally, so we invest in education projects to develop these skills for the future (see page 5).

In 2019, we invested R1.97 million in ongoing learning and development for our employees, from coaching to technical skills. To help them achieve their professional ambitions, everyone at Globeleq meets with their manager twice a year to create a tailored training plan and review progress. In 2019, we created a programme to support the development of 19 managers at the early stages of their careers.

PROMOTING DIVERSITY AND INCLUSION

We want our workforce to reflect the diversity of South Africa's rainbow nation and we promote equal opportunities into and within our organisation through our transformation forum.

ETHNIC DIVERSITY IN 2019



Treating people with respect regardless of differences is part of the Globeleq Code of Business Conduct, which all employees must complete regular training on. We strive to create an environment where people can speak up if they have any concerns about this or any other conduct that

goes against our values, including via an independent confidential hotline.

Our diversity and inclusion committee fosters common understanding and awareness. In 2019, employees shared their ideas on creating a 'balance for better' in a thought-provoking video inspired by the theme of International Women's Day. Women represented 39% of our employees in South Africa in 2019.

We also celebrated Heritage Day and other holidays, and encouraged discussions about various cultural topics, such as the practice of Lobola.

LISTENING AND RESPONDING TO OUR PEOPLE

In September 2019, 98% of our employees took the time to share their views in our first twice-yearly employee engagement survey.

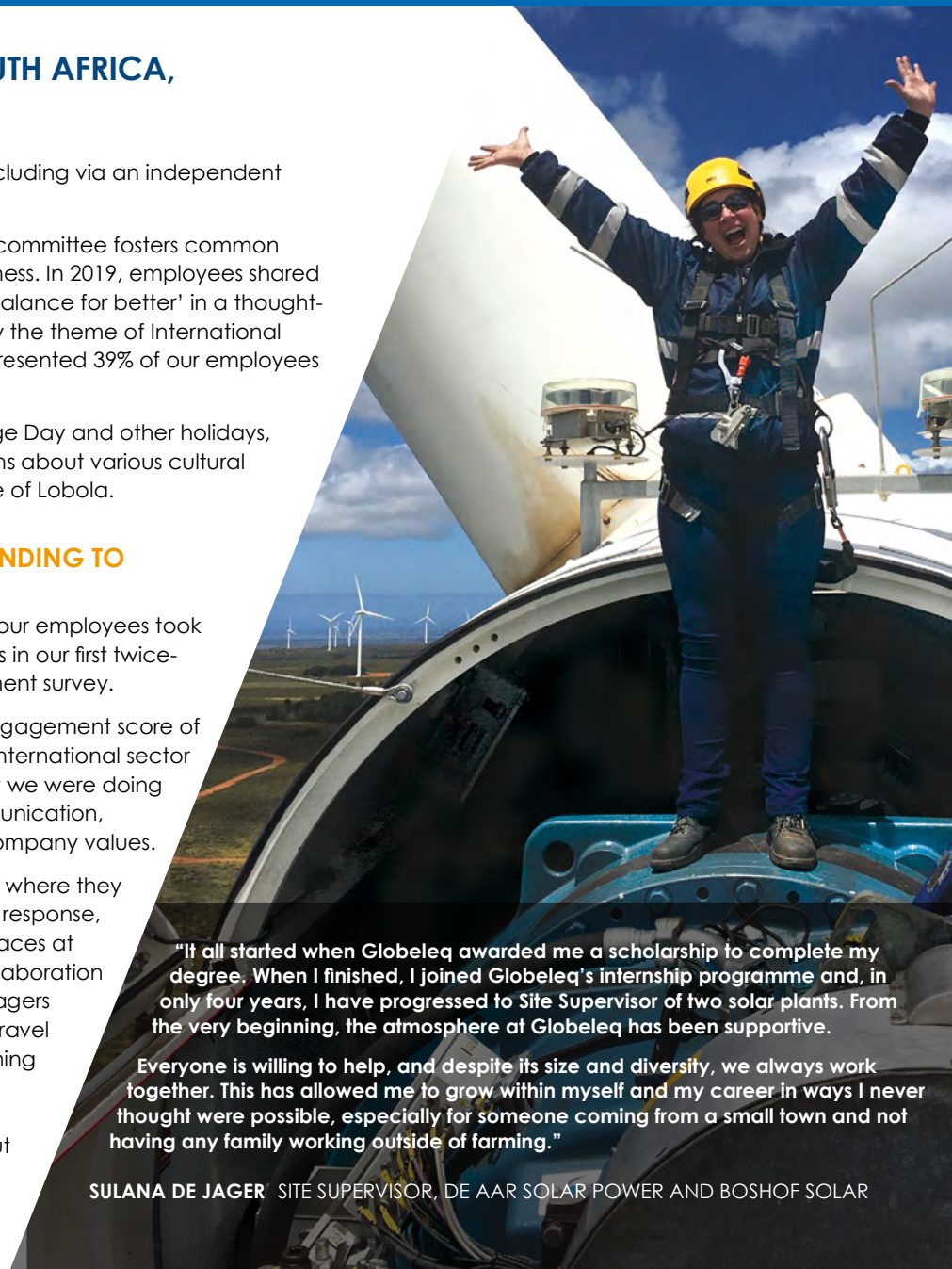
We achieved an overall engagement score of 7.0 out of 10, equal to the international sector benchmark. Employees felt we were doing well on goal-setting, communication, mentoring and living our company values.

They also highlighted areas where they would like us to improve. In response, we are redesigning workspaces at several sites to improve collaboration spaces, encouraging managers to consider workload and travel with their teams, strengthening our focus on teambuilding, and training managers to communicate clearly about compensation decisions.

"It all started when Globeleq awarded me a scholarship to complete my degree. When I finished, I joined Globeleq's internship programme and, in only four years, I have progressed to Site Supervisor of two solar plants. From the very beginning, the atmosphere at Globeleq has been supportive.

Everyone is willing to help, and despite its size and diversity, we always work together. This has allowed me to grow within myself and my career in ways I never thought were possible, especially for someone coming from a small town and not having any family working outside of farming."

SULANA DE JAGER SITE SUPERVISOR, DE AAR SOLAR POWER AND BOSHOF SOLAR



SUPPORTING OUR COMMUNITIES

WE ARE COMMITTED TO ENGAGING AND UPLIFTING COMMUNITIES IN THE AREAS WHERE WE OPERATE.

INVESTING IN SOCIAL AND ECONOMIC DEVELOPMENT

We support historically disadvantaged communities and promote enterprise development and socio-economic development (ED/SED) in South Africa. Our business is rated as Level 4 for Broad-Based Black Economic Empowerment.

As part of our development obligations, we invest 1.5% of our revenue in ED/SED projects that support our host communities.

Our ED/SED projects align with the South African Government's objectives and with Globelec's



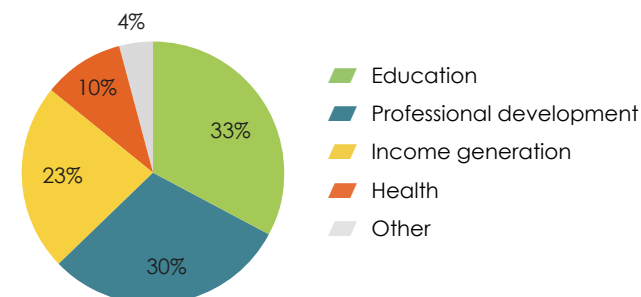
R32.3m
INVESTED IN
ED/SED PROJECTS



41,000+
BENEFICIARIES

four corporate priorities: education, health, post-school professional development and income generation. We invest in projects that respond to local needs and positively impact communities in the long term.

ED/SED INVESTMENT BY CATEGORY IN 2019



ED/SED HIGHLIGHTS IN 2019



EDUCATION: We enabled over 22,500 children to access better learning facilities and programmes in 2019, including helping a school near Aries Solar refurbish its science lab and employ a science and mathematics teacher, and building a creche near Boshof Solar to support early childhood development.



HEALTH: We improved access to quality healthcare and health education for 18,615 people in 2019. Our Healthy Mama and Baby Clinic, which offers primary healthcare for pregnant women and babies for the first 1,000 days, reached 11,000 community members.



PROFESSIONAL DEVELOPMENT: We provided scholarships and bursaries for 138 people in 2019, and welcomed 15 interns to work with us – four of them women. To enhance their future job prospects, we often channel funding to students studying subjects related to occupations where there are shortages of people with the right skills.



INCOME GENERATION: Our support for small businesses in 2019 included helping subsistence farmers near our Jeffreys Bay windfarm improve the quality of their cattle, boost their livelihoods and create six new jobs. We also helped create 19 jobs through projects to produce sustainable fodder and turn invasive vegetation into biofuel and fertiliser.

SUPPORTING OUR COMMUNITIES

COMMUNITY TRUSTS

Six of our eight power plants in South Africa are partially owned by independent community trusts, which receive dividends to fund projects that they select to benefit people within a 50km radius of the site. The remaining two – Soutpan and Boshof – also have independent trusts that invest in communities.

We collaborate with these trusts on complementary initiatives, separate from our own ED/SED programmes, that target needs identified by each community. In 2019, the trusts invested R8.7 million in projects designed to improve quality of life for local people:

- **The Amandla Omoya Trust**, which owns 6% of Jeffreys Bay Wind Farm, focused on improving skills and education, and supported over 1,700 people living in destitution through the Christelike Maatskaplike Raad project.
- **The Letsatsi Borutho Trust**, part owner of Droogfontein Solar Power, invested over R1.7 million in 17 projects close to the plant, including the Colville Feeding Scheme which provided hot meals to 369 vulnerable people daily.
- **The Sibona Illanga Trust** provided grants to projects such as Champion of Hope, which worked with 600 people living with disabilities in the vicinity of De Aar Solar Power.

ENGAGING WITH COMMUNITIES

We want to build strong relationships with local communities, starting when we first develop or acquire a site and continuing over the long term. We have dedicated ED/SED teams and established procedures to help us understand and respond to community expectations.

Each of our plants regularly participates in community forums that are organised by local government and community representatives to enable us to consult local people about our activities, understand how we can support their needs and listen to any concerns.

We also use our social media platforms, including Facebook pages for each plant, to engage directly with communities. We share stories about our business and ED/SED initiatives, and advertise opportunities such as scholarships and internships. Feedback is generally very positive.

GIVING BACK TO LOCAL SUPPLIERS

We work with local suppliers to strengthen their businesses and the local economy. Over six months in 2019, we mentored and trained four small, medium and micro-enterprises (SMMEs) in Cape Town to help them grow and expand their businesses (left).



PROTECTING OUR ENVIRONMENT

OUR PLANTS ARE HELPING SOUTH AFRICA AVOID EMISSIONS AND WE CAREFULLY MANAGE ANY OTHER IMPACT THEY MAY HAVE ON THE ENVIRONMENT.

TACKLING CLIMATE CHANGE

We are supporting the nation's progress towards its climate targets and contributing to sustainable growth by producing clean, affordable energy locally. The renewable energy we produce helped the country avoid 962,690 tonnes of CO₂-equivalent (CO₂e) emissions in 2019. Over their lifetime, our plants in South Africa will avoid a total of 18.3 million tonnes of CO₂e.⁶

Our operations themselves have a relatively small carbon footprint. In 2019, our greenhouse gas emissions totalled 1,604 tonnes CO₂e, mostly from back-up electricity used at our plants and offices.

MANAGING ENVIRONMENTAL IMPACTS

The environmental management systems at each of our sites across South Africa are aligned with Globelec's robust common procedures and we plan to certify these to ISO 14001.

In 2019, we focused on implementing our environmental standards across five newly acquired power plants. We conduct regular external audits to ensure high standards are maintained.

MINIMISING WATER USE AND WASTE

We are conscious that water shortages are an ongoing concern in South Africa and we aim to minimise the amount we use. In 2019, we used 11,997m³ of water for hygiene and catering purposes, and for cleaning solar panels approximately once a year. Two of our sites collect and use rainwater, and the others source water from municipal supplies or licensed boreholes.

We look for ways to improve the management of waste on our sites to reduce the amount going to landfill. We generated 73 tonnes of waste in 2019. This includes three tonnes of hazardous waste – mainly oily rags and waste oil from maintaining wind turbines – which is handled by a licensed waste contractor who recycles the oil.

Our solar plants across the country use more than 740,000 photovoltaic panels to produce power. When panels are upgraded or replaced, the old ones are currently stored on site and we have now identified a suitable licensed contractor to recycle these responsibly.

CONSERVING BIODIVERSITY

We are committed to conserving natural habitats and protecting local wildlife around our sites.

At Jeffreys Bay Wind Farm, we have installed two sonar devices that prevent bats flying into the turbines. The test units have reduced bat fatalities at these two turbines by around 90% and we plan to install at least six more units.

We are also researching measures to protect raptors, specifically the endangered black harrier, as part of a wider biodiversity management plan that will be rolled out in 2020.

ENVIRONMENTAL PERFORMANCE IN 2019

EMISSIONS AVOIDED FROM RENEWABLE POWER PRODUCTION



962,690
TONNES CO₂e

OUR GREENHOUSE GAS FOOTPRINT



1,604
TONNES CO₂e

CONSERVATION COLLABORATION

In 2019, we worked with other local wind farms, conservationists, farmers and government to launch the Greater Kromme Stewardship initiative. The aim is to ensure wind power has a positive impact on the Eastern Cape environment.



⁶Lifetime avoided emissions calculated based on 20-year operating lifespan, degradation factors and 50% availability.

FIND OUT MORE

This report covers our sustainability activities and performance at our operations across South Africa in 2019.

Visit the Globeleq website to view our global corporate 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 **sustainability@globeleq.com**

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