



2017 Sustainability Report

Delivering clean, reliable energy across Africa.

Lekela 



About this report

This report sets out Lekela's approach to sustainability, and the important links between the successful delivery of clean and reliable energy in Africa and high environmental, social and governance standards. In this report we present our performance during 2017 and outline future goals designed to help us achieve our aim of being Africa's leading renewable energy platform.

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Introduction to Lekela

Lekela is a renewable power generation company, delivering utility-scale projects that supply much-needed clean energy in countries across Africa.

Energy is critical to the continued growth of many African countries. While efforts to provide energy have been plentiful, the reality is that few projects have succeeded. Having the skillset to transform an energy idea into an operational reality remains critical on the continent.

Lekela was established to do just that: to deliver competitively priced, clean, reliable energy quickly and at scale.

Long-term power, long-term prosperity

Providing electricity to countries in Africa is only part of the equation. We develop our projects while applying rigorous environmental, social and governance (ESG) practices, with the aim of minimising our impact as far as possible. We also recognise our power as a business to deliver transformative benefits. Central to our strategy is taking an active role in driving the long-term prosperity of the local communities in which we operate.

On every project we develop and operate, we aim to make a positive impact that lasts for generations.

As well as providing power and associated employment opportunities, Lekela supports local education, enterprise and environmental programmes. These initiatives help address skills gaps, create or revive sustainable livelihoods, and tackle environmental challenges.

This approach is integrated within every project from the earliest stages of development or project acquisition. To ensure success, we assign a dedicated employee to work together with and empower local communities throughout the project lifespan and beyond.



2015

Lekela established



360 MW

generating renewable power



928 MW

in active development



Over \$1M

invested in communities

Where we operate

Lekela's portfolio of projects consists of 1,300 megawatts (MW) across 4 countries in Africa.

Operation

South Africa: Noupoort wind farm (80 MW)

South Africa: Loeriesfontein 2 wind farm (140 MW)

South Africa: Khobab wind farm (140 MW)

Development

Egypt: FIT wind farm (50 MW)

Egypt: Gulf of Suez wind farm (250 MW)

Ghana: Ayitepa wind farm phase 1 (150 MW)

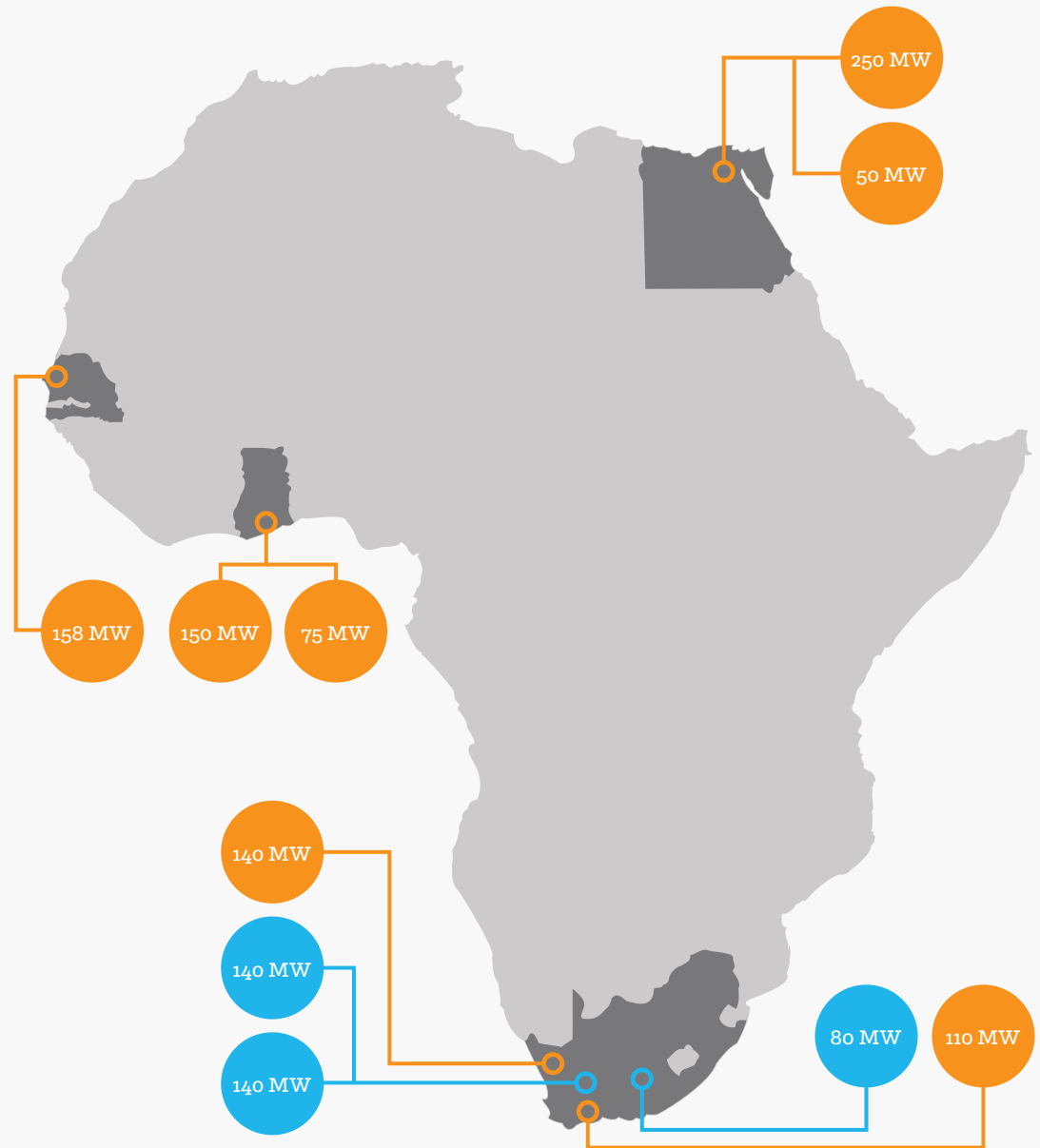
Ghana: Ayitepa wind farm phase 2 (75 MW)

Senegal: Taiba N'Diaye wind farm (158 MW)

South Africa: Kangnas wind farm (140 MW)

South Africa: Perdekraal East wind farm (110 MW)

Lekela is also exploring further renewable energy opportunities across Africa.



“We are providing clean, reliable power by harnessing Africa’s abundant wind and solar resources, at a cost that is competitive with existing generators and with the delivery of transformative benefits to local communities.”



Introduction from our CEO, **Chris Antonopoulos**

2017 marked a significant year for Lekela. In South Africa, we celebrated the first anniversary of operations at our Noupoort wind farm and completed construction activities at two other sites in the Northern Cape: Loeriesfontein and Khobab. In Senegal, we are preparing to start construction on West Africa’s largest wind project at Taiba N’Diaye. We have also reached development milestones across our pipeline of projects in Egypt, Ghana and South Africa.

These achievements are set against the backdrop of a rapidly changing global energy landscape. In 2015 both the United Nations (UN) Paris Agreement on climate change and the Sustainable Development Goals (SDGs) were put into action. Together they highlight the need to decarbonise the global energy system, while promoting sustainable economic growth.

A key driver of growth is energy, and with the prevailing economic and environmental climate, it is important that we are positioned to support this with energy technology that is sustainable for the future. Lekela is demonstrating that low-carbon energy provides a viable pathway for African development. We are providing clean, reliable power by harnessing Africa’s abundant renewable resources, at a cost that is competitive with existing generators and while delivering transformative benefits to local communities. Based on current emissions factors in Africa, our development pipeline of 1,300 MW should help save more than 3.4 million tonnes of CO2 emissions each year once operational.

Lekela is a business established for the long term. Our assets will be generating power decades from now and we are committed to leaving a legacy by delivering positive socio-economic and environmental benefits to the communities in which our assets are based. Our approach to community investment is set out in our Community Investment Strategy, which focuses on improving education and skills, creating local enterprise and employment, and enhancing local energy access

and the environment. Achieving progress in these areas has the potential to transform communities, and links to our aim of delivering clean, reliable power across Africa.

In recognition of our impacts across society and the environment, we have chosen to publish our first annual sustainability report on our activities in 2017. We have considered these impacts and engaged with stakeholders to ensure that our strategy covers the ESG issues that are material to both our stakeholders and our business. This report demonstrates how ESG performance is integrated into the heart of our strategy to deliver clean, reliable power, and can differentiate Lekela as Africa’s leading renewable energy platform.

Our 2017 Sustainability Report determines how we turn our strategic commitments into measurable performance. Our ESG targets have emerged from both stakeholder engagement, and our recognition of the principles of good business. In particular, we commit to support the UN Global Compact (p34 [↗](#)), which serves to improve human rights, labour practices, environmental protections and anti-corruption practices through good corporate governance.

We look forward to building on these commitments long into the future, and working to deliver Africa the energy it needs, while empowering communities and protecting the environment and climate for future generations.

—**Chris Antonopoulos**, Chief Executive Officer

“At Lekela we truly believe well-managed ESG issues can be a source of value creation both for the business and the local communities.”



Q&A with our Head of ESG, **Jennifer Boca**

How does Lekela differentiate itself as a responsible business?

Lekela differentiates itself as a responsible business by integrating ESG considerations into the heart of what we do. We consider this as not only fundamental in identifying risks and opportunities to our business, but also as a source of value creation. Our approach includes developing and operating our projects in line with best practice principles. Our application of the International Finance Corporations (IFC) Performance Standards helps to raise standards in markets where robust ESG regulation and systems are yet to emerge. Our approach also includes a commitment to invest in the communities where we operate, with a focus on education, enterprise development and environmental initiatives to create long-term value. These programmes are aimed at delivering positive legacies that extend beyond the operational lifespan of our assets.

What were Lekela's ESG priorities in 2017?

In 2017, a key priority for Lekela and our partners was to complete the construction of two wind farms in South Africa. We are proud that these two assets were completed to the highest environmental, health and safety standards and were successfully transitioned into operations at the end of the year. In Senegal, a key priority was developing a livelihood restoration plan to mitigate against adverse impacts associated with economic displacement of local farmers, which we successfully completed. Across our portfolio we also focused on our community investment efforts; Lekela made significant contributions to community development in South Africa and Ghana including in education and schemes to promote job creation.



How does Lekela integrate ESG and sustainability governance into its core activities?

In the first instance, all our projects are subject to detailed ESG due diligence before acquisition. ESG issues are considered together with other key business risks and opportunities and form a core aspect of our investment decision-making criteria. Monitoring and accountability on ESG is facilitated through the Lekela ESG Committee (p31 [↗](#)) which meets quarterly and reports to the Lekela Board (p31 [↗](#)). This ensures senior management are involved on all ESG matters and that these are integrated in our core business activities. This level of governance reflects Lekela's stance that well-managed ESG issues can be a source of value creation both for the business and the local communities.

What will Lekela's focus be in 2018?

In 2018, our focus is to take projects that are in development through the financing process into construction by the end of the year. We will continue applying the highest ESG standards and working with local communities to identify and implement development schemes. We will build on the achievements of 2017 guided by focus areas and targets identified in this sustainability report. We have also considered our impact alongside the SDGs, a framework that will guide our sustainability efforts, and align our ESG programmes with national and international policy, ensuring we contribute as best we can towards sustainable development. Overall, we aim to continue developing and operating our projects in a manner that exemplifies the important link between achieving excellent ESG performance and developing world-class energy projects in Africa.

Stakeholder engagement and materiality

Our Sustainability Report focuses on the ESG issues perceived to be most significant – or material – to our business and our stakeholders, and outlines the steps we are taking to respond to them.

Identifying our material issues

We identified and prioritised our material ESG issues through an externally-led materiality analysis in 2017.

This aimed to establish the importance and potential impact of each issue on our stakeholders and on our business objectives. By identifying and responding to the issues that matter, we increase our chances of building a successful business while adding value to the communities where we work.

The figure to the right outlines the process we used to validate our material issues, and thereby work towards our goals.

Engaging with stakeholders

Facilitating discussion with stakeholders to understand their views was a critical part of this process. Recognising our impact across multiple interest groups and our value chain, we approached our internal and external stakeholders to identify the ESG issues that matter most to them about our business.

Importantly, this engagement process seeks to ensure that Lekela's commercial objectives are compatible with the goal of delivering sustainable development and shared value to the parties impacted by our business. The figure shows the stakeholder groups that participated in our validation process.

Engaging with communities

Our engagement with stakeholders extends beyond validating the ESG issues that matter to us. We recognise that our operations impact on local communities and that we need to engage local stakeholders actively, and in a participatory manner. This ensures we make a positive impact and avoid or manage any impacts that might be negative. See Section 3: Empowering local communities for more on our community engagement process (p19 [↗](#)).

Lekela's 2017 material issues validation process

Step 1

Identify: Detailed analysis of Lekela's strategy, operations, activities and stakeholder relationships with guidance from the Global Reporting Initiative (GRI) guidelines, the UN Global Compact Principles and the UN SDG Compass*. We prioritised material issues drawn from these standards according to:

- Lekela's business objectives
- Lekela's operations
- Key stakeholders linked to Lekela
- External influences and global trends

*the SDG Compass provides guidance for companies on how they can align their strategies as well as measure and manage their contribution to the realization of the SDGs

We recognise that the environment we operate in is constantly evolving. So we have committed to review our material ESG issues annually and refine our sustainability strategy as needed to ensure we continue to meet stakeholder expectations and align these with our business objectives.

Validate internally: Engagement with internal stakeholders to identify any missing issues or adjustments needed, and prioritise issues by their importance to business success. Internal stakeholders included:

- Lekela's management team including the Executive Committee and ESG Committee
- Employees
- Shareholders

Step
2

Validate externally: Engagement with external stakeholders to adjust and identify gaps in our material issues and understand their priorities. External stakeholders include representatives of:

- Academia
- Contractors
- Development finance institutions (lenders)
- Environmental consultants
- NGOs
- Government
- Socio-economic consultants
- Suppliers

Step
3

Consolidate: Using steps 1 to 3 we prioritised and grouped our material issues to develop our ESG strategy (p8 [↗](#)) and define the focus areas for our ESG activities and sustainability reporting.

Step
4

Lekela's material areas

Through our materiality analysis, we reviewed the ESG issues that are most significant to our stakeholders and present risks and opportunities relevant to our business. We have used the findings to help shape Lekela's ESG Strategy and reporting.

Our sustainability priorities

Our initial desk review identified 21 ESG issues that are considered relevant to Lekela and our stakeholders. We refined this list through the validation exercise based on feedback from internal and external stakeholders. Some issues were added to the review and others were consolidated to develop a more focused list of priority issues.

The following issues, grouped under five overarching priorities, emerged to inform our strategy and ESG objectives:

Clean, reliable energy

- Renewable and reliable energy production

People and partners

- Contractor partnerships
- Health and safety
- Fair employment practices

Communities

- Community engagement and consultation
- Community investment to support jobs and develop skills
- Responsible land development

Environment

- Climate change and emissions
- Lifecycle environmental impacts
- Biodiversity

Integrity

- Governance and accountability
- Ethical standards
- Human rights

Integrating ESG in our business strategy

Sustainable economic growth in Africa is held back by a lack of access to reliable and affordable energy. At the same time, the continent is vulnerable to some of the worst effects of climate change.

Through our aim to deliver renewable power quickly and at scale, Lekela has the opportunity to help address these challenges and demonstrate that long-term benefits and sustainable returns can be provided through clean, reliable energy.

This core objective focuses our ESG Strategy, which includes commitments that support our long-term sustainability and business performance.

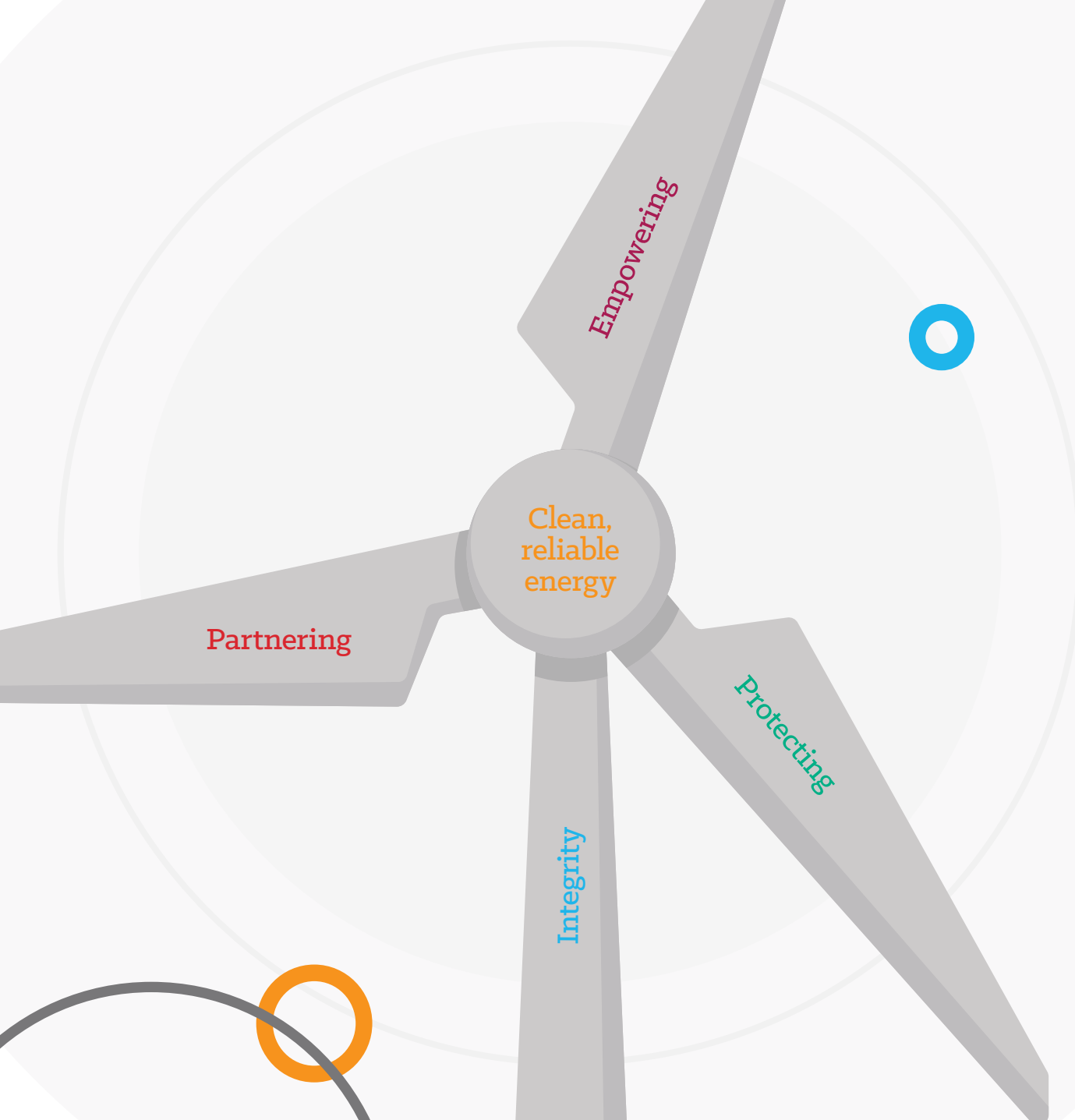
We commit to:

- Partnering with local teams and contractors
- Empowering local communities
- Protecting the environment

These commitments are built on a foundation of integrity – an assurance that we seek to apply best practice governance and the highest ethical standards in everything we do.

All our commitments are supported by specific focus areas and targets that will help us achieve our goal of being the leading renewable power platform in Africa. Our approach and performance in each area is covered in the following sections of this report.





Sustainable Development Goals

Recognising how important the UN SDGs are in the markets we operate in, the goals and their underlying targets were a vital component of our materiality review. Consequently, this report maps the SDGs across our operational commitments where we have recognised possible impacts, both positive and negative, on development.

The SDGs outline the numerous challenges that must be addressed to achieve equitable global prosperity. As a renewables platform working across Africa, we recognise the key role and impact we may have on sustainable development. With the right strategy, providing reliable, affordable and clean energy has the potential to deliver multiple development impacts beyond its primary and direct use.

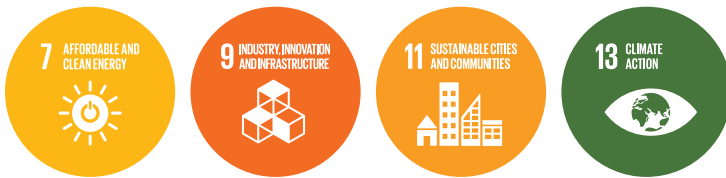
Our strategic aims include providing local employment opportunities, enhancing livelihoods in host communities and leaving a positive impact on the environment. Having a rounded awareness of the goals and their underlying targets not only helps us to achieve these aims, but increases our chances of making an impact on sustainable development at all levels.



1 Delivering clean, reliable energy

Africa's future will be defined by its route to secure sufficient energy for all. The challenge of providing affordable, reliable power is a recurring theme across the continent, and lack of access to energy is considered a significant constraint on growth. Lekela believes this challenge can be met by using the potential of the continent's extensive renewable resources. With the continued improvements in solar and wind technology, we are determined to harness this energy to help secure Africa's path to sustainable growth.

KEY SDGs



— Tower installation at Noupooort wind farm



280 MW delivered into operation

2017 HIGHLIGHT



Sustainable power, sustainable livelihoods

In Africa, the lack of reliable and affordable power puts a major brake on prosperity. Two of every three people living on the continent do not have electricity in their homes, and half of African businesses say that a lack of reliable electricity harms production.

If Africa's electricity supply gap can be bridged the benefits will multiply: business uncertainty should reduce and growth in the manufacturing sector can be stimulated, resulting in a more enabling environment for job creation. These changes provide opportunities to transform the continent.

Around 600 million people in sub-Saharan Africa currently lack access to electricity — around 60% of the population.

Lekela aims to deliver long-term benefits and prosperity to countries in Africa by providing clean, reliable power. We have a pipeline of projects set to deliver low-carbon electricity across the continent, while offering long-term affordability and price stability for growth economies.

The benefits of renewable power

Our assets will operate for decades, using Africa's abundant supply of natural solar and wind resources to demonstrate that energy and prosperity can be delivered without compromising the environment for future generations.

We recognise that thermal power has played a part in facilitating growth and access to affordable power globally, and will remain a key component of baseload power generation for developing economies. But when it comes to new generation capacity, the pace of change suggests the utility and cost of renewable power now outweighs many of the benefits previously provided by fossil fuels.

Importantly, improvements in technology have made reliable, low-carbon generation possible at a cost competitive with existing generators, where wind and solar resources are available. In an uncertain geopolitical environment, renewable energy also provides a secure, domestic energy source, independent from resource constraints and volatile fuel prices.

Security of supply and improved economics are just two benefits that complement the environmental advantages of renewable power. As capacity increases, the cost and reliability of solar and wind technology are forecast to improve. The speed at which renewable infrastructure can be deployed is also beneficial for economies in urgent need of new generation capacity.

The technical benefits of renewable power sit alongside an improved regulatory environment and a clear collective intention, marked by the 2015 Paris Agreement, to decarbonise the global economy. The case for delivering low-carbon power has arguably never been stronger and Lekela is determined to lead this transition. Our assets are directly helping countries achieve their climate goals while delivering a more sustainable, secure and affordable energy system.



– Noupport wind farm

Our operations

Loeriesfontein and Khobab wind farms

Our Loeriesfontein and Khobab wind farms in South Africa were connected to the grid and generating electricity by October 2017, two months ahead of their scheduled operation dates.

We are proud to have achieved this in partnership with our construction and development teams. By working together to overcome challenges, we delivered 280 MW of renewable power to the South African grid, on time and on budget. Between this time and the scheduled commercial operations date in December 2017, the two sites generated over 150 gigawatt hours (GWh) of early operating energy – enough electricity to power 33,000 South African homes for a year.

The Loeriesfontein and Khobab sites, both with 140 MW capacity, constitute South Africa's largest combined wind farm development.

Noupport wind farm

Our first wind farm has now been operating successfully for over 18 months. In 2017 our operations and maintenance engineers have kept the site running with excellent reliability, ensuring that the South African grid has a dependable low-carbon power source available when the wind is blowing. Noupport generated just over 293 GWh of power in 2017.



In one year our three sites in operation can supply enough clean energy to power around 309,000 South African homes

Clean, reliable power – performance

2017 performance	SDG targets
Over 370 GWh of renewable power generated*	7.2 9.4
Over 340,000 tonnes of CO2 emissions avoided**	11.6 13.3

*cumulative generation at Noupoort (annual) and Loeriesfontein and Khobab (after 8 December 2017 commercial operations date)

**based on South Africa having an electricity grid emission factor of 0.9 tonnes of CO2 per megawatt hour

Relevant SDG targets*



7.2 INCREASE SUBSTANTIALLY THE SHARE OF RENEWABLE ENERGY IN THE GLOBAL ENERGY MIX



9.4 MAKE INFRASTRUCTURE AND INDUSTRIES SUSTAINABLE WITH INCREASED RESOURCE-EFFICIENCY AND USE OF CLEAN TECHNOLOGY



11.6 REDUCE THE AVERAGE PER CAPITA ENVIRONMENTAL IMPACT OF CITIES



13.3 IMPROVE EDUCATION, AWARENESS-RAISING AND CAPACITY ON CLIMATE CHANGE MANAGEMENT

*for each of our five priorities, covered in Sections 1-5 of this report, we have selected four SDG targets that highlight Lekela's impact on sustainable development

– Turbine inspection at Noupoort wind farm



2 Partnering with contractors and employees

Lekela aims to maintain excellent work standards across the full extent of our operations. We endeavour to achieve this not only by providing our staff with safe working conditions, valuable training experiences and competitive terms of employment, but by establishing lasting, mutually beneficial relationships with contractors and suppliers that are built on trust.

This focus on partnership and looking after all the people and groups that contribute to Lekela's performance is considered key to achieving our ambition but also serves to maintain the rigorous standards we place on every aspect of our business – notably health and safety, fair labour practices, community engagement, the environment and our integrity as a company.

Our ESG commitments

- Prioritising health and safety
- Ensuring fair labour practices
- Achieving the highest standards with contractors and partners

KEY SDGs



– Contractors preparing a tower section for installation



Zero lost time incidents
during construction of
Loeriesfontein and Khobab
wind farms

2017 HIGHLIGHT

Contractors and employees

Lekela's performance depends on our capacity to recruit, develop and motivate a skilled workforce of employees and contractors. We seek to treat our people and contractors fairly, protect their health and safety (H&S), provide a positive working environment and demonstrate that our partnerships are a valued asset that allow Lekela to stand out as Africa's leading renewable energy developer.

Prioritising health and safety

The H&S risks of the power sector require application of the most rigorous health, safety and security practices. We are resolutely committed to securing the well-being, safety and welfare of our employees and contractors. We also recognise that applying best practice techniques boosts our:

- Operational efficiency
- Compliance with regulations and performance standards
- Corporate reputation

We maintain robust H&S standards and management systems across our entire portfolio. This is especially critical in a pan-continental business that partners with contractors and suppliers under diverse regulatory frameworks. We seek to ensure that our management systems commit our contractors to consistently maintain the rigorous H&S standards that Lekela and our wider stakeholders expect.

Lekela's Health and Safety Strategy defines these standards and commits to:

- Continuously assess and manage H&S risks
- Maintain safe and clean assets
- Prepare for potential incidents and emergencies
- Provide regular and applicable H&S training
- Actively seek performance improvements

Before we enter any agreement with partners and suppliers we seek to ensure our values are aligned and that their own management systems reflect the standards set under Lekela's Health and Safety Strategy. This gives us the confidence that we can effectively monitor and manage H&S performance across our entire portfolio.

Fair labour practices

Lekela considers the standards defined by the International Labour Organization Conventions as fundamental minimum requirements, and applies these alongside the IFC Performance Standards on environmental and social sustainability. This is to ensure fair and effective management of our workforce, and is consistent with our aim of achieving best practice. Safeguarding our workers is our top priority and defines Lekela's operational protocols and standards, but our management policy extends to nurturing a happy and motivated workforce, not just one that is safe.

As with H&S, Lekela maintains workforce standards across our portfolio, ensuring our partners match our values and performance. We expect our employees and contractors to apply fair labour practices across our operations, following Lekela's Social Policy.

This policy protects the rights of all workers: directly employed, contracted and in our supply chain. It links directly to the value we place on integrity and commitment to advance human rights in Africa (p32 [↗](#)). The policy commits to:

Promoting good worker-management relations

- Protecting rights to collective bargaining
- Managing grievances effectively

Prioritising local employment

- Engaging with communities
- Facilitating skills development to aid recruitment

Lekela employs based on job requirements and candidate skills, not on personal characteristics. All aspects of employer-employee relationships are based on the principles of equal opportunity and fair treatment.

Workforce relations

Lekela maintains a strong and collaborative worker–management relationship and respects the right of all employees and contractors to organise collective bargaining or join a trade union. Our workforce has our full support and we commit to participatory engagement with all employees and their representatives.

Workforce relations are also supported by a grievance mechanism that is accessible to all employees. This ensures that any issues raised by our workforce are dealt with promptly and with transparency. This approach facilitates accessibility, accounts for cultural sensitivities, and imposes no costs or retribution on the concerned parties.

Local employment

Lekela’s policy is to hire locally wherever possible, thereby involving affected communities in the construction and operation of our projects. This is a priority area and we work closely with our contractors to not just hire locally, but where possible train workers so they have the skills to participate in construction and operations. See Section 3: *Empowering local communities* for more on our approach to communities.

Local procurement

To positively impact the wider regional economy, Lekela’s procurement process prioritises using suitable local businesses when establishing and maintaining our value chain. Taking this approach should help our projects deliver positive socio-economic impacts and provide lasting employment opportunities. For example, as part of our recent development work in Egypt we have used local consultants for environmental impact assessments, biodiversity monitoring and reporting, and hydrological and topographical studies.



– Final turbine lift at Khobab, September 2017

Examples of partnership in 2017

CONCO, one of our construction partners, worked with the community development team in Loeriesfontein to identify supporting initiatives that would benefit the community. CONCO successfully partnered with the primary school to refurbish the school’s walls and provide robust perimeter fencing.

With our Noupport wind farm progressing through its first year of operations we wanted to ensure all contractors were actively engaged to appraise health, safety and security across the site. We worked together to implement a monitoring and observation system, seeking to identify and neutralise hazards before H&S incidents occur. The site continues to have an excellent H&S record.



Relevant SDG targets



8.8 PROTECT LABOUR RIGHTS, PROMOTE SAFE AND SECURE WORKING ENVIRONMENTS FOR ALL



10.4 ADOPT FISCAL, SOCIAL AND WAGE PROTECTION POLICIES TO ACHIEVE GREATER EQUALITY



16.7 ENSURE RESPONSIVE, INCLUSIVE, PARTICIPATORY DECISION-MAKING AT ALL LEVELS



17.14 ENHANCE POLICY COHERENCE FOR SUSTAINABLE DEVELOPMENT OF ENVIRONMENTALLY SOUND TECHNOLOGIES TO DEVELOPING COUNTRIES

Contractor and employee ESG commitments and targets

Commitments	2017 performance	2018 targets	SDG targets
Prioritising H&S Pursuing continual improvements with the aim of achieving zero harm	Zero lost time incidents (LTIs) across the portfolio*	Zero LTIs on operational sites Less than 1.2 LTIs per 200,000 hours worked on sites under construction**	8.8
	47 proactive H&S observations per year at each operational site	48 proactive H&S observations per year at each operational site	
Ensuring fair labour practices	Zero serious grievances from Lekela employees	Zero serious grievances from Lekela employees	16.7
		Resolve 80% of employee grievances within 30 days	
Achieving the highest standards with contractors and partners	Toolbox Talks implemented at assets to increase the amount of health and safety training delivered to workers	Ensure that at least one Toolbox Talk is delivered each day at construction sites	10.4
	Creation of Lekela's Social Policy – establishing the labour standards expected of our workforce and contractors		17.14

*all LTI performance figures and targets include direct Lekela employees and all contractors

** Lekela aims to outperform the Occupational Safety and Health Administration (OSHA) rates for total recordable cases that are published for industries like our own

3 Empowering local communities

Providing clean power is only part of Lekela's approach. We also take an active role in initiatives that support the long-term prosperity of the communities in which we operate. Our business model, supported by our participatory approach to engagement, aims to make a positive impact that lasts for generations. This impact may come from employment opportunities generated during construction and operation, or through Lekela's use of local services. We also focus on building education, enterprise and environmental initiatives. Our overarching aim is to have a positive, transformative impact on our host communities and further afield in Africa, securing our social licence to operate now and into the future.

Our ESG commitments

- Engaging with communities
- Investing in education, enterprise and the environment
- Accessing land responsibly

KEY SDGs



Over \$1.12 million
invested in education,
enterprise and the
environment

2017 HIGHLIGHT

Stakeholder engagement with local communities

Lekela recognises that shared value is best delivered by maintaining a continuous and participatory dialogue with local communities and other stakeholders close to where we operate. Stakeholder engagement is a valued aspect of Lekela's approach to project development and operations, providing a transparent and inclusive platform to inform our strategy, objectives and values. By building mutual trust through a two-way dialogue that is timely, transparent, inclusive and participatory, we aim to reduce social risk and optimise the value of positive relations with stakeholders across our project lifecycles.

Employing the principles of partnership, inclusivity, transparency and record-keeping, our engagement process creates a platform for positive and collaborative relations with communities and relevant parties. This approach is underpinned by our commitment to act with integrity in everything we do.

We integrate our engagement process in every project from the earliest stages of development or project acquisition, dedicating a Lekela employee to work together with, and empower, local communities. In South Africa, we host a monthly steering committee in each community where we work. These forums keep community members closely

informed on construction progress, operations and our community investment schemes. For our projects in development, we will follow this successful engagement format once plans to proceed with construction are complete.

Our approach to engagement and communities is set out in Lekela's Social Policy.

Grievance management

We aim to support participatory engagement by deploying effective grievance management systems that can respond to issues raised by project-affected communities.

Every project under construction or in operations has a fully functioning project grievance mechanism to receive, and help resolve, any concerns raised by local communities. Communities will be kept informed about the mechanism from the outset of the engagement process.

Any serious or recurring grievances are presented to and discussed by members of Lekela's senior management team at ESG Committee meetings (p31 [↗](#)).

Community engagement meetings in 2017

Project	Country	Status	Number
Noupoort	South Africa	Operations	12
Loeriesfontein	South Africa	Construction	12

Local job creation

When entering new markets and communities, Lekela strives to widen our impact on jobs and skills development, no matter whether this is a contractual or regulatory requirement.

Every asset we develop will have the capacity to support jobs – both directly and indirectly – throughout its lifecycle. Our participatory approach to development prioritises local communities and suitably qualified nationals for employment opportunities wherever possible. To support this approach, we invest in skills development and training programmes to encourage community participation. We work closely with our contractors to make these accessible, through effective communication and workshops to upskill workers.

Indirect jobs

Our investments not only deliver local employment opportunities but support prosperity throughout the economies in which we operate. Reliable and affordable power reduces business uncertainty, stimulates growth in the manufacturing sector and thereby stimulates job creation. By increasing access to affordable and reliable power, Lekela can help play a part in facilitating wider economic growth.



Over the course of project development, job opportunities emerge in three key areas:

Construction – While an asset is being built, a significant number of jobs are available for up to two years. Workers are given training and skills development opportunities to boost their eligibility for future roles. Once assets transition to operations, we seek to ensure that workers have a record of these skills so they can pursue future construction jobs.

Jobs provided during construction:



- Noupoot: **150**
- Loeriesfontein: **625**
- Khobab: **500**

Operations – Renewable energy projects have a projected operating lifespan

of between 20 and 25 years. Like with construction, we aim to employ suitably qualified workers from the local area as priority. Where possible, Lekela and our contractors provide skills and training to enable optimum community participation.

Enterprise development – Our community investment programmes are designed to build capacity for enterprise in local communities, aiming to support meaningful jobs that extend beyond our direct operations. If we implement our investment plans effectively, we hope that our positive impacts on job creation will extend long after the operational lifespan of our projects.



Community investment

To increase our participation in local communities and deliver shared value, Lekela sets aside a portion of our energy revenue for community investment schemes.

Development challenges in the countries our projects are based in are immense and varied. Many of the communities are facing low levels of formal education and employment, insufficient healthcare, environmental degradation, inadequate infrastructure and poor living conditions.

The Lekela Community Investment Strategy determines our collective response to these challenges. We use participatory community engagement to identify focus areas that aim to make best use of our expertise and competencies as a renewable energy business.

Our three focus areas for community investment are:

- Education and skills
- Employment and enterprise
- Environment and energy

A clear focus on education, employment and the environment takes full advantage of Lekela's capacity as a business. By working together with communities, we identify appropriate responses to the challenges they face and enable shared value creation. This participatory approach to investment extends over the project lifecycle, ensuring our investment strategy is flexible to the changing needs and socio-economic challenges communities face.



Examples of our 2017 community investment initiatives

Operations – Noupoot

Education: Teachers have been sponsored to enhance maths and science education at the high school, together with equipment provided for science and computer laboratories.

Enterprise: 53 entrepreneurs have graduated a business skills course and are now being supported through our enterprise capacity building programme. In 2017 this programme awarded \$149,000 in business start-up and expansion funding. During the year entrepreneurs have established businesses in areas such as brick-making, egg and poultry farming, carpentry, and paper manufacturing.

Construction – Loeriesfontein and Khobab

Education: Teachers have been sponsored to work at the local primary and high schools, relieving classroom overcrowding and encouraging the study of maths and science.

Enterprise: Skills development programmes were established. Courses in 2017 included driving training and security training. One outcome was that a local company was empowered to provide security services for our wind farms with employees from the community.

Environment: Investment has been directed to increase the capacity of Loeriesfontein's emergency water infrastructure. The new system allows water to be pumped for 18 hours a day – three times the previous capacity.

Development – Ayitepa

Education: Three local schools have been refurbished, improving facilities that cater for more than 300 students.

Accessing land responsibly and managing our impact

We seek to avoid, and where avoidance is not possible, minimise any adverse impacts that our operations could have on communities and stakeholders. We achieve this with a precautionary approach, developing projects that have minimal impact on land use, both physical and economic. At the first opportunity we employ a dedicated community liaison officer to encourage community participation, increase dissemination and transparency of project details, and respond to community feedback.

Where certain adverse impacts are unavoidable, Lekela is transparent with all stakeholders, and establishes programmes to restore and enhance the livelihoods of people affected by the project.

– Water pump for livestock at Noupoort wind farm

Livelihood Restoration Plan – Taiba N’Daiye, Senegal

We are planning to implement several schemes to enhance the livelihoods of people and families adversely affected by the project. When construction begins in 2018 we will introduce the following:

Business skills development courses – to provide training for and encourage the development of local businesses.

Irrigation systems – to improve agricultural production within the project area.

Economic tree replacement – to maintain and enhance the yield of fruit trees in the project area.

Transitional allowances – to compensate land users for any economic disruption that happens during and after construction.

Relevant SDG targets



1.4 ENSURE EQUAL ACCESS TO BASIC SERVICES, NATURAL RESOURCES, FINANCE AND OWNERSHIP OF LAND FOR ALL MEN AND WOMEN



4.4 INCREASE THE NUMBER OF YOUTHS AND ADULTS WHO HAVE THE RELEVANT SKILLS FOR EMPLOYMENT



5.5 ENSURE WOMEN'S FULL AND EFFECTIVE PARTICIPATION AND EQUAL OPPORTUNITIES FOR LEADERSHIP



10.2 EMPOWER AND PROMOTE THE SOCIAL AND POLITICAL INCLUSION OF ALL

Community ESG commitments and targets

Commitments	2017 performance	2018 targets	SDG targets
Engaging with communities	Zero serious community grievances	Zero serious community grievances	10.2
	Creation of Lekela's Social Policy – our approach to community engagement and the standards expected of our workforce and contractors	Resolve 80% of community grievances within 30 days	
Investing in education, enterprise and the environment	Approximately \$1.1 million invested in social enterprise and community development schemes*	Invest over \$2.5 million in social enterprise and community development schemes	4.4 5.5
Accessing land responsibly	No resettlement or economic displacement of people, or grievances relating to land issues	Implement the Taiba N'Daiye wind farm livelihood restoration plan (LRP), on time and on budget	1.4
		Develop an LRP for the Ayitepa project in Ghana	

*based on an exchange rate of 13.3 South African Rand to 1 US Dollar

4 Protecting the environment

Lekela aims to be a market leader in delivering and operating renewable energy projects in Africa. Environmental stewardship is integral to achieving this goal and is incorporated at the centre of strategy from initial project screening right through to decommissioning. We rigorously apply ourselves to identify the negative impacts our operations could have on local landscapes and biodiversity, and manage these as a priority.

To do this we set out an environmental management approach that begins at project acquisition. Lekela proactively responds to environmental risks and works to mitigate our impact from construction through to decommissioning. We aim to demonstrate best practice environmental performance, and deliver net environmental benefits to local communities and ecosystems.

Our ESG commitments

- Helping climate change, mitigation and adaptation
- Managing our lifecycle impacts
- Preserving and enhancing biodiversity

KEY SDGs



340,511 tonnes
of carbon dioxide
emissions avoided

2017 HIGHLIGHT

A large circular graphic with a white border. Inside the circle, at the top, is a green icon of a hand holding a leaf. Below the icon, the text '340,511 tonnes of carbon dioxide emissions avoided' is written in a dark green font. At the bottom of the circle, the text '2017 HIGHLIGHT' is written in a white, curved font. The background of the circle is a photograph of a wind turbine in a hilly landscape.

Climate change and emissions

Africa is particularly vulnerable to the direct and indirect impacts of climate change. In response, the continent is playing its part by contributing to a more coherent international effort to mitigate climate change, with African economies making ambitious commitments under the Paris Agreement to help keep warming below 2 degrees.

At Lekela our business model puts us in a fortunate position to contribute towards this mitigation effort; our delivery of low-carbon power can improve the economic and environmental sustainability of countries' energy mixes. We recognise that we have an opportunity to improve resilience so that communities and countries are equipped to adapt to the forecast impacts of climate change.

Mitigation – reducing emissions

The risks posed by climate change are numerous. Social, environmental and economic costs have the potential to be significant if action to decarbonise does not take place. Yet we also recognise that securing affordable, reliable energy can help enable sustainable development.

Lekela commits to mitigate climate change through our delivery of low-emission, renewable technology. In doing so, we

can help African countries achieve low-carbon development and accomplish their commitments to the 2015 Paris Agreement.

Adaptation – building resilience

Beyond the goal of reducing emissions by delivering clean energy, it is important for companies to recognise the need to support climate resilience and adaptation. We believe Africa's prosperity can be secured and protected through job creation and enterprise development, local content use, environmental stewardship and community investment. With a focus on our host communities, Lekela makes a commitment beyond our direct operations. We aim to facilitate sustainable development, expand climate resilient agriculture and improve the well-being of people impacted by our projects.

Our focus on mitigating risk, and using opportunities to successfully adapt, are clear themes that underpin our strategy with our partners, local communities and the environment. This approach not only secures Lekela's license to operate, but safeguards our long-term future sustainability and that of our stakeholders, including our host communities, employees, contractors and wider civil society.

Future-proofing our operations

From the earliest stages of development, we make sure that our projects are designed with environmental resilience in mind.

Potential hazards are identified, assessed and mitigated so that our operations are ensured to have long-term environmental sustainability. For projects currently in their initial stages of development this includes undertaking climate resilience assessments.

This approach not only safeguards our performance as a business but helps increase the integrity of energy supply, which we hope will improve the energy security for the countries in which we operate.

– Road suffering from coastal erosion

Managing our environmental impact

Best practice environmental stewardship extends beyond complying with environmental regulations, and includes adherence to internationally recognised performance standards, such as those developed by the IFC, as well as those set out by our own policies and commitments.

Through our principles of governance and partnership, we pursue the maintenance of these standards across our entire field of operations; by our direct employees, our contractors and our suppliers.

To minimise our environmental impact and achieve our aim of delivering a net benefit to communities and the environment, we have set out two main priorities:

- Ensure effective resource management during construction
- Create action plans that facilitate effective management of environmental issues and in particular deliver positive impacts on biodiversity

Our management systems

From the outset Lekela uses environmental management systems that seek to limit and mitigate any negative environmental impacts of our projects. Before construction, each project is subject to a full environmental and social

impact assessment. This ensures that environmental risks are identified and appropriate responses can be developed and applied across the project lifecycle.

Once construction and operations are underway, we will employ a full environmental and social management system to actively manage our environmental footprint. For projects where risks to biodiversity are identified, Lekela establishes detailed biodiversity action plans to avoid, reduce and offset any potential impacts.

Lifecycle impacts and construction

It is recognised that the most significant stage to determine a wind farm's lifecycle environmental impacts is the construction phase. These impacts arise from the use of raw materials – particularly concrete, steel and aluminium – which are resource intensive to produce.

We are committed to seeking, in partnership with our construction contractors, methods of reducing our construction footprint to minimise the environmental impact of our projects.

Minimising our construction footprint at Loeriesfontein

The recently commissioned Loeriesfontein wind farm in South Africa uses a pioneering concrete formula to improve sustainability.

Our construction partners, led by Murray & Roberts, developed wind turbine foundations that use a low-carbon replacement for Portland cement. The material reduced the use of Portland cement in the concrete mix by 89%, which significantly lowered the carbon intensity of a key component of the wind farm.

“With this formula we delivered what we believe to be one of the lowest carbon footprints for any wind turbine foundation, as well as a cost saving of approximately 25% compared with the standard cement formula used for Noupoort wind farm.”

— Cyril Attwell, Director, ARC Innovations



– Low-carbon turbine foundation at Loeriesfontein wind farm

Water and construction

The regions in which we operate are often arid with limited quality and quantity of water supply. From the outset of construction, Lekela aims to use water in a manner that does not negatively impact people or the environment. Our environmental management systems ensure that each asset is guided by a water management plan throughout construction and operations. Once construction is complete, our wind farms will have no material demand for water.

Low water consumption provides many benefits:

- Operations and maintenance costs have relative long-term stability compared with non-renewable sources
- Operations are unlikely to impact the needs of other water users, even under significant changes in regional supply or enhanced demand from other users
- Operations will not impact the natural water table or local biodiversity through water withdrawals

Solar power and water


Lekela has no solar projects in the current development pipeline but we are considering opportunities with the technology. While not quite as economical as wind in terms of water efficiency, solar PV also consumes significantly less water per MWh (110 litres) than thermal generation.

Water and energy

Producing and consuming water and energy have historically been closely linked. Many power generation technologies rely on a plentiful water supply for viable operations. For example, thermal energy uses water to drive steam turbines and as a medium for cooling. Dry-cooling using air is a viable alternative to reduce this demand but increases capital costs and adversely impacts plant operating efficiency.

In comparison wind farms consume virtually no water during the operations phase. In regions subject to water stress, both the environmental and cost benefits of pursuing wind power are clear.

- Wet-cooled coal-fired power plants in Africa can consume over 2,000 litres of water per MWh (World Bank, 2017)
- The South African generation mix consumes just over 1,400 litres of water on average per MWh (Eskom Integrated Report, 2017)
- Wind generation only requires significant water withdrawals during construction
- Based on figures in 2017 our wind farm at Noupoot has avoided the use of 410.8 million litres of water. Or the equivalent of over 164 Olympic-sized swimming pools



– Theewaterskloof Dam, Western Cape, South Africa – during 2017 water levels dropped to below 15%

Preserving and enhancing biodiversity

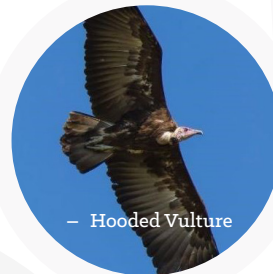
Lekela seeks to avoid, or where avoidance is not possible, minimise any negative effects on biodiversity brought about by our operations. When negative material impacts occur, after mitigation strategies have been implemented, we will pursue offsetting measures to remedy material impacts. We are particularly mindful of evidence to suggest that bats and birdlife can be vulnerable during wind farm operations. Heightened bird and bat mortality has been demonstrated at various wind farm sites

around the world, leading to recommendations that operators undertake rigorous monitoring both before, during and after construction. Further due diligence is needed to ensure that the threats to aerial wildlife are understood and minimal impacts are made. When we identify risks to bat and birdlife, we employ specialists to monitor activity. Regular reporting ensures we have a responsive strategy to keep negative impacts to a minimum and guide offsetting measures if needed.

Egypt biodiversity

The Gulf of Suez is an important migratory bird route for several weeks in spring and autumn. For the past three years we have been monitoring migration patterns to understand whether our wind farms will have any adverse impact on birds and what measures can be implemented to mitigate any potential impacts.

We commit to ensuring that these projects can be operated with no net loss to biodiversity and as such, we are allocating significant resources to research and develop a mitigation approach that preserves the region as a safe transit corridor for birdlife.



Taiba N'Daiye Biodiversity Action Plan

The Taiba N'Daiye wind farm is located within the range of the hooded vulture, a species noted to be in rapid decline on the African continent and listed as critically endangered by the International Union for the Conservation of Nature.

Pre-construction monitoring has forecast that the project will have minimal impact on hooded vultures. Yet, in recognition of the long-term risks posed to the species in general, the project will implement a biodiversity action plan (BAP) that aims to deliver a net gain to the species.

The BAP includes the following:

Research – While it is understood that certain human-vulture interactions have influenced the vulture's decline in Africa, the BAP proposes research that would provide an as-yet-unknown insight into the species at a regional level, with potential application at wider geographic levels.

Stakeholder engagement – Stakeholders with an interest in, or of potential help to, the BAP process will be identified and contacted. Aims are to draw on other relevant studies if available, inform BAP objectives, and establish relationships between the project and these organisations.

Development of domestic waste disposal scheme – Deposits of domestic waste are known to attract scavenging birds. In some cases, vulture deaths have been attributed to poisoning from these sources. This scheme will seek to minimise this practice and remove waste deposits in the wider project area.

Relevant SDG targets



6.4 SUBSTANTIALLY INCREASE WATER-USE EFFICIENCY AND REDUCE THE NUMBER OF PEOPLE SUFFERING FROM WATER SCARCITY



12.2 ACHIEVE THE SUSTAINABLE MANAGEMENT AND EFFICIENT USE OF NATURAL RESOURCES



13.1 STRENGTHEN RESILIENCE AND ADAPTIVE CAPACITY TO CLIMATE-RELATED HAZARDS AND NATURAL DISASTERS



15.5 REDUCE THE DEGRADATION OF NATURAL HABITATS, HALT THE LOSS OF BIODIVERSITY AND BY 2020 PROTECT AND PREVENT THE EXTINCTION OF THREATENED SPECIES

Environmental ESG commitments and targets

Commitments	2017 performance	2018 targets	SDG targets
Helping climate change mitigation and adaptation	340,511 tonnes CO2 avoided*	Avoid over 1.25 million tonnes of CO2*	13.1
		Build resilience in local communities through community investment schemes	
Managing our lifecycle impacts	Zero serious environmental incidents	Zero serious environmental incidents	12.2
	524.4 million litres of water use avoided**	Avoid over 1.96 billion litres of water**	6.4
Preserving and enhancing biodiversity <i>Lekela commits to upholding IFC Performance Standard 6 for all assets. This requires that we avoid impacts on biodiversity, and where avoidance is not possible, pursue adequate mitigation measures and/or establish offsetting to deliver net gains to biodiversity</i>	Post-construction avifauna monitoring ongoing at Noupport wind farm	Undertake post-construction avifauna monitoring at Loeriesfontein and Khobab wind farms	15.5
		Successfully implement the Taiba N'Daiye wind farm BAP Develop a procedure to mitigate the biodiversity impacts for the operation phase of our Gulf of Suez projects	

*based on South Africa having an electricity grid emission factor of 0.9 tonnes of CO2 per megawatt hour and an estimated 1,400GWh of low-carbon energy production within our portfolio in 2018

**based on South Africa's electricity system using an average of 1,400 litres per MWh generated hour and an estimated 1,400GWh of energy production within our portfolio in 2018

5 Integrity

Our commitment to integrity is at the heart of our ESG Strategy and is the foundation on which we build partnerships, participate with communities and protect the environment.

Compliance with legislation and regulations is considered a crucial requirement of a well-governed business. We also recognise that to achieve our goal of being a sustainable business, we must establish deep-rooted, lasting relationships based on trust with our key stakeholders. These include the communities in which we operate and the governments and partners we work with to deliver our renewable energy projects. We believe that an ethical approach should be considered at the heart of sustainable business. This will lead to repeat business and protect Lekela's reputation, thereby securing our license to operate both now and in the future.

To this end we embed ethical standards in our own organisation through our governance framework, internal policies and professional standards; these standards in turn form the basis on which we engage with our stakeholders. This gives us confidence that we avoid or keep any negative impacts on stakeholders to a minimum, while delivering the most benefits possible through our operations. It also ensures consistent environmental and social standards across our entire portfolio of operations.

Our ESG commitments

- Ensuring robust governance of environmental and social issues
- Upholding the highest ethical standards when we do business
- Treating people fairly

KEY SDGs



– Noupoot wind farm



A circular graphic with a white border. At the top is a blue icon of two hands shaking. Below it, the text reads: "Phase 1 of Lekela's Anti-Bribery and Corruption (ABAC) Policy implemented: 100% of Lekela employees received ABAC training". At the bottom of the circle, the text "2017 HIGHLIGHT" is written in a curved path.



Integrity from the top

Lekela is committed to upholding the highest ethical standards when we do business and to respecting human rights in all our dealings with our stakeholders.

We hold ourselves accountable for these commitments by both embedding integrity in our broader governance framework, but also by making sure our ESG initiatives are overseen and managed by our senior leadership.

The board of directors of Lekela Power B.V. (the Board) is responsible for ESG matters across the group.

Bringing the experts to the table

The Board has constituted a specialist committee to oversee, guide and regulate how Lekela achieves its ESG Strategy (the ESG Committee). Lekela's CEO is a member of the ESG Committee and actively directs and contributes to the group's ESG initiatives.

The ESG Committee monitors Lekela's compliance with applicable legislation and best practice codes and reports to the Board and Lekela's shareholders on the group's performance in respect of ESG matters.

The ESG Committee's focus areas are:

- Health, safety and the environment
- Community relations, investment and development
- Business integrity
- ESG risk management

The ESG Committee meets at least quarterly, and more often if significant ESG issues arise or are anticipated. The quarterly frequency ensures that our environmental and social performance is under regular review and that key ESG risks and opportunities are reported and under active management.

Lekela also has a dedicated ESG team which supports the ESG Committee and the Board. The ESG team has a physical presence on each project, and also draws on the expertise of third parties to help guide and implement our environmental and social programmes. The regions in which our projects are based have complex and evolving development requirements and we value the input of consultants, NGOs and other experts to keep our ESG policies, procedures and programmes focused and responsive to the needs of our stakeholders.



How we do business

When it comes to doing business, we hold ourselves to ambitious standards. As we said in the introduction to this section, compliance with laws and regulations are the minimum standard against which Lekela measures itself. Lekela is also guided by international best practice, as set out in the UN Guiding Principles on Business and Human Rights, the IFC Performance Standards, the ILO Core Conventions and the Universal Declaration of Human Rights. These standards are the overarching framework in which Lekela operates.

Lekela also has its own policies and procedures which prescribe the standard for behaviour expected of employees and officers in the Lekela group. Lekela's Code of Business Conduct and Ethics (Code of Conduct) makes it clear that business integrity, social responsibility, the health and safety of employees and other stakeholders, treating employees with dignity and respect and the protection of the environment are key objectives of the business. The Code of Conduct forms the backbone of Lekela's internal ethical framework, as it summarises the business' approach to various matters, and links to policies on particular business practices.

Anti-bribery and corruption

Lekela's Anti-Bribery and Corruption (ABAC) Policy sets out our approach to ethical business dealings and our zero-tolerance position on bribery and any form of corruption.

Our associated persons, including contractors, partners and suppliers, are made aware of, and held to, our

required high standards. At the outset of potential engagements with such associated persons, we conduct appropriate due diligence (which may also include services of external risk consultants) to help identify risks to corruption or political exposure. Furthermore, we seek strong contractual protections in our agreements with counterparties.

Lekela employees, and those working for or with us, are also given guidance on how to recognise and deal with bribery and corruption issues. Lekela provides mandatory ABAC training for all its employees.

In 2018 we are undertaking a tailored risk assessment across our business to deepen our understanding of our risk profile in this area, to document our risk appetite and identify (as well as implement) appropriate mitigation measures. We are also rolling out an externally facilitated whistleblowing hotline, to provide a safe, secure and confidential escalation route to our employees, contractors and partners.

How we treat people

For Lekela, respecting human rights translates into fair employment practices for our own employees and making positive contributions in the communities in which we operate.

Our Code of Conduct and Staff Handbook emphasise our commitment to dignity at work, respect for co-workers and freedom from discrimination on any grounds.

Lekela works hard to understand the social challenges faced in the communities that host our operations. Our engagement process helped us to identify where our ESG Strategy could address some of these challenges, specifically in how we approach the following areas:

- Health, safety and security (p15 [↗](#))
- Labour practices (p15 [↗](#))
- Community development and investment (p21 [↗](#))
- Accessing land responsibly (p22 [↗](#))

Our aim is to bring positive change to our host communities, but we recognise that we may not always get it right and we have appropriate grievance mechanisms in place at each project site to give community members a way of bringing any concerns to our attention. By actively supporting the communities in which we operate and by providing access to remedy, we demonstrate our commitment to human dignity and the principle of integrity.

Integrity is what supports the sustainability of our business, and, by building trust, what facilitates lasting relationships with our stakeholders. With integrity as the foundation on which we grow our business and execute our ESG Strategy, we optimise the chance of success in delivering clean, reliable energy across Africa alongside our partners, while fostering positive transformation in our host communities and protecting the environment that supports us.

Relevant SDG targets



8.7 ERADICATE FORCED LABOUR, END MODERN SLAVERY, HUMAN TRAFFICKING AND BY 2025 CHILD LABOUR



10.3 ENSURE EQUAL OPPORTUNITY AND REDUCE INEQUALITIES OF OUTCOME



16.5 SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY IN ALL THEIR FORMS



17.16 ENHANCE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT AND MULTI-STAKEHOLDER PARTNERSHIPS TO SUPPORT ACHIEVEMENT OF SDGS IN ALL COUNTRIES

Integrity ESG commitments and targets

Commitments	2017 performance	2018 targets	SDG targets
Ensuring robust governance practices	100% of Lekela employees have completed ABAC training	100% of Lekela employees to have completed ABAC training	16.5
		Implement phase 2 of Lekela's ABAC Policy: establish our own methodology to assess and manage ABAC risks across the Lekela portfolio	
Upholding the highest ethical standards when we do business	100% of Lekela employees have signed up to our code of conduct	100% of Lekela employees to sign up to our code of conduct	10.3
Respecting human rights	Zero human rights incidents reported within our operations	Zero human rights incidents reported within our operations	8.7
		Implement employee or partnership training that includes a focus on human rights	17.16

UN Global Compact Ten Principles

Lekela stands in full support of the UN Global Compact's Ten Principles, committing to continuously pursue improvements in human rights, labour, the environment and anti-corruption.

This report describes our actions to continually improve the four areas established by the UN Global Compact, and demonstrates how the Ten Principles are fully integrated into our business strategy, culture and day-to-day operations.

This report serves as our first annual Communication on Progress to our stakeholders. The table directs readers to the sections of the report that apply to each of the Ten Principles.

Applying the Ten Principles

Principles		Page
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	p32-33 ↗
	Principle 2: Make sure they are not complicit in human rights abuses.	
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	p15-17 ↗
	Principle 4: the elimination of all forms of forced and compulsory labour;	
	Principle 5: the effective abolition of child labour; and	
	Principle 6: the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	p26, 28 ↗
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	p24-29 ↗
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	p10-13, 25 ↗
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	p32-33 ↗

Glossary of terms

ABAC	Anti-bribery and corruption
BAP	Biodiversity action plan
CO2	Carbon dioxide
ESG	Environmental, social and governance
GWh	Gigawatt hour
H&S	Health and safety
IFC	International Finance Corporation
ILO	International Labour Organization
LTI	Lost time injury
MW	Megawatt
MWh	Megawatt hour
NGO	Non-governmental organisation
PV	Photovoltaic
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals, also known as the Global Goals

We appreciate your feedback. For any comments or enquiries please contact:

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– Cover image: aerial view of Noupport wind farm, South Africa