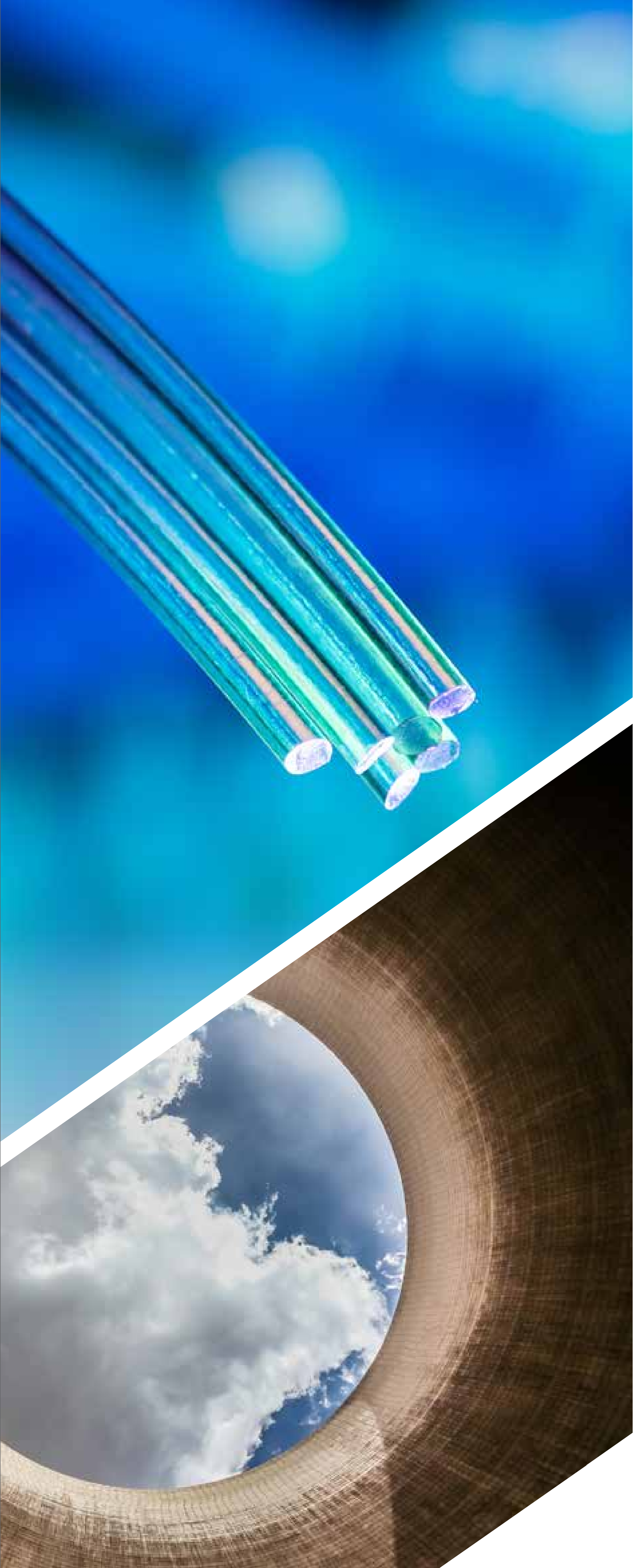


DEVELOPMENT IMPACT REPORT 2019

Harith

FINANCIERS & DEVELOPERS OF INFRASTRUCTURE PROJECTS

Contents

For more information about Harith and funds that we manage, please see:

www.harith.co.za

Harith is an authorised financial services provider. FSP licence number 43795.

NAVIGATING THIS REPORT

*Indicates a **page reference** for further information which can be found elsewhere in this reporting suite*

*Indicates a **website reference** where more information can be found*

Indicates further information can be found in the development impact report

We subscribe to the goals and targets of the United Nation's **"Transforming our World: the 2030 Agenda for Sustainable Development".**

The United Nations adopted 17 SDGs to shape the development agenda to 2030.

Throughout this report we indicate how we are contributing to meeting the SDGs, with one of the following icons.

The development impact report represents one of two elements of Harith's primary report back to shareholders, the other being the integrated report 2019.

Who we are

Harith is a leading Pan African fund manager with over USD1 billion under management. Our investment mandate encompasses investing in greenfield infrastructure projects that deliver sustainable development outcomes.

Who we are

We strive to accelerate socio-economic development by funding infrastructure in the energy, transport, water and sanitation and ICT sectors. Through our investments, we aim to promote inclusive economic growth, enhance regional integration and improve the lives of African people. Responsible investment is central to our investment philosophy. Sound environmental, social and corporate governance standards are the cornerstone of our investment portfolio.

Harith assesses and monitors development impacts of its investments on an annual basis. Potential development impacts of every project are assessed prior to the investment decision.

OUR VISION

To mobilise global capital to unlock wealth and potential

OUR MISSION

To match customer expectations to opportunities in our continent and also manage the investment returns and risk for multiple funds and provide advisory services

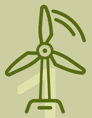
OUR VALUES

PARTNERSHIPS
Our success is determined by the quality of our partnerships with our investors, our project sponsors and the communities in which our projects operate. We do not only create partnerships at fund level but also at project level. We seek to foster teamwork and collaboration and in addition to value add, we are determined to maintain a respectful and humble approach.

SOLUTION DRIVEN
Our operating environment is complex, as are our deals. We have a relentless drive to pioneer the right solution through innovation, with meticulous attention to detail.

WORLDLY WITH AFRICAN ROOTS
We bring world-class skills and capabilities to our work in Africa and are proud of what we do and how we do it. Our African roots are evidenced in our commitment to building our continent, and by our respectful attitude towards the people and institutions we interact with.

Our sectors



1 POWER

2 ICT

3 TRANSPORT

Competitive advantages

Harith understands Africa as a new investment frontier and the unprecedented pipeline for infrastructure investments, particularly in the power, ICT, transport and health sectors.

- Long-term stable, experienced management team with African expertise
- Established global networks and regional relationships
- Proven 13-year track record – over USD1 billion deployed in infrastructure investments
- Solid investor base
- Corporate governance excellence
- Strict risk management profile
- Extensive infrastructure sector knowledge and experience
- Invests in sustainable and developmental projects with a strong focus on ESG
- Compelling infrastructure equity product
- Agility, flexibility and adaptability
- Solid performance from all assets

4 WATER AND SANITATION

5 HEALTHCARE

Our footprint

Harith focuses on infrastructure development projects across Africa, leveraging African capital to drive economic growth and sustainable development.

Country	Project
ENERGY	
SOUTH AFRICA	NOVO Energy
GHANA	Amandi Power Plant
GHANA	Kpone IPP tri-fuel power plant
NIGERIA	Azura-Edo
CAPE VERDE	Cabeolica wind farm
KENYA	Rabai Thermal Power Station
KENYA	Lake Turkana Wind Power
SOUTH AFRICA	Kelvin Power Station
ICT	
SOUTH AFRICA	DFA
NIGERIA	Main One
MALAWI	OCL
TRANSPORT	
CÔTE D'IVOIRE	HKB Bridge
TUNISIA	TAV
SOUTH AFRICA	Lanseria International Airport
MAURITIUS/SOUTH AFRICA	Traxtion Group
OTHER	
BOTSWANA	Bongwe

Our milestones

Harith has a proven track record of developing resilient assets that create value for our stakeholders, exhibiting the agility to respond effectively to existing challenges and take advantage of future opportunities.

13 YEARS OF INNOVATION

2006

PAIDF (established)

2008

Global economic crisis
International commodity prices more than halved from the third quarter of 2008 to the first quarter of 2009

2009

Investments:
Kenya
• Aldwych (Lake Turkana)
• Aldwych (Rabai)

Nigeria MainOne

South Africa
• Aldwych (Kelvin)
• CIVH (DFA)

Jacob Zuma elected as president

2010

Côte d'Ivoire Long-delayed presidential elections held, wide-spread post-election violence

Kenya A new constitution introduced

Nigeria President Umaru Yar'Adua dies after a long illness, succeeded by Vice-President Goodluck Jonathan

Investment: Tunisia TAV
Mass protests drive President Ben Ali into exile, inspiring other popular uprisings collectively known as the "Arab Spring"

South Africa hosts the FIFA World Cup

2011

Côte d'Ivoire Second Ivorian Civil War

Nigeria Vice-President Goodluck Jonathan wins presidential elections

Tunisia Human rights activist Moncef Marzouki elected president by constituent assembly

Kenya East Africa hit by worst drought in 60 years

2012

Investment:
Côte d'Ivoire HKB Bridge

2013

Kenya First general election under the new constitution held

Investment:
South Africa Lanseria

Tunisia Assassination of opposition politician prompts mass demonstrations, a general strike and government resigns, interim head of government appointed

2014

Tunisia The country's first constitution since the President was ousted in 2011 passed by parliament , Cabinet of independents and technocrats formed to govern until new elections, State of emergency imposed in 2011 lifted

Presidential elections held

Kenya changed the way it calculates growth, making the economy 25% bigger than previously thought – and fourth biggest in sub-Saharan Africa

South Africa Ruling ANC party wins a majority in general elections

2015

Nigeria Muhammadu Buhari wins the presidential election, becoming the first opposition candidate to do so in Nigeria's history

Tunisia *March:* Islamic State extremist group claims responsibility for an attack which kills 21 people, mainly foreign tourists at the Bardo Museum in Tunis; *June:* Islamic State gunmen kills 38 people, mainly tourists, on beach at resort of Sousse, in Tunisia's worst terror attack. Government announces closure of extremist mosques

2016

Nigeria Naira currency floated in attempt to stave off financial crisis caused by low oil prices, liquidity crisis

Investments:
Nigeria Azura-Edo
South Africa NOVO

2017

Ghana Presidential election

Investments:
Ghana Amandi

Kenya General elections held the first of which were nullified September 1, 2017 by the Supreme Court and a new presidential election was held on October 17, 2017

Nigeria emerges from recession and is among the world's best-performing equity markets

South Africa
• Sheltam group (rail company), rebranded as Traxtion

Investments:
• Launched Traxtion Leasing and Traxtion Projects
• Cyril Ramaphosa elected as president of the ANC

2018

Kenya General elections held

Malawi Investment in OCL

Zambia Zambian government introduced legislation compelling transporters of heavy cargo to move 30% of bulk cargo from road to rail

South Africa President Jacob Zuma resigns over corruption charges, Cyril Ramaphosa becomes president

2019

Nigeria General elections held

Malawi General elections held

South Africa Ruling ANC party wins a majority in general elections and Cyril Ramaphosa elected president

Our investments

In North Africa our name, Harith, translates as "to plough". Just as you prepare the soil to encourage growth and a bumper harvest, we prepare the foundation, being infrastructure, to promote future growth on African soil. Harith invests in large-scale infrastructure projects across Africa that enhance and promote the social, economic and environmental sustainability of the continent.

PAIDF

USD630 million
Pan African Infrastructure Development Fund
15-year closed-end fund terminating in 2022
Became fully committed in 2014

Investment parameters:

- Large-scale infrastructure development
- Catalyst for economic stimulus
- Defined returns
- Projects with positive social impact

ENERGY ASSETS

Rabai Thermal Power Station, Kenya
Date of investment: September 2009
90 MW heavy fuel oil-fired thermal power station in Kilifi County, Kenya

Kelvin Power Station, South Africa
Date of investment: 2015
A coal-fired power station, located in Gauteng, one of only a few power stations in South Africa not owned by Eskom, supplies power to City Power, the City of Johannesburg's power utility

Lake Turkana Wind Power, Kenya
Date of investment: 2014
A wind farm, which will provide 310 MW of reliable, low cost energy to Kenya's national grid from 365 wind turbines, each with a capacity of 850 kW

ICT ASSETS

CIVH (DFA) South Africa
Date of investment: September 2009
DFA is an open access fibre optic company with a 13 000 km national network of fibre infrastructure in South Africa, wholly owned by CIVH. In June 2018, CIVH acquired 34,9% of Vumatel, with the option to acquire the remaining 65,1%, subject to funding and regulatory approvals. Vumatel's fibre network has built an 8 000 km open access fibre network in residential areas in South Africa, which it sells to ISPs, who in turn sell internet products to the consumer.

Main One, Nigeria
Date of investment: March 2009
A communications services company providing open access wholesale, international connectivity and broadband capacity to countries in West Africa

Lanseria International Airport, South Africa
Date of investment: July 2013
South Africa's fourth largest airport by passenger numbers, and the second largest airport in South Africa's economic hub, Gauteng

Our investments continued

TRANSPORT ASSETS

HKB Bridge, Côte d'Ivoire
Date of investment: August 2012
A 6,7 km urban expressway that crosses the Ébrié Lagoon, connecting the north and the south of Abidjan

TAV, Tunisia
Date of investment: June 2010 – Established May 2007
An airport operating company in Tunisia, which upgraded Monastir Airport and constructed the new Enfidha Airport, 90 km south of Tunis

OTHER

Bongwe, Botswana
Date of investment: June 2011
Construction and operation of SADC head office

PAIDF 2

USD435 million

Pan African Infrastructure Development Fund focusing on infrastructure PPPs

Investment parameters:

- Large-scale infrastructure development
- Catalyst for economic stimulus
- Projects with positive social impact

ENERGY ASSETS

Amandi Power Plant, Ghana
Date of investment: 2016
192 MW combined cycle, dual-fuel power project in Aboadze, Ghana. It will be initially fuelled by light crude oil, with plans to switch to indigenous gas

Azura, Nigeria
Date of investment: 2016
461 MW open cycle gas turbine power station near Benin City in Edo State, Nigeria. This is phase 1 of a 1 500 MW IPP facility

NOVO Energy, South Africa
Date of investment: 2016
An integrated natural gas company specialising in delivering comprehensive fuel solutions to vehicular, industrial, commercial and residential customers, using compressed natural gas technology and pipelines

ICT ASSETS

OCL, Malawi
Date of investment: 2018
A national open access fibre network in Malawi

TRANSPORT ASSETS

Traxtion Group, South Africa/SADC
Date of investment: 2017
A rail company providing cost-effective, innovative and reliable rolling stock lease solutions, which owns and manages 47 locomotives. The fleet operates in the SADC region, with locomotives leased to niche customers.

Power Platform: Anergi

Anergi is a power platform that comprises PAIDF-1 and 2's power assets and those of AFC. Anergi owns equity interests in seven generation assets, diversified by geography and fuel type, across five African countries.
Total generation capacity: 1 786 MW (gross) and 554 MW (net)

ASSETS:

- 350 MW Kpone IPP tri-fuel power plant, Ghana
- 200 MW Amandi gas-fired power plant, Ghana
- 310 MW Lake Turkana wind farm, Kenya
- 450 MW Azura gas-fired power plant, Nigeria
- 26 MW Cabeolica wind farm, Cape Verde
- 300 MW Kelvin IPP, South Africa
- 90 MW Rabai heavy fuel oil power plant, Kenya

Anergi holds future equity investment rights to other projects at advanced stages of development in Côte d'Ivoire, Djibouti, Nigeria and Mozambique.

Harith's Permanent Capital Vehicle (PCV)

Our evolution to a PCV enhances our capacity to raise capital for long-term, high-yielding infrastructure investments. Large-scale economic infrastructure developments are medium to long-term projects, which rarely become fully functional in a 10 to 12-year period. The ability to truly grow and harvest these assets is limited by the time available in a closed fund.

Harith
FINANCIERS & DEVELOPERS OF INFRASTRUCTURE PROJECTS

Embedding ESG

ETHICAL LEADERSHIP AND GOVERNANCE

As a South African management company, we operate within one of the most advanced corporate governance regulatory frameworks in the world. Our focus on ESG in our investment decisions has been affirmed by King IV™* in Principle 17, which applies specifically to institutional investors "the governing body of an institutional investor should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests".

Poor governance in infrastructure development is a major reason for failure to meet timeframes, budget and service delivery objectives. Harith has always been very active and hands on in encouraging improved governance in our investment projects. Where possible we have a representative on the boards of directors and management committees of our investments and have provided assistance and guidance in governance matters. We prioritise embedding best practice, governance, knowledge and skills transfer at our projects.

Harith has implemented proactive polices within all its investments to eliminate corruption and reduce bribery in all their forms.

Harith has assisted with developing effective, accountable and transparent institutions in their investment countries.

PROMOTING ENVIRONMENTAL RESPONSIBILITY

To ensure that Harith's commitment to responsible investment is upheld at all our assets we assess and monitor the environmental impact of infrastructure development at every stage of the infrastructure lifecycle – in the planning, construction and operations. By integrating ecological considerations into the investment process, we enhance the analysis of all investments mitigating environmental-related risks. As a result, high standards of practice are embedded within each underlying asset. Environmental issues encompass pollution and contamination of land, air and water, related legal and regulatory compliance, eco-efficiency, waste management, natural resource scarcity and climate change.

According to PRI, climate change is the highest priority ESG issue facing investors. Harith prioritises investments in clean energy or projects that have a long-term intention of converting to renewable energy. We provide our investors with the opportunities to participate in the shift to a low-carbon global economy actively.

Harith's investment in Kelvin Power station, for example was undertaken with the intent of redeveloping to provide cleaner power while continuing to offer stability to the City of Johannesburg grid.

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Harnessing private capital to catalyse African growth

MESSAGE FROM OUR CEO

Against an international backdrop of changing political and economic priorities, Africa must take charge of industrialisation to unlock the considerable potential the young, rapidly urbanising population and growing consumer class offers.

Africa is the world's second largest and second most populous continent. Economic growth across the continent continues to strengthen, reaching an estimated 3,5% in 2018, and is projected to accelerate to 4% in 2019 and 4,1% in 2020. According to the African Development Bank, the working-age population will rise from 705 million in 2018 to nearly 1 billion by 2030.

As economies grow, there is an increasing demand for economic infrastructure such as roads, bridges, ports, railways, dams and power grids as well as social infrastructure such as housing and health services. In addition, the continent needs to create millions of new jobs to prevent rising unemployment, reduce poverty and address inequality.

Infrastructure investments in Africa have transformed the trajectory of the continent and spurred on investment in economic and social development. Infrastructure development has improved access to services and basic human needs, transforming the lives of millions of African people and continues to do so. Addressing Africa's infrastructure gaps cannot be achieved by the public sector alone. Harnessing private equity investments has enabled significant development in electricity, transportation and ICT and realised interlinkages and synergies between these sectors for the benefit of over a billion people.

Harith's investments have increased trade, communication and power to communities, improving the fundamental building blocks of societies, which drive economic growth. Harith will continue to serve as a major player in this arena through our investment pipeline of more than USD110 million year on year on the continent. When looking into the future benefit that this will unlock, the potential for investment in Africa has two major areas of emphasis: the investment in new and growing markets through green field development and investing in growth and supporting existing operations and infrastructure. Harith has been quick to realise that green field investments have the largest potential to drive change and disrupt the "old way" of thinking.

Harith is aware of what is needed to drive social and economic change on the continent. This report showcases our development impact and outlines our future intention of changing and bettering the lives of Africans. Key highlights for future projects include the link between power supply and the generation of wealth, growth in the agriculture sector, education, reducing undernourishment, water provision and improved school youth completion rates linked to power and ICT infrastructure investments.

While Africa has an insatiable appetite for investment, the risk-adjusted return is very attractive. Private equity has played a key role in Africa's improved growth performance, compared to Asia and South America, where many African economies are isolated from global markets by lack of infrastructure. Harith's investment strategy is focused on interlinking these investments to leverage synergies between connected economies and overcoming geographical disadvantages to promote lower costs while unlocking new opportunities for people living across the continent.

Tshepo Mahloele
CEO

How Harith promotes sustainable development

COMMITTED TO RESPONSIBLE INVESTMENT

Harith incorporates ESG issues into investment analysis and decision-making processes. We disclose ESG issues in our investments and promote implementation of the principles within the investment industry.

Our investment philosophy reflects our company's values, thus we continuously strive to improve our governance and sustainability outlook, to ensure our investments leave a positive legacy.

As a signatory to CRISA and King IV™*, Harith is bound by the requirements of the Institute of Directors ("IoDSA") and the Association of Savings and Investments in SA ("ASISA") in South Africa. This necessitates that Harith take ESG issues seriously. In singing the code, Harith has committed to five principles and regularly discloses information in our investment process, namely:

- We will recognise and proactively act on circumstance and relationships that hold a potential for conflict of interest
- We will be transparent about our policies and how we apply CRISA to enable our shareholders to make informed assessments
- We will incorporate ESG sustainability principles into our investment process
- We will accept ownership responsibility in our investment activities
- We will consider collaborative approaches to promote acceptance of CRISA principles, including its codes and standards

Harith is also a signatory to the UNPRI. The UNPRI promotes an approach to investing that aims to incorporate ESG factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

Harith also embraces the aspirations of the SDG. The 17 SDGs work in the spirit of partnership to ensure sustainability, for future generations. They provide clear guidelines and targets on how we can assist to meet these priorities. As our first step in driving these universal goals, we have identified the goals of eradicating the root causes of poverty, stemming climate change and promoting clean and affordable energy as key issues related to our portfolio. We are committed to report on our progress towards these goals in the coming years and to making a real difference to the people of Africa.

As an endorser of the UN Global Compact, we are committed to align with 10 universally accepted principles related to human rights, labour, environment and anti-corruption. As a responsible investor, we understand that corporate sustainability is fundamentally linked to our value system. We pride ourselves on our principles-based approach to doing business across the African continent.

Harith's investment portfolio is guided by the Equator Principles – a credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions. Harith undertakes ESG due diligence assessments on all its investments to ensure the potential investment complies with the principles and that the investment is sustainable, equitable and low risk. The principles include aspects such as having an independent board of directors for companies, protecting the workforce, ensuring workers are kept healthy and safe, and that communities' needs and grievances are addressed as part of our investments. To proactively adapt to changing investors' needs, we have updated our fund level environmental and social management systems this year, to ensure our continued compliance with ESG aspects in our fund.

We have identified five development goals against which we measure our ESG performance:

- Sustainable economic growth
- Empowering people
- Promoting good governance
- Improving community service
- Protecting the environment

PRI Principles for Responsible Investment

Harith is also signatory to the UNPRI. The UNPRI promotes an approach to investing that aims to incorporate ESG factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

United Nations Global Compact

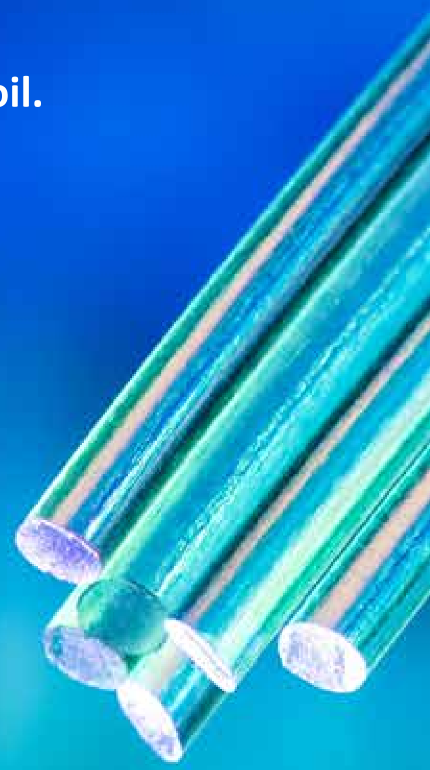
As an endorser of the UN Global Compact, we are committed to align with 10 universally accepted principles related to human rights, labour, environment and anti-corruption. As a responsible investor we understand that corporate sustainability is fundamentally linked to our value system. We pride ourselves on our principles-based approach to doing business across the African continent.

EQUATOR PRINCIPLES

Harith's investment portfolio is guided by the Equator Principles – a credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions.

ACCELERATING AFRICAN INFRASTRUCTURE DEVELOPMENT

In North Africa our name, Harith, translates as “to plough”. Just as you prepare the soil to encourage growth and a bumper harvest, we prepare the foundation, being infrastructure, to promote future growth on African soil.



Our impact framework

We measure our impact on an ongoing basis to ensure that our investments are making a real and tangible difference in the communities where they are based. Our impact measurement activities feed into our knowledge base and organisational practices. This enhances our ability to identify opportunities, constraints, impacts and social risks associated with our investment policies, design considerations, construction methodology and the implementation and management of our facilities. Also, it assists us in framing our impact discussions as they relate to financial returns, environmental and urban developmental impact, health and safety conditions and governance, as well as to sustainable development goals.

SDG 3	Good health and well-being	Ensure healthy lives and promote well-being for all at all ages
SDG 5	Gender equality	Achieve gender equality and empower all women and girls
SDG 7	Affordable and clean energy	Ensure access to affordable, reliable, sustainable and modern energy for all Ensure access to affordable, reliable, sustainable and modern energy for all
SDG 8	Decent work and economic growth	Promote inclusive and sustainable economic growth, employment and decent work for all
SDG 9	Industry, innovation and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation
SDG 10	Reduce inequality within and among countries	Reduce inequality within and among countries
SDG 12	Responsible consumption and production	Ensure sustainable consumption and production patterns

We consider ourselves to be in an ideal position to make positive contributions to several key SDGs and sustainability principals. Infrastructure development can contribute to a reduction in Green House Gas emissions poverty and inequality and promote the development of sustainable cities. Our investments provide sustainable short, medium and long-term employment opportunities; while also generating income for local governments and our stakeholders, leading to increases in economic growth. When infrastructure developments are targeted at social outcomes, the impact is evident in the increased resilience of regional power grids, improved economic growth, improved access to services, such as health care, access to ICT and transportation infrastructure, along with the general improvement of environmental conditions. These outcomes will be tracked against the various SDGs as we refine our impact journey.

When looking at people who live in urban areas, those living in developing countries are underserved and generally reflect lower socio-economic development on average. They also tend to have higher poverty rates, lower levels of employment, lower levels of education, and limited access to a myriad of opportunities for economic improvement. Our impact framework seeks to articulate our ability to achieve the following three objectives:

- Provide an understanding of the challenges relating to decent work and economic growth, industry innovation and infrastructure, good health and well-being, education through ICT, and impacts on the environment, as faced by our customers by understanding the situational context or baseline conditions before we begin operations in a region
- Inform the sustainable development of our developments through defined developmental impact targets, objectives and indicators that we track, monitor and measure, based on these insights gained
- Finally, provide a guideline for evaluations of changes that occurred in the baseline conditions, as a result of our investments and how these results addressed the challenges previously identified.

Guidelines and standards

POWER

Rapid population growth and urbanisation are driving demand for power in Africa. Despite being home to 15% of the world's population, Africa only accounts for one twentieth of global energy use and only 37% of Africans have access to electricity.

Aside from the shortage of generation, the instability of Africa's power networks means that large portions of the population do not have reliable access to grid power. Addressing the power deficit in Africa and providing increased access to affordable, reliable energy is vital to keep the momentum of economic growth. Energy is essential to attaining SDGs such as health, education, inequality and food security. Access to reliable energy power also creates jobs, improves access to health and education services and enhances the standard of living. In addressing Africa's energy needs, there is also the opportunity to shape the continent's future energy supply, ensuring sustainable solutions that provide efficient supply of clean energy.

SDGs we contribute to through our power assets:

- Good health and well-being
- Gender equality
- Decent work and economic growth
- Affordable and clean energy
- Industry, innovation and infrastructure
- Reduce inequality within and among countries
- Responsible consumption and production

Snapshot of power assets:

Amandi Power Plant

- Under construction
- 66% of the operations and maintenance staff recruited and trained
- Remaining 45% have been identified and interview processes completed
- First fire of the plant achieved in June 2019

Azura, Nigeria

- Construction completed ahead of schedule and below budget
- 450 MW gas fired power plant in Nigeria

Kelvin Power Station, South Africa

Volume produced:
- 1 857 223 MWh annual average
- 154 768 MWh monthly average

Volume sold:
- 1 707 095 MWh annual average
- 142 257 MWh monthly average

Customers:
- Approx. 130 000 houses at 1 100 kWh per household per month

Lake Turkana Wind Power, Kenya

- Transmission infrastructure was completed on 24 September 2018
- LTWP started operations on March 2019
- The President of Kenya officially inaugurated the wind farm on 19 July 2019

Rabai Thermal Power Station, Kenya

- Hydro and geothermal generation contributed 75,5% in 2018 (68,8% in 2017)
- Rabai Power contributed 2,5% (6,2% in 2017)
- Other thermal plants together contributed 10,4% (16,9% in 2017)

NOVO Energy, South Africa

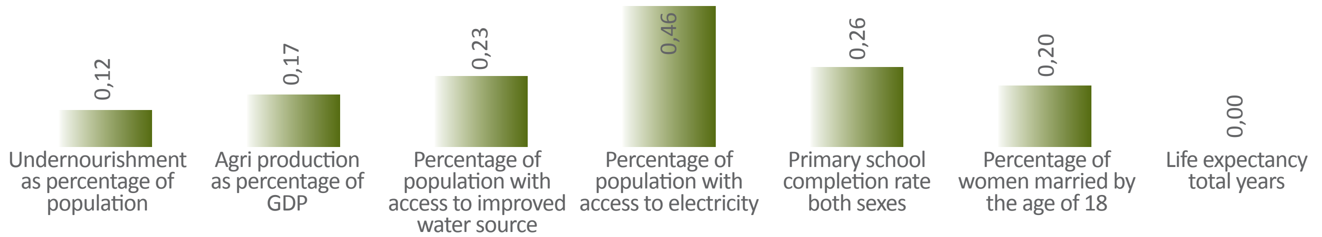
An integrated natural gas company, specialising in delivering comprehensive fuel solutions to vehicular, industrial, commercial and residential customers by making use of compressed natural gas technology and pipelines

Our impact framework continued

POWER continued

DEVELOPMENT IMPACT INDICATORS	DESCRIPTION
Generation of wealth	There is a very strong relationship between energy consumption and the generation of wealth. As wealth is one of the stronger indicators of development, energy clearly plays an important part in development.
Prevalence of undernourishment	There is a strong relationship between energy consumption (in barrel of oil equivalents) and undernourishment. In countries with 1 000 kg oil equivalent or above, less than 7% of the populations will be undernourished – when the energy consumption exceeds 2 000 kg oil equivalent, all are effectively properly fed, ie there is no undernourishment.
Decreased dependence on primary production	If the economy develops to the point where energy use is over 3 000 kg oil equivalent per person, agriculture contributes less than 3% to national production – the nation is fed without diverting much energy to food.
Improved access to clean water	On average, about 5% of the total energy used worldwide is employed in the treatment and distribution of water.
Improved access to road infrastructure	Where the use of energy is below 1 000 kg of oil equivalent per capita, there is about 0,2 km of road in every km²of land. Where the use of energy exceeds 2 000 kg of oil equivalent, roadworks extend to nearly 1,3 km for every km². Thereafter the demand for roadworks is essentially saturated -there is no further increase in the road density. Provision of the necessary infrastructure requires maintenance rather than the expenditure of further capital on roadworks.
Improved access to electricity	An indicator of development is thus the fraction of the population that can be serviced by a national grid. If the national energy use is less than 500 kg oil equivalent, then less than half the population may have ready access. Energy use has to grow to above 2 000 kg oil equivalent for essentially everyone to enjoy the benefits of electrical power.
Primary school completion rate	It is generally assumed that the availability of electric light enables learners to continue their studies at night. The data is limited, but it tends to support this hypothesis. If the national energy use is below 500 kg oil equivalent, then about a quarter of the learners will not complete primary schooling; if the energy use rises towards 1 000 kg oil equivalent, over 5% will not complete; if the energy use exceeds 1 000 kg oil equivalent, then the majority will complete their primary education.
Indication of commercial development	At present, there is a strong relationship between the availability of automated teller machines (ATMs) for dispensing cash and energy use. Energy-poor nations with <500 kg oil equivalent per person have about 1 ATM per 10 000 citizens; nations whose citizens use more than 2 000 kg oil equivalent per person have an ATM for every 1 200.
Woman married by 18 years	The availability of energy creates opportunities for a wider range of activity than otherwise. The data is limited, but the statistics are quite unequivocal – the more energy a society has available to it, the less will be the tendency for women to marry young. If the energy use were <500 kg oil equivalent, then about 30% of all young women may be expected to be married by the time they are 18, a percentage which drops to 10% once energy use exceeds 1 000 kg.
Indication of life expectancy	In every case, an increase in energy use over the years is associated with a significant increase in life expectancy. The same is not true of developed nations, with energy use in excess of 2 000 kg oil equivalent per capita. In this case, there is no relationship between energy consumption and life expectancy.

Forecasted improvement in baseline development indicators from Harith's energy investments by 2032 (contribution to Africa in target (%)) (contribution to meeting in country target (%))



Amandi Energy, Ghana

In brief:
- Under construction
- 66% of the operations and maintenance staff recruited and trained
- Remaining 45% have been identified and interview processes completed
- First fire of the plant achieved in June 2019

Review of the year
- Year ended: 30 April 2019
- Total investment: USD550 million over the construction of the plant
- Revenue: USD174 564
- Operating costs: USD104 999
- Procurement spend on local suppliers: USD135 962
- Economic value retained: No economic value generated yet since company is at its construction phase

Creating sustainable businesses

Amandi's vision, strategic objectives and value system are articulated in the company's codes of ethics, which form the foundation of company policies, procedures and decision-making processes. This approach underpins Amandi's drive to achieve measurable sustainability. In implementing a framework to achieve measurable sustainability, the company leverages on deliverables outlined in various regulatory laws and international guidelines for environment, health and safety and social sustainability. Under Ghanaian legislation, Amandi is required to meet the guidelines set by the Environmental Protection Agency of Ghana (EPA) in terms of environmental performance. Amandi must also meet all the IFC Standards and develop and implement policies and procedures as per the IFC standards.

The construction team manages Amandi under the direct supervision of the board of directors. A code of ethics is in place which is revised annually. All employees undergo annual training on the code through online presentations by the legal department at the head office. Following the presentation, all employees are required to sign-off to receive certification for the year ahead. An anti-corruption risks assessment is in place to identify bribery to and from private companies, government agencies, subcontractors and money laundering takes place. 65% of employees have received training in this regard. In addition a confidential whistleblowing function is available. There were no issues reported in the year under review. All employees have received training on human rights policies and procedures, and it is a requirement that the outsourced security provider receive such training.

Engaging with stakeholders

Amandi defines material stakeholder groups, through consideration of the stakeholders direct and indirect impact on the company and Amandi's direct and indirect impact on the identified stakeholder group. Legal and regulatory requirements are also taken into consideration when defining stakeholder groups. Key stakeholders include the chiefs and leadership from local communities, the Environmental Protection Agency, EPC subcontractors, employees, sister power facilities in the enclave – Ghana Grid Company (GRIDCo), Electricity Company of Ghana (ECG) and shareholders. Amandi engages with stakeholders and addresses issues of concern. Key issues raised are employment opportunities for local communities and CSR projects.

OVERVIEW OF LOCAL COMMUNITY ENGAGEMENT AND IMPACT ASSESSMENTS

Social impact assessment conducted and publicly disclosed	100%
Environmental impact assessment conducted and publicly disclosed	100%
Local community development programmes in place	50%
Stakeholder engagement plans in place	100%
Community consultation committees in place including with vulnerable groups	75%
Works councils and occupational health and safety in place	95%
Formal community grievance processes in place	90%

Development impact

The project is critical not only to the local community but to the Ghanaian economy. Energy is essential for fostering industrialisation and sustaining the development drive for regional balance. The construction of the plant has generated significant employment opportunities and value creation for the local communities as well as the region. Since its inception, the project has contributed USD470 000 directly to small businesses and traders in the community. Throughout construction, direct and indirect trade with the community have increased through purchasing supplies locally and trading in small goods by workers.

Our impact framework continued

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

JOB CREATION	
Total number of new hires (direct jobs created)	26 Male:female: 22:4 25-35 years: 21 36-45 years: 3 46-55 years:2 Western Region: 10
Total number of indirect jobs created during the reporting period and since inception:	1 868
EQUALITY	
Member of the governance body	3 36-45 years: 1 46-55 years: 2
Ratio of basic salary and remuneration of women to men	Not measured
Ratio of entry level wage by gender to minimum wage	Not measured
Percentage of senior management hired from local communities	Shama District – Zero
Incident of discrimination	None
Unionised workforce	None
Incidents of labour unrest	5 As a result of subcontractors not paying their employees on time
Minimum number of weeks' notice prior to significant operational changes	Not applicable
TRAINING AND DEVELOPMENT	
Average hours of training	Male:female: 4800: 96 Management: 0 Senior staff: 1 064,3 Junior staff: 3831,6
Percentage of total employees who receive regular performance and career development reviews	Not measured
Skills development	Steam Turbine Training, ACC Training, Generator Breaker Training, Various Safety Training. Other training in the pipeline includes Generator Turbine Training, Combine Cycle Training, BOP Training
Please provide details of transition programmes to facilitate continued employability and the management of career endings	Not applicable
HEALTH AND SAFETY	
Lost time injury rate	Zero
Occupational disease rate	Zero
Absentee rate	Region: 0,7% Male (0,4%) Female: 0,3%
Fatality rate	Zero
Occupational activities with high incidences of specific disease	Nil
Formal agreements with unions regarding health and safety	Not applicable
Workers represented by formal joint management-worker health and safety committees %	Not applicable

ENVIRONMENTAL IMPACT

Biodiversity	Mangrove and biodiversity plan in place to manage sensitive ecosystems
Emissions	Not applicable
Effluents and waste	Total weight of hazardous waste: Solid: 6 887 kg, since inception Liquid: 112 587,9 ℓ since inception Total weight of non-hazardous waste: 781,6 m³ since inception
Environmental fines	Nil

Azura, Nigeria

In brief:

- Largest IPP in Nigeria
- Generates 450 MW or 10% additional power for the grid
- Construction of the facility was completed eight months ahead of schedule and under budget

Review of the year

- Year ended: 30 April 2019
- Total investment: USD700 million over the construction of the plant
- Revenue: USD358 170
- Operating costs: USD194 886
- Economic value retained: No economic value generated yet since company is in construction phase. However, the local communities have benefited through job creation, direct and indirect trade with the community and CSR activities undertaken by the EPC contractors.

Creating sustainable businesses

Azura is governed by a board of directors, with a board audit committee that is responsible for the oversight financial and related governance issues. There is a whistle blower policy in place. The Finance Director is appointed as the Chief Compliance Officer and ESG Director. The executive management committee is led by the Managing Director and CEO and other members include the Deputy MD, Director of Finance, the Plant Director and Director ESG. Every member of the executive committee is responsible for ensuring compliance with the company's Anti Bribery and Corruption Policy.

Engaging with stakeholders

Stakeholder groups were identified during the development phase of the project as part of the impact assessment process and are reviewed on a continual basis. Azura-Edo engages with local chiefs and elders, youth groups and women's groups. The key topics and concerns that have been raised are infrastructure investment in the communities as well as procurement and employment opportunities for locals. During the year under review, the project community liaison personnel worked closely with all three communities' representatives, and particularly the Ihovbor Working Committee as representatives and customary owners of the plant site.

A grievance committee was set up in 2013 with the primary purpose of resolving grievances in respect of compensation amounts including cases of persons who felt their assets had been erroneously omitted from the compensation assessment and valuation process undertaken by both the Edo State Government and Azura in 2011 and 2012. The committee includes the community working committees/representatives, the Azura Community Affairs Unit, the Secretary of Edo State Land Use and Allocation Committee and the EDSG Director of Physical Planning. During the year, two previous grievances were resolved amicably.

Development impact

The Azura IPP provides approximately 10% of Nigeria's on-grid electricity supply. When the plant was connected to the grid in May 2018, it immediately improved access to power and significantly reduced power interruptions for millions of people in cities and rural communities across the country. During construction, the project generated over 1 500 direct jobs and many more indirectly through the employment of hundreds of people from the local communities surrounding the project location as well as other parts of Nigeria.

In line with the World Bank Operational Procedures and International Finance Corporation that require Azura to restore, and preferably improve, the living conditions of persons displaced from the project site and more broadly enhance the living standard of project-affected communities, Azura is committed to the implementation of a Livelihood Restoration Programme with a focus on empowerment training courses. These include modern farming methods, basic welding, basic masonry and carpentry skills etc. A total of 155 people received training from April 2017 to date. As previously reported, 26 women, who are small business owners from the Ihovbor and Idunmwowina communities also benefitted from Azura's zero interest loans. A total of N1,875 millions in loans was distributed and 100% recovery achieved. During the year, the pre-selection and verification of prospective loan beneficiaries from Orior – Osemwende was concluded. Four women small business owners, five female farmers, and 11 male farmers made the short list of 20. The planned loan amount for Orior – Osemwende is N1,54 million.

COMMUNITY INVESTMENT PROJECTS

As part of the social management plan for the construction phase of the project, APWAL has designed a community investment plan in consultation with each of the three communities affected by the project.

Ihovbor Community Investment Project includes commitments to fund projects for the community including a 2 km asphalt road, transformers and three water boreholes with storage tanks of 200,000 litres capacity. The road project has been completed and handed over to the community. The borehole and water storage tank were purchased from a Nigerian supplier at the beginning of 2019.

Idunmwowina Community Investment Project was established to fund the construction of two drains along either side of the main access road, as agreed with the community. However, the state government announced plans to reconstruct the road. The community has instead requested classrooms for Oba Erediauwa Primary School. The construction of the Idunmwowina primary school block comprising six classrooms was completed.

Orior-Osemwende Community Investment Project

During the year, work on the construction of Orior – Osemwende 900 metre road rehabilitation with stone base, and deep drain project was 100% completed.

Our impact framework continued

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

In addition to the contribution of Azura to job creation, outlined below, the O & M contractor continues to employ local unskilled workers from the community.

JOB CREATION			
Total number of employees	**Total**	**152**	**100%**
	Total no. of male team members	115	76%
	Total no. of female team members	37	24%
	Total aged < 25 yrs	3	2%
	Total aged 25 to 29 yrs	20	13%
	Total aged 30 to 34 yrs	49	32%
	Total aged 35 to 39 yrs	37	24%
	Total aged 40 to 45 yrs	15	10%
	Total aged 45 to 50 yrs	15	10%
	Total aged 50+ yrs	13	9%
	All ages	152	100%
Total number of new hires (direct jobs created)	–		
Total number of indirect jobs created during the reporting period and since inception	–		
EQUALITY			
Member of the governance body	–		
Ratio of basic salary and remuneration of women to men	1:1		
Ratio of entry level wage by gender to minimum wage	1:1		
Percentage of senior management hired from local communities	45% (local – Ghana)		
Incident of discrimination	None for the period		
Unionised workforce	During construction 100% EPC consortium workers, 70% at civil works contractor, JBN, and Alcon of Siemens		
Incidents of labour unrest	None for the period		
Minimum number of weeks' notice prior to significant operational changes	As per the ethics and governing policy		
TRAINING AND DEVELOPMENT			
Average hours of training	n/a		
Percentage of total employees who receive regular performance and career development reviews	n/a		
Skills development	n/a		
Please provide details of transition programmes to facilitate continued employability and the management of career endings	n/a		
HEALTH AND SAFETY			
Number of hours worked	110 743		
Lost time injury rate	1		
Occupational disease rate	–		
Absentee rate	–		
Fatality rate	Zero		
Occupational activities with high incidences of specific disease	–		
Formal agreements with unions regarding health and safety	–		
Workers represented by formal joint management-worker health and safety committees %	–		

Environmental impact

Air quality

The plant operated in compliance with the Environmental and Social Management Plan implementing measures to minimise the deterioration of air quality. A regular cleaning programme for the site, buildings, and equipment has been implemented since the beginning of the operational phase. There is currently no construction equipment on site, and with the planted grasses and the rainy season at hand, no dust suppression is currently required. Speed limits on all site roads, hardened and unhardened, are set at 15 kph. All maintenance work from height is per plan, including consideration for tools or materials falling from height.

During the year, an ambient air quality test was conducted monthly at eight sensitive receptacles or points. The tests checked for the levels of sulphur dioxide, carbon monoxide, nitrogen dioxide, ammonia, and small particulate matter in the air against national standards as set by the Nigerian Federal Ministry of Environment and enforced by government agency NESREA. The tests results show the project is in compliance with prescribed maximum levels (CO – 10 – 20ppm; NO_2 – 0,04 – 0,06ppm; SO_2 – 0,01 – 0,1PPM) and the results have been shared with NESREA.

Carbon footprint

During this reporting year, the operation of the power plant generated 956,036 tonnes of CO_2 equivalent.

Greenhouse Gas Emissions in tonnes of CO_2 equivalent are presented in the table below:

	31 May	30 Jun	31 Jul	31 Aug	30 Sep	31 Oct	30 Nov	31 Dec	YTD
N_2O (CO_2 equivalent)	73	74	66	56	47	51	81	88	536
CH_4 (CO_2 equivalent)	61	62	56	47	40	43	68	74	450
CO_2	129 789	131 519	117 991	99 436	84 423	90 754	144 238	156 899	955 050
Total CO_2 equivalent	129 923	131 654	118 113	99 539	84 511	90 848	144 387	157 061	956 036

Water quality

Azura and its O&M contractor have complied with the relevant water quality requirements. Measures are undertaken to prevent contamination of water resources and to ensure that the water consumed on site is of the requisite standard.

The double-walled diesel tank alarm and gauges installed to track internal spill or overflow, were in good working condition throughout the reporting period. In addition, scheduled monthly effluent monitoring tests were conducted throughout the reporting period, and results shared with NESREA. The tests were conducted by the Nigerian firm Martlet Environmental Research Laboratories Limited.

Our impact framework continued

Kelvin Power Station, South Africa

In brief:

Volume produced:

- 1 857 223 MWh annual average
- 154 768 MWh monthly average

Volume sold:

- 1 707 095 MWh annual average
- 142 257 MWh monthly average

Customers:

- Approx. 130 000 houses at 1 100 kWh per household per month

Review of the year

- Revenue: R571 368 000
- Operating costs (economic value distributed): R442 356 000
- Economic value retained: R129 012 000
- Procurement spend on local suppliers: R25 million (100%)

Creating sustainable businesses

Kelvin was initially developed and owned by the City of Johannesburg (CoJ) in the 1950s and 1960s and was privatised in 2000. The power station is the country's only coal-fired independent power producer. The company has a 20-year power purchase agreement (PPA) in place, with Johannesburg's electricity utility, City Power. The PPA ends in August 2021.

Over the past ten years, Kelvin has invested considerable effort into determining the specific requirements of the combustion equipment and understanding the elements that are crucial for ensuring safe, reliable and efficient operations. This involved understanding not only the specific combustion equipment and the coal, but also the coal industry and where such coals can be found. Professor Rosemary Falcon from the University of the Witwatersrand and the Fossil Fuel Foundation, Lionel Falcon from the Fossil Fuel Foundation and Alan Johns of ALS Witlab were closely involved with the development of this coal specification.

The Kelvin Coal Specification focuses on the characteristics of the coal to ensure suitability to the application. This requires an in depth understanding not only of coal properties, but also of coal formation in the Southern Hemisphere, mining, beneficiation, coal analysis and its limitations. The most crucial characteristics were identified as the coal reactivity, ash content and clinkering properties of the coal.

Efficiencies were improved by reducing the ash content as well as other properties which result in lower efficiencies, combined with ensuring that coals with suitable reactivity are purchased for the plant. Matching the coals on a scientific basis, ensures consistent quality which promotes stable combustion and in turn makes it easier for optimisation of the combustion equipment. Considerable work has been done by engineering to improve feed water temperatures as well as mill efficiencies.

Random but regular delivery sampling and monitoring of delivered qualities reduces the risk of substandard material being delivered. The number of deliveries sampled increased from 30 samples to 80 samples per month. Sampling times were extended from only office hours, to sampling up to 20 hours per day on week days and up to 12 hours per day over weekends.

An intricate coal quality database is used which prevents laboratory bias, by using unique sample identification numbers allocated to samples, resulting in the laboratory not knowing the source of the sample. The database also ensures proper records of coal qualities, not only for supply management, but also for boiler optimization. Even though Kelvin has no formal coal supply agreements in place, the suppliers are all amicable to penalties. The suppliers from which Kelvin procures coal are all reputable and sustainable companies, and pride themselves in ensuring the correct product is delivered to Kelvin.

A USD1,3-million feasibility study has been initiated to assess the prospect of converting the coal-fired power station into a 450 MW to 600 MW gas-fired power station. The study will also assess the potential for developing the Kelvin site into a gas distribution hub for Gauteng, which would supply gas to NOVO Energy.

Engaging with stakeholders

Stakeholder groups identified include the shareholders, customers: City of Ekurhuleni and City of Johannesburg, local community through the Croydon homeowners association and environmental groups: Wetlands Buddies and Earthlife Africa. The key topics and concerns that have been raised related to availability or generation levels and noise and dust concerns. All concerns raised are investigated and rectified and/or communicated to the stakeholder.

Development impact

Shortage of power is one of the greatest risks to the South African economy. Efficient, reliable access to electricity is vital to stabilise the economy. Harith, as a private investor empowers management to run the station efficiently by reducing bureaucracy and allowing management to make decisions.

Harith invested in Kelvin towards the end of the PPA. However, the intention has always been to redevelop the plant into a cleaner station that continues to offer stability to the CoJ grid. This supports continued job creation and upskilling. As a local investor, Harith brings understanding of local knowledge and conditions as well as a sound understanding on new markets and technologies. Kelvin Power is currently formulating a social responsibility policy and a social committee has been established. There are a number of CSI projects in Thembisa, Alexandra and Kensington that the company is considering supporting.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

JOB CREATION	
Total number of new hires (direct jobs created)	27 Male:female: 25:2 25-35 years:18 male:1 female 30-49 years: 6 male: 1 female Over 50 years:1 male Western Region: 10
Total number of indirect jobs created during the reporting period and since inception	500 contractors, 800 indirect jobs
EQUALITY	
Member of the governance body	
Ratio of basic salary and remuneration of women to men	1:1 for equivalent experience
Ratio of entry level wage by gender to minimum wage	All wages are above minimum wage
Percentage of senior management hired from local communities	80% of management team are South African citizens, remainder are permanent residents
Incident(s) of discrimination	None
Unionised workforce	2%
Incidents of labour unrest	Zero
Minimum number of weeks' notice prior to significant operational changes	All notice periods comply with legislation
TRAINING AND DEVELOPMENT	
Total training and development spend	R773 299,00
Average hours of training	
Percentage of total employees who receive regular performance and career development reviews	All employees
Skills development	Training interventions are based on the training requirements obtained from department line managers through the performance appraisals and is arranged according to their priorities
Please provide details of transition programmes to facilitate continued employability and the management of career endings	Not applicable
HEALTH AND SAFETY	
Lost time injury rate	None for period
Occupational disease rate	None, entry and exit medicals done on all staff
Absentee rate	Not measured
Fatality rate	Zero
Occupational activities with high incidences of specific disease	None
Formal agreements with unions regarding health and safety	Workforce not unionised, some NUMSA members
Workers represented by formal joint management-worker health and safety committees %	Functional committee, monthly meetings

Environmental impact

Kelvin is deeply committed to reducing its environmental impact as much as possible. There is a programme in place to reuse water. Future plans include reducing emissions by 50%.

Material recycled	Copper – 3 800kg, Subgrade steel – 11 500 kg, Scrap Mill rings – 24 rings, Scrap mill balls – 53 balls
Water	Approximately 82% of water used is treated waste water effluent that is used for cooling system. 1 216Ml of potable water is used for the boiler and 5 373 Ml of purified sewerage effluent for cooling purposes annually
Biodiversity	
Emissions	Scope 1, total carbon footprint is 2,2388 megatonnes CO_2-eq
Effluents and waste	Monitored and reported as per Water Use Licence requirements
Environmental Fines	Nil

Our impact framework continued

Lake Turkana Wind Power, Kenya

In brief:
- Transmission infrastructure was completed on 24 September 2018
- LTWP started operations on March 2019
- The President of Kenya officially inaugurated the wind farm on 19 July 2019

Review of the year
- Year ended: 31 July 2019
- Revenue: EUR67 million
- Net cash (used in)/generated from operating activities: EUR42,7 million

During the year under review, the construction was completed and the wind farm became operational. Management continues to focus on operational improvements aimed at transitioning the company into a fully operating entity. Planning is in place for annual maintenance of sub-station equipment.

Creating sustainable businesses
The power produced by LTWP was bought at a fixed price by Kenya Power (KPLC) over a 20-year period in accordance with the Power Purchase Agreement (PPA). LTWP has a robust governance structure in place, which is overseen by its board of directors. Measures to ensure ethical business practices such as a code of ethics, a whistle blowing function and corruption risk assessments are established. There were no reported incidents of corruption during the year.

Engaging with stakeholders
Stakeholder meetings with the local community are held every quarter to get their feedback regarding the operations of the plant. To date, LTWP has undertaken 883 documented stakeholder engagement activities. The key issues that are raised and addressed include:
- Conflict resolution
- Security
- Peaceful coexistence
- Transportation/health
- Livelihood and natural resources
- Drought and hunger mitigation

Development impact
LTWP is Africa's largest wind power plant. The project will reduce electricity costs and dependence on fossil fuels and will play a vital role in assisting Kenya to reach its ambitious goal of 100% green energy by 2020.

LTWP's Winds of Change Foundation supports projects aimed at enhancing employability through education, enhancing access to health and water, and miscellaneous development activities. Some of the activities during the year included:
- Upgrading of a water catchment for a local community so that water can be accessed from storage tanks rather than entering the dam
- Drilling a borehole to create closer access to clean water for a local community
- Upgrade of a water system at a local secondary school for girls, including a solar system and a 60 000 ℓ water storage facility

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

EMPLOYMENT	
Employment by company **Employment by local communities**	444 354
Total number of indirect jobs created during the reporting period and since inception	
POWER GENERATED AND SOLD	
Quarter 1, 2 and 3 cumulative power generated (KWh)	947383936
Quarter 1, 2 and 3 cumulative power sold (KWh)	921526600
WIND TURBINE PERFORMANCE	
Average wind turbine availability (YTD)	97,08
Average wind speed m/s (2019-YTD)	10,56
Average plant capacity factor (%)	62
MAJOR COMPONENT FAILURES AND OUTAGES	
Major components failures	◆ 03/2019: Local turbine ID K18 gearbox failure, inspected on 03/2019, gearbox replacement carried out on 23/06/2019 ◆ 03/30/2019: Local turbine ID K28 gearbox failure, inspected on 01/04/2019, gearbox replacement carried out on 12/06/2019 ◆ 11/04/220 gearbox replacement carried out on 23/06/2019, gearbox replacement carried out in 19/06/2019 ◆ 05/2019: DRPC pump 1 failure, still under repair.
Major outages	◆ 28/05/2019: Transformer 3 outages for 3 hours to tighten the clamps after thermal imaging analysis ◆ 20/05/2019 – 22/05/2019: DPRC 1, 2 and 3 for software upgrades to introduce settings for split bar operation.
HEALTH AND SAFETY	
Lost time cases	11
TRCFR project to date	0,94
First aid cases	383
Days lost	11
Fatality	0
Medical treatment cases	54
FINANCIAL FOR PERIOD ENDED 31 JULY 2019 (EUR)	
Income	66 628 378,00
Operating profit	18 886 242,00
Net profit before tax	18 886 242,00
BOREHOLE WATER CONSUMPTION AND MANAGEMENT	
December 2018 – July 2019 BH water consumption	27 882 000,00
STAKEHOLDER ENGAGEMENT	
Lake Turkana Wind Power Limited (LTWP) has engaged its stakeholders on various subjects such as conflict resolution, security, peaceful coexistence, transportation/health, livelihood and natural resources and drought and hunger mitigation during the reporting period of 1 July 2019 to 31 July 2019.	

Our impact framework continued

Rabai Thermal Power Station, Kenya

In brief:

- Hydro and geothermal generation contributed 75,5% in 2018 (68,8% in 2017)
- Rabai Power contributed 2,5% (6,2% in 2017)
- Other thermal plants together contributed 10,4%

Review of the year

- Year ended December 2018
- Revenue: EUR33 649 million
- Operating costs (economic value distributed): EUR23 295
- Profit before tax: EUR8,3 million
- Investment in infrastructure: EUR 223 480

In 2018, there was a significant decrease in annual dispatch to 36% from 81,2% in 2017. The decrease in dispatch primarily occurred from July to December, in which an average of 6,6% dispatch was recorded. The annual availability reliability in 2018 was 93,7% and 98,2%, respectively, which was the highest amongst the thermal power plants in Kenya. In 2018, hydro and geothermal generation contributed 75,5% (2017:68,8%) while Rabai Power contributed 2,5% (2017: 6,2%) and the other thermal plants together contributed 10,4% (2017: 16,9%). A new supplier to the Kenyan national grid was LTWP which has contributed 2,5% since its commissioning in late September 2018. Profit before tax for 2018 was EUR8,3 million compared to budget of EUR9,6 million, which was 14% below budget. This can be attributed to decreased revenues from energy charge and fuel margin due to lower dispatch and unrealised foreign exchange losses due to translation at the year-end.

Creating sustainable businesses

The board of directors at Rabai is responsible for ensuring ethical business practices. An anti-bribery and anticorruption policy is in place and is communicated to all employees and suppliers. A whistle blowing function and corruption risk assessments are established. There were no reported incidents of corruption during the year.

Engaging with stakeholders

Rabai's stakeholders forum, the Rabai Advisory Committee, includes all heads of schools in Rabai, religious leaders, political leaders, opinion leaders, administrative leaders and immediate neighbours to the plant. In 2018, four quarterly stakeholder engagement sessions were held. A community day celebration was held successfully on 12 September 2018 and was attended by the board members, the local community, various local leaders, stakeholders, the local administration and the ROML employees. The objective of the event was to interact, update and get feedback from the Rabai community regarding the plant and its operations. The occasion was coupled with the official opening of a newly constructed diagnostic laboratory by the RPL Chairman at the Rabai Health Centre under the RPL corporate social responsibility programme.

During the year one local public technical college students visited the plant.

In 2018, Rabai Power participated and made donations in terms of hired tents, chairs and refreshments to various local events including, the Rabai cultural festival, Rabai education day and the national public holidays. Every year Rabai Power participates in sponsoring destitute children through the WEMA (children's home) dinner. The event is attended by the Rabai employees.

Development impact

The main areas of focus for the CSR activities in 2018 was health, with some projects in education and water.

To help fight both malnutrition and HIV and AIDS amongst the school-going children in Rabai and the society at large, management intends to launch an animated story book titled "The Hiding Hyena" in ten primary schools within the Rabai community. The book was used in countries in southern Africa with very positive results in fighting these two key issues in the communities. 2 500 copies of the book were printed in 2018.

Rabai constructed and furnished a 20-bed ward with a nursing station and washrooms at the Rabai Health Centre in 2015/16. The facility now has a resident medical officer but is yet to be elevated to a sub county hospital. In order to fast-track the process of elevation of the hospital's status, the company constructed a standard diagnostic laboratory for the facility. There was no proper laboratory at the centre and it was facing a huge challenge in conducting even the most common laboratory tests. This has immensely contributed to improving the general health status of the Rabai community. The Rabai Heath Centre is Rabai Power's nearest health facility for any medical emergencies and about one third of our employees are locals living in the area. Other facilities are located over 20 km away in Mombasa or in Mariakani.

The company sponsored secondary education for 45 students from 2012 to 2018, through the Palmhouse Foundation (PF). The PF selects needy students, who excel in national examinations and are selected to join national schools. PF provides scholarships through sponsors and also provides mentoring to the students countrywide during sessions held at the end of every school term. The students sponsored by the company are from the coast region and are 25 boys and 20 girls. The company was involved in the selection process for the 45 students, and had representatives attend the two mentoring sessions held during the year for the scholarship recipients. All six students who were sponsored in 2015 and sat for their Kenya Certificate of Secondary Examination (KCSE) in 2018, managed to achieve the local university intake marks with four out of the six performing quite well.

In order to sustain this sponsorship project, the company initiated an endowment fund in partnership with PF in 2016. The fund of €105 000 will be financed over a period of five years. The proceeds from the fund will then be used to sponsor at least two students each year for the remaining years. The funds that are currently used in sponsoring the students can then be used for other CSR activities after 2020. The ROML Finance Manager sits on the PF board of trustees to represent interests of RPL to ensure that the company is part of how the fund is managed.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

JOB CREATION	
Total number of employees	58 permanent employees 1 attachment student 6 temporary employees Male:female: 54:11
Total number of new hires (direct jobs created)	3
Total number of indirect jobs created during the reporting period and since inception	21, through security, transport and catering
EQUALITY	
Member of the governance body	100% male Directors
Ratio of basic salary and remuneration of women to men	Not measured
Ratio of entry level wage by gender to minimum wage	1:1
Percentage of senior management hired from local communities	50% Kenyan
Incidents of discrimination	None reported
Unionised workforce	The CBA negotiation was finalised on 6 July 2018. The parties agreed on an average salary increment of 7,5% for each year. Most of the other direct monetary items were closed out below the mandate
Incidents of labour unrest	Zero
Minimum number of weeks' notice prior to significant operational changes	n/a
TRAINING AND DEVELOPMENT	
Average hours of training	Training and induction for new and existing employees. Hours not measured for the period.
Percentage of total employees who receive regular performance and career development reviews	100% of employees are subjected to annual performance and career reviews
Skills development	
Please provide details of transition programmes to facilitate continued employability and the management of career endings	
HEALTH AND SAFETY	
Lost time injury rate	Zero
Occupational disease rate	Zero
Absentee rate	–
Fatality rate	–
Occupational activities with high incidences of specific disease	–
Formal agreements with unions regarding health and safety	–
Workers represented by formal joint management-worker health and safety committees %	–

Employee training and development

Rabai's training initiatives continued, with some employees completing short time and part time courses that they started in the previous year. This included general purpose employees, one of whom participated in a certificate course in general fitting, an Operator III and one Electrical Fitter II were sponsored to study degree courses in mechanical and electrical engineering.

In 2018 two month-long overhauls of the plant were conducted. The third major overhaul was carried forward to 2019 due to low dispatch for the second half of the year. Rabai used this time for training. Training sessions included a mandatory one week occupational safety and health training for the 13 newly appointed members of the safety committee. The newly appointed Electrical Fitter I and one Operator III attended a week-long training safety competencies on power systems in Nairobi. 17 members of staff from both operation and maintenance departments attended a basic course on HMI, DCS and SCADA systems and integration with PLC control systems. Another group of 16 employees from both operation and maintenance attended a one week in-house training on precision measuring and machining. There was a one day off-site training by ABB on some of their products that was attended by the Maintenance Manager and two electrical staff.

Our impact framework continued

The human resource team also attended three human resource related courses and the accounts team attended an annual five day professional conference in Mombasa. Company-wide ISO awareness training was conducted by the General Manager and the Health and Safety Manager. This was in line with ISO certification expected in 2019. Various safety related training was conducted for employees and all visitors. This included the usual safety induction to all plant visitors and an on-site annual three day first aid refresher training attended by the first aid team. There was also a wellness session which was attended by all employees which included a health talk and subsequent medical tests.

Rabai Operations and Maintenance Limited (ROML) completed all 2018 performance appraisals to ensure that any training needs can be assessed in time and the 2019 training calendar compiled by February 2019. During the year, the company renewed the three main insurance policies effective 1 July 2018, including, the staff medical scheme, WIBA/GPA (Work Injury Benefits Act/ Group Personal Accident) and the Group Life Assurance (GLA) cover.

Environmental impact

A National Environment Management Agency (NEMA) environment audit of Rabai's operations concluded that the plant had commendable environmental practices. The facility complied with most legal requirements applicable to the industry as depicted in the existing legal registry. The audit is conducted in accordance with the requirements of the EMCA 1999 and all other local regulations relevant to Rabai. Efforts have been made to run the plant in an environmentally sound manner that is beneficial to the surrounding community. The audit also identified some minor non-compliance issues with regards to solid waste segregation, subsurface soil protection and effluent quality. A plan to address these observations was formulated for implementation to close the gaps and was discussed with all line managers.

Rabai monitors effluent quality on a monthly basis, as per the conditions of its NEMA effluent discharge licence.

Following the signing of the air quality regulation into law, requiring the owner of a controlled facility to install, calibrate, maintain and operate equipment for continuous monitoring and recording of emissions, Rabai together with other Thermal Power Producers (TPPs) held a series of meetings to deliberate on the effects of these regulations and agreed to lobby NEMA as an industry. A memorandum from all the TPPs was sent to NEMA detailing the expected challenges upon implementation of these regulations, considering that some of the limits required under the new regulations supersede the limits documented in the PPAs and the World Bank standards. The cost of installing the monitoring equipment was estimated to be approximately EUR400 000 – 500 000 per plant. Further to the TPPs collective joint memorandum to the authority proposing an alternative method of compliance to the regulations and outlining their compliance proposal, NEMA issued a conditional provisional emission licence valid for one year with effect from April 2018. The plant is required to carry out air quality measurements and submit the levels and flow, to NEMA on a quarterly basis against what the lobby letter requested. They have not reverted on installation of the continuous monitoring of emissions.

Emissions

Testing of stack emissions was done during the year.

All the monitored parameters were within the IFC's guideline limits and NEMA's air quality regulations.

The ambient concentrations of all the pollutants monitored were below the NEMA's EMCA (Environment Management Coordination Act) air quality regulations of 2014 tolerance limits.

Plant water supply

Water consumption at the plant in 2018 was 30,535m³ (21,816 m³ in 2017) out of which, 3,782 m³ (12%) was supplied free of charge to the local community.

NOVO Energy, South Africa

In brief:

- Integrated natural gas company
- Delivers comprehensive fuel solutions by making use of compressed natural gas technology and pipelines
- Vehicular, industrial, commercial and residential customers

Review of the year

- Revenue: R46 384 495
- Operating costs (economic value distributed): R42 190 585
- Economic value retained: R4 193 911
- Procurement spend on local suppliers: R25 million

In 2018, NOVO Energy launched a R130 million large-scale natural gas compression facility at the Highveld industrial park, in eMalahleni, Mpumalanga. The facility provides cleaner, and more reliable and cost-effective energy, compared with coal and other petroleum products. In addition, NOVO secured two new industrial customers, which use CNG for heat and steam applications, and several new vehicle customers. A total of 307 002 GJs has been produced during the year, of which of 262 424 GJs was sold. During the test and commissioning phases for new industrial customer installations and new vehicle conversions CNG is used to test the system. This CNG is provided at no cost to the customer.

Creating sustainable businesses

NOVO does not invest in large scale development activities, as the nature of our product offering requires integration of existing technologies. Product offerings are mainly centred around consultation and setting down gas infrastructure for customers.

NOVO Energy designs and operates all its compression and customer sites based on standards as dictated by the Pressure Equipment Regulation and SANS codes with regard to site construction and process control. Processes are controlled and monitored using internal standards and procedures. Health and safety is governed, measured and controlled by the “Digilex” system which monitors and accesses actual achievement against required legislation. The quality of our product is governed by contractual parameters between NOVO Energy and our gas suppliers Sasol Gas and Egoli Gas. Each supplier provides gas to NOVO Energy at a defined specification. The gas content/ specification is confirmed by submitting gas samples to a laboratory twice a month. NOVO performs comprehensive product lifecycle assessments for all solutions offered to customers. This includes test and commissioning, operations, maintenance, refurbishment /replacement and disposal of equipment. The company enters SLAs to ensure the product is managed through its lifecycle. Numerous systems are in use at NOVO Energy to confirm compliance and control. Compliance is governed by periodic external audit of our pressure equipment and an internal system that monitors the status and revalidation requirements of such equipment. The compliance system tracks all relevant equipment by serial number, type, location and application. NOVO makes use of internal monitoring by means of management meetings/reports where the status and adherence to legal requirements are monitored and actioned as required.

For industrial customers the company conducts a site assessment to determine the ideal placement of the gas infrastructure on site. This needs to be compliant to the relevant standards. NOVO assists customers with obtaining fire department approvals and provides inputs on site plans. Where necessary the company assists with MHI assessments by recommending consultants that understand our operations and equipment. Training is provided for customer personnel and operational procedures are instituted to incorporate the use of CNG on site. NOVO also issues a comprehensive data pack with all the relevant information, approvals and certificates (COCs) which are required to comply to regulatory and statutory requirements.

For vehicles, the converted vehicle is handed over to the customer with the driver training and communication of all the safety precaution. Conversion files are kept by the company and the customer is issued with a COC.

Development impact

South Africa is a predominantly coal based economy, with most of the electricity generated by coal-fired power stations and a large portion of transportation fuels derived from the same source as well as industrial processes that use coal. The country’s dependence on imported resources for our hydrocarbon supply exposes South Africa to international energy supply uncertainty, issues of reliability and price volatility. The gas market accounts for only 3% of the energy mix but vast natural gas discoveries mean that it is set to play a far more important role in power generation, thermo-industrial applications and transportation. Natural gas can also be used as a heating fuel for industrial, commercial and residential applications, steam generation and direct heating applications, natural gas-run vehicles and power generation.

Both industrial and vehicle customers will reap cost benefits by using CNG, with the industrial customer saving up to 20% on alternative fuels and the vehicle customers up to 45% on petrol and diesel. NOVO is focusing its efforts on providing solutions for power generation for large mining operations and the manufacturing sector. Due to the unstable grid power supply, customers are looking at alternative means of generating electricity. Baseload gas power generation provides a compelling alternative to diesel.

During the year, NOVO announced that it has initiated a USD1,3-million feasibility study into the prospect of converting the coal-fired Kelvin power station, into a 450 MW – 600 MW gas-fired power station. The study will also assess the potential for developing the Kelvin site into a gas distribution hub for Gauteng, South Africa’s industrial heartland. NOVO was awarded a US Trade and Development Agency grant, to fund the study. Gas sourcing will form a major portion of the study and various options will be examined, including tapping into the Rompco pipeline, which transports gas from Mozambique to South Africa. Rompco is a joint venture between Sasol, Companhia Mocambiçana de Gasoduto and the State-owned South African Gas Development Company, or iGas. However, the study will also assess prospects for using Liquefied Natural Gas (LNG), which could, in future, be imported

Our impact framework continued

through Richards Bay, in KwaZulu-Natal. Both pipeline and rail logistics solutions will be assessed for transporting the gas from Richards Bay to Kelvin, situated in Kempton Park.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES	
FINANCIAL	
Revenue **Revenue growth (%)** **Operating cost** **Employee wage and benefits** **Paid to shareholders** **Economic value retained**	R159 900 000,00 54% R68 100 000,00 R14 000 000,00 R17 800 000,00 R18 000 000,00
PROCUREMENT SPEND	
Local operational expenses (%)	100%
Local Capital Items (%)	25%
EMPLOYEES	
Total number of new employees	16
Total number of employees	42
Total number of direct jobs	58
Total number of indirect jobs	3 drivers, 6 security guards
Black female and male employees (%)	69,04
Female employees (%)	19,04
Black female and male management (%)	0
Female management (%)	34
REMUNERATION RATIO	
Women to men	0,3
SKILLS AND DEVELOPMENT	
Average hours of training granted to Black male and females (1-24, 24-48 and >48 training hours)	30
HEALTH AND SAFETY	
Lost time injury rate	0
Occupational disease rate	0
Absentee rate	0
Fatality rate	0
STAKEHOLDER ENGAGEMENT	
Internal stakeholders	Shareholders and employees, customers, suppliers, and Government
External stakeholders Material risks to the business	Anti-competitive behaviour Lack of clear regulatory framework for the compressed natural gas industry, OHS issues (especially safety and compliance) of the emerging industry
Response to raised concerns	Formation of workgroups
ENVIRONMENT	
Water consumption source	Municipality
Waste disposal method	Municipal/oil recycling

Environmental impact

CNG provides a clean energy for power generation thermal applications and as a fuel substitute. Key sectors where NOVO have case studies on carbon emissions reduction include transportation, food and beverage manufacturing, health care and steel manufacturing.
When replacing coal fired boilers with gas boilers, steam production is much quicker than a coal boiler, eradicating the need to keep gas fired boilers on standby. Gas boilers are able to provide customers with steam demand within 30 minutes whereas coal boilers need to be prepared 3 hours in advance to meet steam demand.

CASE STUDY – NOVO ENERGY

Harith's investment in NOVO has allowed the asset to increase their product offerings to enable next-generation energy solutions by delivering state of the art gas solutions, infrastructure and full-service solutions. NOVO's management team is committed to a sustainable tomorrow by providing the best energy infrastructure and technology solutions, with their strategic partners. Further NOVO strives to acquire, own and develop gas sources, infrastructure and technology in order to sell gas and implement solutions with their strategic partners.

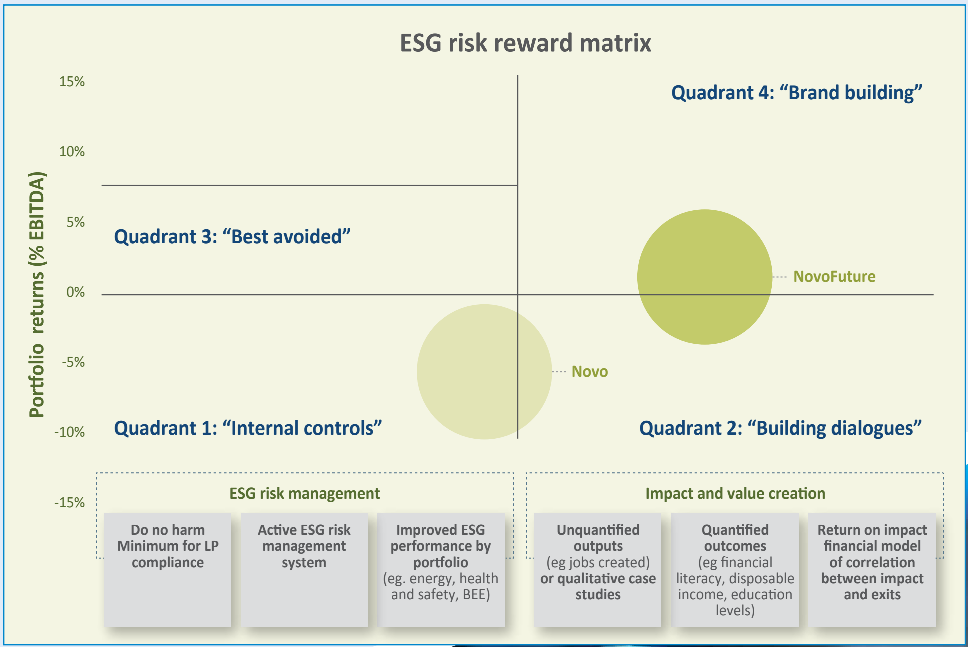
In terms of Harith's influence in ESG management, NOVO has implemented numerous ESG aspects to drive and maximise their developmental impact. NOVO's management team understand the impact that NOVO can have on the South African economy, and the benefits that come with changing over from fossil fuels to a renewable Liquid Natural Gas resource. NOVO has recently embarked on a shift to integrate both horizontally and vertically, in order to take advantage of the natural gas market in South Africa. The conversion to Liquid Natural Gas is underserved in the local market and conversion has many advantages, over and above cost saving for industrial heating application and internal combustion engine conversions.

Based on Figure 1 below, it can be seen that NOVO, under Harith's guidance and support, has implemented many internal and risk management controls to minimise its environmental, health and safety risks. With the expansion into other product lines, such as turn-key gas supply solutions, NOVO is in the process of expanding its market share. As NOVO expands and grows, their developmental impact outcomes will become greater and more far reaching. NOVO's product lines drive operational efficiency for clients, which in turn reduces fuel consumption, air pollution and emissions, and reduces the release of GHG. It is predicted that NOVO will continue to increase their market share and with this, establish NOVO as the premier supplier and solution provider to industry and large vehicle fleet operators. The NOVO brand is a replicable model for countries with exploitable natural gas resources, and with NOVO's predicted growth, outcomes will include better financial returns, improved impact and a positive contribution to innovation as a sector role player in South Africa.

NOVO's predicted shift within the ESG maturity graph into quadrant 4 (Figure 1), will unlock additional job creation opportunities, improve efficiency in gas conversion technology and drive price competitiveness in an otherwise syngas dominated market. It is predicted that NOVO will make significant ingress into the CNG market with more vertical integration, since NOVO will have a positive impact on the business as usual case, as their quantity of available CNG increases and larger customers can be serviced. At present NOVO's trajectory towards brand building and impact is constrained by a lack of bulk CNG supply.

Figure 1 summarises NOVO's ESG performance. Along the x-axis the shift in maturity shows NOVO's transition from a pure risk focused approach to ESG management to ESG value creation, with the level of ESG leverage with respect to business profitability (measured as ESG shift in EBITA) measured on the y-axis. The overall positioning of NOVO on the graph in one of four quadrants summarises the business' overall ability to leverage ESG value creation to ensure a more profitable, robust and sustainable business. The four quadrants are summarised as "focus on internal controls", "building dialogue", "best avoided", and "brand building", respectively.

Figure 1: NOVO ESG performance chart



TRANSPORT

Regional integration is a developmental priority for Africa. Investing in roads, rail, aviation and ports infrastructure is vital to ensure the connectivity required for increased intercontinental and global trade.

Continental and regional transport networks contribute to robust, equitable economic growth by strengthening markets, enhancing trade liberalisation and embracing globalisation. Regional integration facilitates trade and tourism, creating employment opportunities, increasing the standard of living and bolsters national revenues. The development of transport infrastructure also promotes social inclusion addressing inequality. Sustainable development of transport infrastructure addresses environmental issues, reducing carbon emissions.

The African Continental Free Trade Agreement (AfCFTA), signed by the 27 African Union member states in Kigali, Rwanda, on 21 March 2018, aims to bring Africa into the global trade environment as one continent rather than as individual countries. The AfCFTA agreement brings together the largest number of countries within a free trade area in the world. Underpinning this opportunity for Africa to fulfil its aspiration of a united, integrated and prosperous continent is the requisite sustainable infrastructure development.

SDGs we contribute to through our power assets:

- Good health and well-being
- Gender equality
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Reduce inequality within and among countries

Snapshot of transport assets:

HKB Bridge, Côte d'Ivoire

- 7 km of bridge and roads
- Spans the Ébrié Lagoon, connecting two major districts of Abidjan
- Located near the largest harbour on the West Africa Coast
- Opened in Dec 2014
- 24,3 million vehicles used the bridge in 2017

Lanseria International Airport (LIA), South Africa

- South Africa's only privately-owned international airport,
- 4th largest airport by passenger numbers
- 2nd largest airport in South Africa's economic hub, Gauteng
- Over 2 million passengers moved in 2018

TAV, Tunisia

- Constructed and operates international airports:
- Enfidha-Hammamet, located 100 km south of Tunis, in close proximity to tourist destinations
  - 2,5 million passengers served in 2018
- Habib Bourguiba, located in the Monastir province, one of the prime tourist destinations in Tunisia
  - 2,5 million passengers served in 2018

Traxtion Group, South Africa/ SADC

- Fleet of rolling stock, includes 45 locomotives, 100 wagons and 10 cabooses, for lease
- Skilled team of in-house artisans and decades of experience in maintaining, rebuilding and overhauling locomotives to OEM
- Rosslyn rail services hub, has capability to rebuild up to nine locomotives at any time

Development impact of transport infrastructure

Roads and rail

Road infrastructure has a considerable impact on socio-economic development. Roads enable people to access healthcare and education, employment opportunities, and enable the movement of goods within the economy. Improved road and rail infrastructure reduces the cost of transportation of raw material and goods, boosting manufacturing capabilities. The HKB Bridge has fostered economic growth in Abidjan, as well as Côte d'Ivoire, as it allows for easier and faster transport of goods and people. The bridge is also a gateway for goods transiting from the Abidjan Harbour to the hinterland countries. Easier commutes in Abidjan has led to increased economic growth of the country, induced trips, connected jobs and mitigated carbon emissions due to reduced traffic jams.

Rail transport offers energy efficiencies, reduced greenhouse gas emissions and lower cost per tonne kilometre, making it increasingly important in moving freight over long distances. However, the current condition of existing railways infrastructure and rolling stock is poor in many African countries.

Aviation

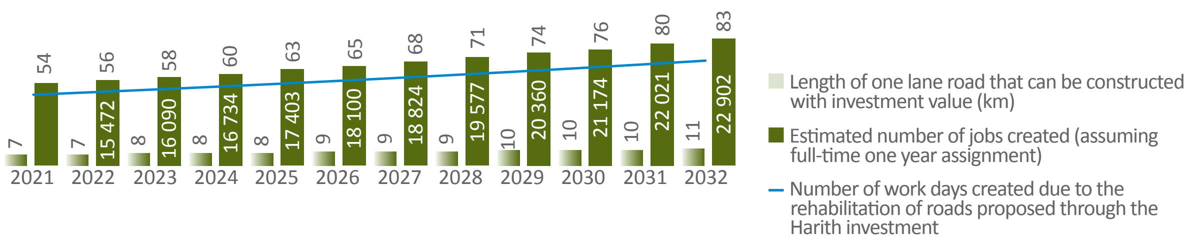
Air transport contributes to sustainable development. By facilitating tourism and trade, it generates economic growth, provides jobs, increases revenues from taxes, and fosters the conservation of protected areas. The demand for air transport has increased steadily over the years. Passenger numbers have grown by 45% over the last decade and have more than doubled since the mid-1980s. Freight traffic has increased even more rapidly, by over 80% on a tonne-kilometre performed basis over the last decade and almost three-fold since the mid-1980s. In 2004, the air transport industry carried 1 890 million scheduled passengers and 38 million tonnes of freight. The rapid growth has been driven by a number of factors, including:

- Rising GDP, disposable income, and living standards – increasing the demand for travel for both business and leisure purposes.
- Reduced air travel costs – improvements in airline efficiency and increased competition have reduced world airfares by around 40% in real (ie inflation-adjusted) terms since the mid-1970s.
- Globalisation – the average distance travelled tends to increase as people take long-haul holidays and do business in countries which now have more favourable political and social environments.
- Deregulation – starting with the US domestic air market in the late 1970s, followed in the 1980s by the European Union (effectively completed in the late 1990s), with other regions deregulating gradually.

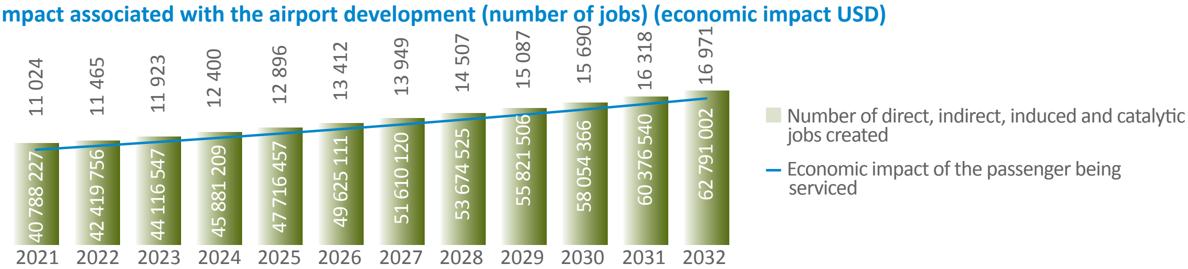
TAV Tunisia's Enfidha and Monastir airports play a catalytic role in facilitating and enhancing the activities of local businesses and manufacturing companies by making available to them, through the air freight facilities they offer, a closer, efficient and cost-effective global interaction for their export/import activities.

In addition to their key direct contribution to the national economy in terms of revenues from activities related to air transportation and tourism, Enfidha and Monastir airports are also considered major providers of employment. Together, they provide around 1 000 direct jobs and make available thousands of indirect job opportunities for the local communities. Jobs created extend across a wide spectrum of economic activities from land transportation to handicrafts, to retail outlets and leisure and recreational services. As such the company contributes to wealth generation for the local economy.

Road infrastructure development (number of jobs/km build) (number of work days created)



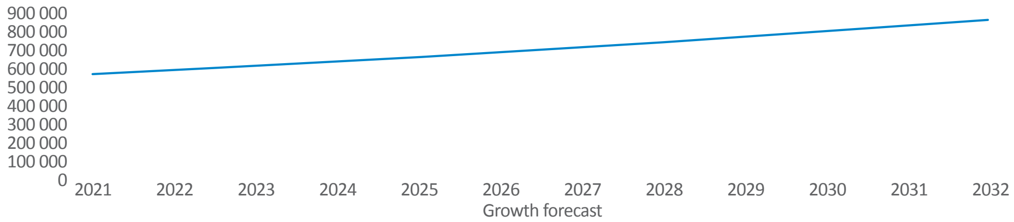
Impact associated with the airport development (number of jobs) (economic impact USD)



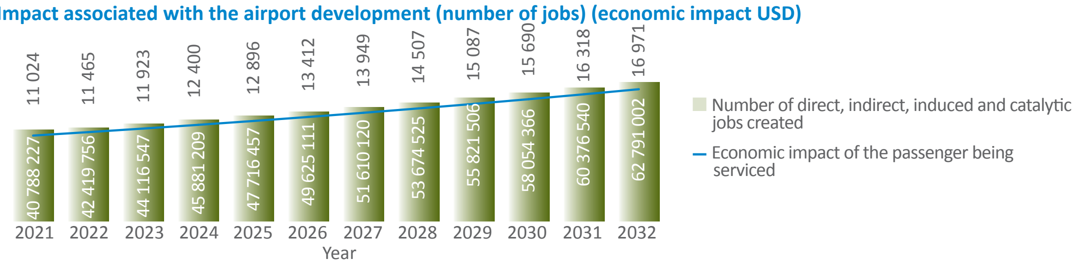
Our impact framework continued

Development impact of transport infrastructure continued

Passenger growth in Africa driven by Harith's airports investments (number of additional passengers in Africa)



Impact associated with the airport development (number of jobs) (economic impact USD)



HKB Bridge. Côte d'Ivoire

In brief:

- 7 km of bridge and roads
- Spans the Ébrié Lagoon, connecting two major districts of Abidjan
- Located near the largest harbour on the West Africa Coast
- Opened in December 2014
- 26,7 million vehicles used the bridge in 2017

Review of the year

- Year ended June 2018
- Revenue: EUR40,6 million
- Operating costs (economic value distributed): EUR37,8 million
- Dividend: EUR3,54 million
- Economic value retained: EUR48,2 million
- Procurement spend on local suppliers: 88,8%

Traffic growth was beyond expectations and is forecast to reach 28 million vehicles per annum in 2019. A payment system was implemented to mitigate the risk of shortage of change. As the bank fails to provide sufficient small banknotes, an option to issue "credit notes" to be used as cash payment for the next transaction was implemented. To improve the reliability of tag transactions and offer a better experience when using tag lanes, the customer service department has launched the sale of the DSRC tags. Subscribers as well as potential customers were contacted and informed about the benefits of the new tags, which are sold at XOF 15 000. Feedback is positive and people who have been using them appreciate their reliability.

To improve the safety of motorists and prevent some motorists using it as an access to our network, a concrete barrier was extended by 50 metres. A new illuminated no through road sign was also installed to better inform motorists. Traffic growth has been above traffic report expectation although the toll tariff is still lower than anticipated. In 2018, the construction work on the Japanese-Ivorian Friendship interchange and the traffic restrictions put in place had a positive impact on the traffic levels observed. This increase applies to each and every day of the week and to peak and off peak periods, thus confirming the general growth.

Creating sustainable businesses

The Société Concessionaire du Pont Riviera-Marcory (SOCOPRIM) has the concession to operate the HKB Bridge. The main shareholders of SOCOPRIM are the Bouygues Group (the constructors), Pan African Infrastructure Development Finance (PAIDF), African Finance Corporation (AFC) and the Government of Côte d'Ivoire (GCI).

SOCOPRIM has implemented a code of ethics, which is displayed at the main entrance of the operational building and was distributed to all employees. It drives all aspects of its operations and is revised regularly and circulated to our main suppliers/subcontractors. SOCOPRIM has initiated the process of complying with the Sustainable Development Agreement and has also started the process of being ISO 9001, 14001, and 45001 certified.

Engaging with stakeholders

SOCOPRIM holds annual user satisfaction surveys. Users continue to rate their satisfaction with the bridge highly, though the scores have fallen slightly since it was first opened. The numbers expressing the view that tolls should be reduced has increased sharply, from 15% in 2015 to 37% in 2017. The main concern is toll fees and shortage of change. A credit note system was introduced to offset the lack of change.

Development impact

As the two existing bridges in Abidjan were being operated at almost full capacity, and due to the uncontrolled expansion of the city of more than 5 million inhabitants, it had become more than necessary to build a new North-South link. Further, repair and strengthening works on the Houphouet-Boigny Bridge were becoming necessary, and even critical, but almost impossible to perform in a way compatible with traffic needs without having a third bridge to cope with traffic growth. The HKB Bridge, connects the Riviera on the North bound to Marcory, two major districts of the city, and located in the vicinity of the largest harbour of the West Africa Coast. This additional bridge is a useful asset to foster the economic growth of the city as well as the country as it allows easier and faster movement of goods and people. The new bridge is also a gateway for goods transiting from the Abidjan Harbour to the hinterland countries.

The HKB Bridge is an engineering and environmental success. It attracts high volumes of traffic, with the users expressing high levels of satisfaction. It has helped decongest the other bridges and their approaches as well as reducing cross-lagoon travel times for those moving between Cocody and Marcory, and has led to reductions in fuel consumption and emissions of CO_2. In addition to opening new traffic flows, SOCOPRIM fulfils its social responsibility through a diverse panel of actions and is currently supporting charitable organisations such as orphanages.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

SOCOPRIM currently employs approximately 180 people, of whom approximately half are women. Salaries have increased approximately 10% since 2015, and are comparable with those offered by the UN in Abidjan.

JOB CREATION

Total number of employees: June 2019: 185

Employee category	Female	Ratio	Male	Ratio
Top management	8	4%	6	3%
Middle management	7	4%	13	7%
Staff	66	36%	85	45%
Intern	0	0%	0	0%
Total	**81**	**44%**	**104**	**56%**

Age group	Female	%	Male	%
Under 30	15	8	30	16
30-50	64	35	66	36
Over 50	5	1	8	4
Total	**81**	**44**	**104**	**56**

Total number of new hires (direct jobs created) June 2018 – June 2019

Age group	Female	Male	Total	Ivorians	Euro-peans	Other Africans	Total
Under 30	4	13	17	17	0	0	17
31-50	4	7	11	11	0	0	11
Over 50	0	0	0	0	0	0	0
Total	8	20	28	28	0	0	28

Total number of indirect jobs created during the reporting period and since inception	185
EQUALITY	
Member of the governance body	–
Ratio of basic salary and remuneration of women to men	Not available
Ratio of entry level wage by gender to minimum wage	Not available
Percentage of senior management hired from local communities	3 senior managers, local being defined as national
Incidents of discrimination	– No incident reported
Unionised workforce	10 delegates, who are elected by the staff (for a period by two (02) years). Last elections were held in June 2018
Incidents of labour unrest	None
Minimum number of weeks' notice prior to significant operational changes	No significant operational change. No legal requirement to give notice

Our impact framework continued

TRAINING AND DEVELOPMENT		
Average hours of training		
Percentage of total employees who receive regular performance and career development reviews	None	
Skills development	**Description of training**	**Number of employees that attended**
	Training of the management committee on IMS-QSE and its implications	3
	Training of service managers on the IMS-QSE approach	11
	Training on ims-qse requirements (ISO 9001: 2015/14001: 2015 / OHSAS: 2007)	14
	Training on hazard identification and OHS risk analysis	20
	Training on the management of the documentation of an IMS-QSE	16
	Training in integrated process management, modelling organisational activities, performance indicator and process pilot training	13
	Training of internal auditors	7
	Training in hazard identification and OHS risk	20
	First aid and safety at work	33
	Training in fire fighting and the use of fire extinguishers	32
	Safety training for the Safety Officer position	1
Please provide details of transition programmes to facilitate continued employability and the management of career endings	Not applicable	
HEALTH AND SAFETY		
Lost time injury rate		
Occupational disease rate	Zero	
Absentee rate	Not measured	
Fatality rate	Zero	
Occupational activities with high incidences of specific disease	None	
Formal agreements with unions regarding health and safety	None	
Workers represented by formal joint management-worker health and safety committees %	–	

Environmental impact

Non-renewable materials	Not applicable for an operational tolling bridge
Energy	Not applicable for an operational tolling bridge
Water	Not applicable for an operational tolling bridge
Biodiversity	Not applicable for an operational tolling bridge
Emissions	Not applicable for an operational tolling bridge. HKB will estimate the Scope 1 CO_2 eq emissions from vehicle traffic using the bridge in future reporting cycles
Effluents and waste	Not applicable for an operational tolling bridge
Environmental Fines	Nil

LIA, South Africa

In brief:

- South Africa's only privately-owned international airport
- 4th largest airport by passenger numbers
- 2nd largest airport in South Africa's economic hub, Gauteng
- Over 2 million passengers moved in 2018

Review of the year

- Year ended June 2018
- Revenue: R783 million (2017) R782 million (YTD May 2018 – 11 months)
- Operating costs (economic value distributed): R823 million (2017); R781 million (YTD May 2018 – 11 months)
- Economic value retained/lost: R40 million (loss 2017) R1 million (YTD May 2018 – 11 months)
- Investment in infrastructure: R 23 million (2017) R60 million (YTD May 2018 – 11 months)
- Procurement spend on local suppliers: 99,98% (2017) 99,65% (YTD May 2018 – 11 months)

The recently completed parkade expansion project provides for additional long-term and short-term parking. LIA has optimised its aircraft parking and routing processes to ensure passengers, the majority of whom are business travellers, can get on and off the plane as fast as possible. Improved efficiencies in getting passengers from check-in to their flights has been a key driver and market differentiator for LIA when compared to OR Tambo International Airport.

Creating sustainable businesses

LIA is a member of South African Civil Aviation Authority (SACAA), Commercial Aviation Association of Southern Africa NPC (CAASA) and the Airlines Association of Southern Africa (AASA). The company operates within the legislative requirements and is in compliance of the industry regulatory sphere. LIA is governed by SACAA regulations. Each year all operating manuals and procedures of the airport are audited by SACAA for purposes of issuing an annual licence. Non-compliance with any of the regulations may result in the suspension of the airport licence.

LIA has a robust governance structure in place, led by a board of directors assisted by the audit and risk committee, social, ethics and remuneration committee and executive committee. Terms of reference of these structures are set out in the board charter, subcommittee charters, delegation of authority and procurement policy.

LIA staff adheres to the internal measures as set out in the code of ethics that is currently in place. With the new staff coming on board from time to time, the legal department plans to partner with HR in driving more awareness in relation to this code. The code is reviewed annually and there were no contraventions of the code in the year under review. LIA contracts Whistle Blowers to provide a confidential ethics and fraud hotline service, which includes a confidential information gathering service of any unlawful activities occurring within LIA's business structures, including but not restricted to theft, fraud, bribery and any other unlawful or dishonest activities. Monthly reports are sent to Exco members and if any further action is required this is addressed by Exco. All employees received training regarding the purpose and aim of the "Hotline".

Engaging with stakeholders

Our stakeholder groups impact materially on the operations of the business, including shareholders, employees, regulatory bodies, government entities, airline operators, surrounding communities, tenants, passengers, key suppliers and key contractors. The key topics and concerns that have been raised through stakeholder engagement were operational excellence, staff training, pricing structures, property rental escalation rates and service levels.

Development impact

LIA supports the surrounding communities through the Corporate Social Responsibility projects and this has improved and uplifted the lives of the beneficiaries. The airport focuses mainly on education and health care, the airport's support covers a 30 km radius and projects are selected annually based on their infrastructure and support needs.

Technological and operational efficiencies

LIA was an early adopter of state-of-the-art air traffic control systems (TOPKSY) used in the global north in 2018. The improved systems allow for efficient air traffic management operations from all perspectives, including flight trajectory projection in time and space. This system allows for maximum efficiency with regards to reducing holding times and minimum loitering time for aircraft.

Lanseria strives toward aircraft efficiency, and seeking out a partnership with COMAIR/Kulula, has resulted in fuel and operating cost savings. Kulula operates a fleet of B738 NG aircraft. This results in savings of 18% less fuel per seat than the previous fleet, thereby saving 2 million litres per aircraft per year for the equivalent seats. This is also managing exposure to volatile fuel emissions by staff and passengers. When ticket prices rise to fund higher fuel prices a modern efficient fleet brings a direct saving to the bottom line. In terms of the other LIA targets, the inclusion of up turned wing tips (Scimitar winglets) on Kulula planes save another 1,4% in fuel burn and save another R1,3 million in fuel spend per aircraft per year. In terms of making LIA more carbon neutral, LIA are also investigating other flight initiatives to offset their carbon footprint eg use of alternate means of energy generation at the airport and tree planting initiatives. Carrying less fuel reserves, paperless cockpits, less potable water use, and reduced galley weight are also examples of measures taken.

Improving airspace utilisation and route network

LIA operates inline international best practice principals and uses Reduced Vertical Separation Minimum (RVSM) resulting in the most efficient aircraft routes and lanes. This means that LIA has the maximum number of uni-directional lanes closely spaced with minimal vertical separation. This is made possible with extensive and sophisticated radar and aircraft location systems. LIA can extract maximum flight efficiency by using Random Routing, so that aircraft crews can select the most efficient routes based on real world conditions and make those decisions in realtime within the cockpit.

Efficient design and utilisation
In terms of fuel efficiencies, LIA have advanced instrument arrival and departure procedures allowing for uninterrupted climb and decent trajectories during landing and take-off. This allows aircraft crews to make their own decisions on the most efficient ascent and decent routes. Further to this slower aircraft are guided by air traffic control to perform early turnouts to ensure they do not delay other take offs or landings.

Optimising airport operations
Overall LIA has optimised its aircraft parking and routing processes, by assigning pre-allocated parking stands and holding bays. This means that the passengers can get on and off the plane as fast as possible. Considering most LIA customers are business orientated, more efficient ground operations means that customers can be on their way to their final destination faster. In terms of carbon emissions and fuel savings, LIA utilises Ground Power Units (GPUs) rather than Auxiliary Power Units (APUs) for the flights of the day. The former run on diesel and are more fuel efficient than APUs.

Improving awareness on performance.
LIA offers staff incentives for efficient flight operations.

Priority clearance from air traffic control for taxiing and departure
LIA prioritises emergency medical flights, scheduled flights and high-performance non-schedule flights. To ensure operational efficiencies are maximised, slow traffic is held back to give priority to the above flights and taxiing clearance and departure clearance are provided. It should be understood that small cost savings, sometimes as low as 0,5% for commercial airlines equates to massive savings, due to the sheer volume of flights. LIA regularly meets with their airline partners to discuss and develop potentially new, more efficient ways of operating. Some examples are provided below:

- allowing aircraft to reach its optimum cruise altitude as quickly and efficiently as possible;
- accommodating a user preferred route for the most efficient path, taking into account winds and aircraft weight;
- real time updates of current weather and wind conditions that allow the flight crew to modify their flight path; and
- tailored arrival procedures.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

JOB CREATION

Total number of employees

Permanent staff headcount as at June 2019

Occupational level	White Male	White Female	Black Male	Black Female	Foreign Nation-als: Male	Foreign Nation-al: Females	Total	Youth (35 and below)
Executive	0	0	1	1	0	0	2	1
Senior management	3	0	1	1	0	0	5	0
Middle management	6	1	5	1	0	0	13	0
Professionals	10	3	13	10	0	0	36	3
Skilled	33	16	143	98	3	1	294	177
Totals	52	20	163	111	3	1	350	181

Temporary staff 2018/2019 FY

Category	Status	Male	Female	Total	Youth (35 and below of the total count)
Temps	Ad hoc appointments	3	2	5	0
Learnership 2018/19	Concluded on 31/05/19	3	6	9	9
Internship	Concluded on 31/10/19	1	2	3	3
Totals		**7**	**10**	**17**	**12**

Total number of new hires (direct jobs created)	54 Male:female: 32:22
Total number of indirect jobs created during the reporting period and since inception	

EQUALITY			
Member of the governance body			
Ratio of basic salary and remuneration of women to men	Pay parity is applied to male and female employees		
Ratio of entry level wage by gender to minimum wage			
Percentage of senior management hired from local communities			
Incidents of discrimination	Nil		
Unionised workforce	24%		
Incidents of labour unrest	Nil		
Minimum number of weeks' notice prior to significant operational changes	No operational requirements		
TRAINING AND DEVELOPMENT			
No of training interventions			
Percentage of total employees who receive regular performance and career development reviews			
Skills development	**Training spend**	**2017/2018**	**2018/2019***
	Internal	1 851 595,00	1 294 040,00
	External	256 805,01	289 045,70
	Grand totals	2 108 400,01	1 583 085,70
	** The 2018/19 information is for 11 months to May 2019*		
Please provide details of transition programmes to facilitate continued employability and the management of career endings			
HEALTH AND SAFETY			
Lost time injury rate			
Occupational disease rate			
Absentee rate			
Fatality rate			
Occupational activities with high incidences of specific disease	Cleaners at risk for Hepatitis B, inoculated annually		
Formal agreements with unions regarding health and safety	Not applicable		
Workers represented by formal joint management-worker health and safety committees %	11%		

Environmental impact

Reducing carbon emissions

LIA is in the order of 212 816 tonnes of CO_2 equivalent for scheduled flights.

Vertical profiles on descent are governed by optimal trajectories for virtually all flights, in excess of 97%.
Average CO_2 equivalent emissions per flight in domestic airspace and on the ground at airports is LIA-CPT 16,7 tonnes CO_2 and CPT-LIA 13,5 tonnes CO_2 for the B738.

Aircraft noise

LIA has specific published noise abatement procedures such as restriction in night operations and e.g. engine run-ups. Departing flights also adhere to a standard ICAO noise abatement procedure for aircraft clean-up and power settings. The uninterrupted climb and descend profiles also contribute greatly to this positive outcome. Two circuit altitudes are also used at LIA. Helicopter traffic volumes are very low, further contributing to reduce noise levels.

Local air quality

Air quality is tested by reputable institutions and is found to be well within WHO acceptable/tolerable levels.

Our impact framework continued

TAV, Tunisia

In brief:

- Constructed and operates international airports:
  - Enfidha-Hammamet, located at 100 km south of Tunis, in close proximity to tourist destinations
    - 2,5 million passengers served in 2018
  - Habib Bourguiba, located in the Monastir province, one of the prime tourist destinations in Tunisia.
    - 2,5 million passengers served in 2018

Review of the year

- 1 January 2018 to 31 December 2018
- Revenue: EUR30,5 million
- Operating costs: EUR24 million
- Employee wages and benefits: EUR8,7 million
- Payments to government: EUR9,9 million
- Tax declaration: EUR8,6 million
- Social security declaration: EUR1,3 million
- Local procurement spend: 75,65% for 2018 and 64,5% January to May 2019

The macroeconomic environment in Tunisia remains challenging. The uncertainty following the Tunisian revolution and, more generally, the Arab Spring, continues to impact the county, as does the effects of the terrorist attacks in Bardo Museum on 18 March 2015 and in Sousse on 26 June 2015. Further terrorist attacks took place in July and October 2018 and one took place in June 2019, in Tunis. The state of emergency, imposed in the wake of the 2015 attack, has been extended continuously most recently until September 2019. As of 31 December 2018, the company's accumulated losses (for the period between 2008 and 2018) amounted more than EUR333 million.

Creating sustainable businesses

In compliance with TAV Airports' holding charter, internal requirements and objectives, TAV Tunise is committed to operate, develop and maintain both airports in line with the principles of sustainable development. Besides its legal, financial and social concerns, TAV Tunisia works to establish a culture of sustainable development within its teams and processes.

In September 2018, Enfidha-Hammamet International Airport has obtained ISO 9001-2015 Quality Management System Certification in airport operations and ground handling services. The ISO 10002- 2018 certification is already in place for all operations at the airport.

TAV Tunisia's HR standards set out the rules and principles that all employees are obligated to comply with to enhance its corporate value and contribute financial value to its shareholders. TAV Tunisia's code of ethics aims to ensure that the conduct of employees is of the highest standards and that they are aware of the impact of their conduct and attitude on the company's image and performance. The code of ethics is published on the company's intranet and shared with the employees by several other means as well as during special information meetings and programmes and all employees are required to comply with the ethical and internal guidelines. Revision is always discussed and agreed jointly with the social partners. Adherence to the code is monitored through the implementation of HR policies and the consequence of each misconduct or violation is clearly set out. The disciplinary committee discusses and decides about any sanction to be addressed, if applicable. TAV Tunisia compiles with the all aspects of the labour law and internal policies emphasise the commitment to preserving the human rights of its employees.

TAV Tunisia integrates the health, safety and environmental aspects into its business processes. Management's commitment to this is expressed through the statement of its Occupational Health, Safety and Environment policies. The environmental impact study identified all aspects that impact the environment and the community, from construction through to the operation of the airports.

Engaging with stakeholders

TAV Tunisia identified key stakeholders as the Ministries of Transport, Finance and Public Domains; OACA, the Direction Générale de l'Aviation Civile (Civil Aviation Authority) and customs and police; local and regional administrations; the central bank, commercial banks and other lenders such as international finance institutions; labour unions; and local and international insurers.

The primary topics raised during the last and prior years relate to the restructuring of Enfidha and Monastir Concessions as well as the restructuring of the debt with the company's lenders and the Tunisian authorities.

Aviation industry stakeholder groups include airlines companies, tour operators, travel agencies and representative agencies, cargo companies, fuel companies, telecommunication agencies, main commercial concessionaires, duty free shops and food and beverage operators and service providers such as the medical centre, ground transportation, technical maintenance and other suppliers.

During the year under review, TAV Tunisia attended international fairs and conferences to enhance relationships and develop new partnership with tourism agencies, tour operators, airports and airlines. These included: Belgrade Tourism Fair, 61st session of ACI Africa at Luxor, Egypt, ITB Berlin, Moscow International Travel & Tourism Exhibition and Passenger Terminal EXPO. In addition, the company hosted an International Air Rally at Monastir Airport in May 2019, which was attended by a large number of participants from various countries. The Air Rally provided an opportunity to highlight the excellent infrastructure of Monastir airport and the efficiency of its operations. The company also hosts receptions for Tunisian authorities such as for Minister of Transport, accompanied by a large delegation of high officials from Tourism and Civil Aviation Departments, at Enfidha-Hammamet in April 2019. New airlines first landing at Enfidha-Hammamet and Monastir Airports are celebrated with a special reception.

Development impact

TAV Tunisia is a key player in the economic and social growth of the Sahel region in Tunisia. A significant number of direct and indirect jobs have been created since its inception in 2008.

Enfidha and Monastir airports directly contribute to the national economy in terms of revenues from activities related to air transportation and tourism, as well as major job providers. Together, they provide around 1000 direct jobs and make available thousands of indirect job opportunities for the local communities, within a large spectrum of economic activities extending from land transportation to handicrafts and from retail outlets to leisure and recreational services. They therefore are largely contributing to wealth generation for the local economy.

Enfidha and Monastir airports play a catalytic role in facilitating and enhancing the activities of local businesses and manufacturing companies through the air freight facilities which offer closer, more efficient and cost-effective global interaction for their export/import activities.

In its capacity as operator of two of the main tourist gates to Tunisia (MIR and NBE), TAV Tunisia is actively involved in the promotion of the Tunisian tourism sector and thereby helps the development of the local economy in which the tourism sector contributed up to 14,2% of the GDP in 2019.

In addition TAV Tunisia actively promotes the tourism industry by coordinating the efforts of all stakeholders. In April 2019, in preparation for each new tourism season, TAV Tunisia hosted a general coordination meeting of all public and private tourism stakeholders to evaluate the perspectives of the upcoming season, exchange views and coordinate efforts to ensure a successful season. This meeting offers a valuable opportunity to all stakeholders to voice their concerns and put forward their proposals for further improving services to passengers and airlines.

As part of its involvement in the promotion of the tourism sector, TAV Tunisia attends the major tourism fairs and international related events held in Tunisia to increase the local and foreign awareness of the company's contribution to the development of the air transportation sector in the country and to showcase the high-quality services it provides for its visitors.

Corporate social responsibility

TAV Tunisia pursues a sound and dependable social responsibility policy and is committed to contributing to public life and local communities. During the month of Ramadhan, TAV Tunisia and sister companies contributed nine tonnes of food aid to more than 250 needy families in the population settlements neighbouring Enfidha and Monastir airports. In addition, TAV Tunisia provided school furniture to more than 200 pupils at the beginning of the academic year and sponsored the National Convention of Music at elementary and secondary public schools in March 2019.

Human resources are the most valuable asset of the company and the vital factor of its success. Due recognition and appreciation are shown to them at the beginning and end of each season for their efforts and dedication to their work to further enhance(s) their feeling of belonging to the company and their loyalty to its values. TAV Tunisia celebrates national days and other distinctive occasions with its employees and stakeholders to deepen existing excellent relationships.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

	Local		African		Foreign		Male		Female		Total	
	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)
Total permanent employees	746	732	0	0	5	6	651	644	100	94	751	738
Total contract/part time employees	0	58	0	0	0	0	0	41	0	17	0	58
Total employees	**746**	**790**	**0**	**0**	**5**	**6**	**651**	**685**	**100**	**111**	**751**	**796**

JOB CREATION

Total number of employees

796 including (58 seasonal as of June 10, 2019)

	Local		African		Foreign		Male		Female		Total	
	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)	2018	2019 (June)
Total permanent employees	746	732	0	0	5	6	651	644	100	94	751	738
Total contract/part time employees	0	58	0	0	0	0	0	41	0	17	0	58
Total employees	746	790	0	0	5	6	651	685	100	111	751	796

Total number of new hires (direct jobs created)

1 expat (male)
58 seasonal employees recruited in support to the operation and handling teams:
Male: 41
Female: 17
Region: Local Regions of Sousse
Age: under 30

Employee category	Blue	White	Total
Age range			
Under 30	4%	3%	7%
30-50	41%	29%	70%
50 +	9%	14%	23%
Total	**54%**	**46%**	**100%**

Our impact framework continued

JOB CREATION continued											
Total number of indirect jobs created during the reporting period and since inception:	**Since inception**										
		2010	2011	2012	2013	2014	2015	2016	2017	2018*	June 10, 2019**
	Total	66	91	119	72	48	0	0	0	28	59

EQUALITY	
Member of the governance body	
Ratio of basic salary and remuneration of women to men	1:1
Ratio of entry level wage by gender to minimum wage	1:1
Percentage of senior management hired from local communities	46% hired from communities of both Airports.
Incidents	None
Unionised workforce	41%
Incidents of labour unrest	None
Minimum number of weeks' notice prior to significant operational changes	Not applicable

TRAINING AND DEVELOPMENT		
Average hours of training	**Employee category**	**Average hours of Training**
	Blue Collar	4,51
	FEMALE	4,90
	Male	4,39
	White Collar	6,40
	FEMALE	4,47
	Male	7,84
	Total	4,98
Percentage of total employees who receive regular performance and career development reviews		
Skills development	Training programs are based on the needs determined by each department on an annual basis	
Please provide details of transition programmes to facilitate continued employability and the management of career endings		

HEALTH AND SAFETY	
Lost time injury rate	Enfidha-Hammamet Airport: 254 Monastir Airports: 89
Occupational disease rate	
Absentee rate	
Fatality rate	Zero
Occupational activities with high incidences of specific disease	No workers are involved in occupational activities which have a high incidence or high risk of specific diseases
Formal agreements with unions regarding health and safety	TAV Tunisia is committed to conduct its operations in line with national regulations as well as any conformity obligation to which it is a signatory. Health and safety issues are managed by TAV Tunisia Personnel Rules which is an agreement concluded between the company and the union.
Workers represented by formal joint management-worker health and safety committees %	According to Tunisian Labour Code, Article 161 (Amended by Law No. 94-29 of 21 February 1994), two representatives of the workers chosen by the staff representatives on the Enterprise Consultative Committee are permanent health and safety committee members

Environmental impact

In accordance with ISO 14001 Version 2015, TAV Tunisia is adopting an environmental approach consistent with its internal and external issues, needs and expectations of its interested parties. The company's environmental performance will be benchmarked with the performances of the neighbouring airports in the Mediterranean region.

Climate change, air quality, rational use of energy, efficient resources saving and waste management are key components in the environmental approach and TAV Tunisia is committed to reducing its greenhouse gas emissions. In May 2018 and April 2019, Enfidha-Hammamet Airport earned the ACI Carbon Accreditation Program airport carbon accreditation. Enfidha Hammamet earned and maintained the "mapping" level under Airport Carbon Accreditation since 2015 in recognition of their efforts to manage their CO_2 emissions.

In accordance with Tunisian law, TAV Tunisia submits an annual environmental report to the Environment Protection Nationnal Agence and has never received any significant fine for non-compliance with any environmental laws or regulations.

Energy

A tri-generation facility has been installed at Enfidha-Hammamet Airport which includes photovoltaic generation capacity. Enfidha-Hammamet Airport is supplied by electricity produced by the tri-generation plant or from the national provider of electricity STEG. If there is any excess it is either transported to MIR airport or sold to STEG.

Enfidha-Hammamet Airport also consumes gas, the major part of which is used to run the tri-generation engines, with the remainder used for kitchen and heating needs.

Water

The water for both airports is supplied by the National Company for Water Distribution, SONEDE. At Enfidha-Hammamet a decrease of 10% was recorded despite a 30% increase in passengers. This consumption decrease reflects the impact of the new irrigation system that enables TAV Tunisia to use the waste water instead of the potable water. The waste water is treated by the National Company of Wastewater Treatment ONAS for both airports.

Biodiversity

TAV Tunisia increased awareness about ecological management and passive prevention among the wildlife hazard prevention team. Indeed, the striking of birds and animals was prevented by manipulating and changing their habitat (around the airports) and making it less attractive and less friendly (elimination of food sources, water points, refuge place, vegetation, etc).

Greenhouse gas emissions

	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18
Monthly emissions (tonnes)	296	490	428	251	354	728	998	935	849	659	696	423
Cumulative consumption (tonnes)	296	786	1214	1465	1819	2547	3545	4479	5329	5987	6683	7106
Prior year's comparative (tonnes)	357	303	333	306	430	467	511	668	427	326	285	336
Prior year cumulatively (tonnes)	357	660	992	1299	1729	2196	2707	3375	3802	4127	4412	4748
Last year's monthly comparator (%)	-17,05%	62,02%	28,58%	-18,18%	-17,66%	55,79%	95,30%	40,01%	98,82%	102,26%	144,27%	26,02%
Last year cumulatively (%)	-17,05%	19,23%	22,36%	12,80%	5,22%	15,98%	30,95%	32,74%	40,17%	45,07%	51,47%	49,67%

The total CO_2 emissions are based on ACA Documentation and Guidance Appendix B, Issue 9 v2: August 2015 and the non-consideration of the avoided emissions from cooling and heating systems in the tri-generation plant. In 2019, the calculation will be done according to level 3 certifications and programmes.

Hazardous waste

At Enfidha-Hammamet TAV Tunisia collects and transfers its waste to the landfill by its own means and resources but is currently negotiating with waste companies. At Monastir ECO-GAD, a certified company by ANGED (Waste Management National Agency) has been appointed to ensure the transport and the recycling of the waste.

The used oil is stored into appropriate containers provided by "SOTULUB" which is a specialised oil collection, storage, transport and regeneration company, authorised by the Ministry of Environment and Sustainable Development and certified by the Environment Protection Nationnal Agence. SOTULUB operates at both airports.

Our impact framework continued

Traxtion, South Africa/SADC

In brief:

- Fleet of rolling stock, includes 45 locomotives, 100 wagons and 10 cabooses, for lease
- Skilled team of in-house artisans and decades of experience in maintaining, rebuilding and overhauling locomotives to OEM
- Rosslyn rail services hub has capability to rebuild up to nine locomotives at any time

Review of the year

- 1 January 2018 to 31 December 2018
- Revenue: R275 million (2017: R199 million)
- Operating costs: R157,5 million
- Economic value retained: R117,7 million
- EBITDA: R58,9 million (2017: loss of R18,5 million)
- Infrastructure spend:
  - R18 million for Rosslyn workshop (of R69 million total spend on the project)
  - R 2,6 million for additions to the head office, Johannesburg
  - Local procurement spend: 69%

During the year, the newly developed Rosslyn facility commenced operations, with the refurbishment fully completed in March 2019. The Rosslyn workshop represents the single largest investment out of the Harith equity raising process. Traxtion expanded the services available at the facility, creating RMR Africa, a joint venture with Austria-based rail services company, Railway Material and Resources (RMR). RMR Africa will provide a maintenance and rail services hub for fleets across the continent. RMR is a globally recognised supplier of rail transportation parts, services and project support. Traxtion's Calabash Operations was successfully launched in September 2018 following the testing phase.

In the year under review there was a significant uptick in discussions and enquiries from South Africa and the rest of Africa including Egypt, Kenya, Uganda, Tanzania, Angola, Namibia, Mozambique, Zimbabwe, Zambia, DRC, Botswana, Malawi, Ghana, Senegal and Mali.

Creating sustainable businesses

Traxtion has a 30-year track record of keeping locomotives running in Africa, and throughout this time it has prided itself in delivering a high-quality service to its customers. The company has also developed a deep understanding of the African rail market across Sub-Saharan Africa. Included in this is the proficiency in providing traction, maintenance and training services to long haul railway operations throughout Southern Africa. Critically, the group understands the value of leasing solutions the benefits of which include maintenance, operations, performance guarantees and facilitating operational improvements through locomotive upgrades, repowers, rebuilds and infrastructure related activities. The group owns and operates one of the largest privately owned fleets of mainline locomotives throughout Southern Africa. Contracts include international medium-term locomotive operations as well as lease and maintenance contracts with mining operators, private companies and State Owned Enterprises in Southern Africa.

Traxtion has a strong governance framework in place. The executive committee meets monthly, the operations committee quarterly and there are three board meetings per year, as well annual meetings to review risk and strategy. Company-wide management and supervisors meetings are all held where issues of compliance to all company policies are discussed and actioned where necessary. There is also a monthly shareholder update call. Weekly communication is issued to sites from the Safety and Compliance Manager to ensure policies and procedures are understood by site supervisors and managers. A key focus for 2019 is not only communication on safety matters and new policies but communication on existing policies to ensure they are well understood and appreciated. The commercial, financial, technical, operational, health, safety and environmental decisions emanating from the meetings of the executives are such that they support the various KPIs of the management members.

Due to the relatively small size of the entity, the executive has a tight oversight over all of the company operations, cash flows and expenditure. As such, this has not been deemed necessary to date.

To operate successfully within a legislated and regulated framework requires substantial capacity and operational compliance with the structures put in place to manage this legislation. Traxtion has a proud record with this body as a result of the value that the company places on safety compliance. Traxtion is ISO 9001:2015 Certified.

One of the executive team's primary targets is to grow the areas of main line rail access with a view to growing volumes hauled. Securing rail access arrangements from Lobito through Ndola to Dar es Salaam (on the West to East axis across the continent) and from Beitbridge to Ndola (on the North-South corridor) is a key of focus of the company.

Engaging with stakeholders

Traxtion's key stakeholders include the Railway Safety Regulator (RSR), Rail Road Association, shareholders, funders, customers, suppliers, employees, unions (NUM and Solidarity) and regional railways. The key issues discussed span regulations, customer satisfaction, costing, revenue generation, 13th cheques and annual increases and pricing by regional railways.

Overview of local community engagement and impact assessments

Development of the Rosslyn rail hub required local community involvement and discussions. At all other sites Traxtion is a contractor thus the primary obligation for community liaison rests with the customer (eg Harmony, Sibanye Stillwater, Glencore, Anglo American etc).

Social impact assessment conducted and publicly disclosed	Environmental impact assessment conducted and publicly disclosed	Local community development programmes in place	Stakeholder engagement plans in place	Community consultation committees in place including with vulnerable groups	Works councils and occupational health and safety in place	Formal community grievance processes in place
None deemed necessary	Yes, done on all the operational sites by the contract holders	Yes, involved with Community Liaison Officer at our new Rosslyn Rail Services Hub	Company has regular interaction with stakeholders ie shareholders and employees. The broader community is dealt with in meetings with CLO at Rosslyn	Only with CLO at Rosslyn. The CLO attends monthly meetings and produces monthly reports which are circulated to the CEO and CFO	Every site has an OHS committee, no work councils	Only with the CLO at Rosslyn

Development impact

Railways are 30% more fuel efficient than road transport. A good example of this is the Calabash operation where 15 000 to 20 000 tonnes a month are now hauled on rail that were previously hauled on road.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

JOB CREATION	
Total number of employees	313 total employees, with 38 female and 275 male Below 30 – 22 total, with 8 female and 14 male 30 to 50 – 159 total, with 24 female and 135 male Above 50 – 132 total, with 6 female and 126 male
Total number of new hires (direct jobs created)	106 new employee hires; 19 female and 87 male Below 30: 5 total; 1 male and 4 female located in Gauteng 30 to 50: 61 total; 50 male and 11 female located in Gauteng; North West Province; Mpumalanga; Eastern Cape; "Calabash'' (Zambia and Tanzania) Above 50: 40 total; 36 males and 4 females located in Gauteng, Mpumalanga, North West Province and for ''Calabash'' (Zambia and Tanzania)
Total number of indirect jobs created during the reporting period and since inception	The company was started in 1987 with one employee, the owner, and the company grew over time to the head count of 313 employees of which 99 are new direct jobs predominantly in Operations and Technical
EQUALITY	
Member of the governance body	Governance Body – Exco 7 employees Female – 2 Male – 5 Under 30 – male 0, female 0 30 to 50 – male 3, female 2 Above 50 – male 2, female 0
Ratio of basic salary and remuneration of women to men	There was no minimum wage in the industry during the period so the company is paying all its employees a market related salary. Female employees and male employees are paid the same per job category.
Ratio of entry level wage by gender to minimum wage	Compliant with new minimum wage published in Government Gazette; all categories of employees are paid the same

Our impact framework continued

Percentage of senior management hired from local communities	Definition of local is an employee who resides in the area where the Company has a commercial contract ie Randfontein, Witbank and Virginia in the Free State. 100% Branch managers all reside in the town /area where they work. Appointed a Community Liaison Officer for Rosslyn who represents the community in monthly meetings with HR and the Technical managers. The Community Liaison Officer assists with the sourcing of staff and contractors (construction, security etc) from the local community.
Incidents of discrimination	None
Unionised workforce	NUM – 23% Solidarity – 9%
Incidents of labour unrest	None
Minimum number of weeks' notice prior to significant operational changes	
TRAINING AND DEVELOPMENT	
Average hours of training	Senior Management: Male – 50 hrs Professionally qualified and experienced specialists and mid-management: Male – 10 hrs and female 18 hrs Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents: Male – 680 hrs Semi-skilled and discretionary decision-making: Male – 24 hrs and female 155 hrs Unskilled and defined decision making: Male 36 hrs and females 24 hrs
Percentage of total employees who receive regular performance and career development reviews	Performance reviews twice a year for Exco 7 management personnel (5 male, 2 female); and twice a year for all Paterson D level managers (6 male and 3 female)
Skills development	
Please provide details of transition programmes to facilitate continued employability and the management of career endings	Counselling offered by Verso Provident Fund and Company HR when employee goes on retirement
HEALTH AND SAFETY	
Lost time injury rate	Disabling Injury Frequency Rate (DIFR) was 0,73 at the end of March 2019
Occupational disease rate	None
Absentee rate	Absentee rate up until March 2019 was standing at 1,32
Fatality rate	Zero
Occupational activities with high incidences of specific disease	Yes, Silicosis & Tuberculosis
Formal agreements with unions regarding health and safety	No
Workers represented by formal joint management-worker health and safety committees %	Company Group Health and Safety representative accounts for 2,6% of workers

Environmental impact

Traxtion's environmental policy of the company is set in line with ISO 14000.

Non-renewable materials	Not measured, mainly steel products
Energy	Locomotives diesel: 914 206L; 31 821 049 489kJ Motor vehicles diesel: 76 423L; 2 660 097 525kJ Motor vehicles petrol: 22 754L; 792 016 913kJ Total energy: 35 273 163 927kJ
Water	Waste water:48 000 litres Municipal water 720 000 litres Water recycled and reused: 115 200 litres
Emissions	Not measured – Scope 1 emissions will be included in future reporting cycles
Waste	Hazardous: 8 200 kg (for Operational sites) does not include Rosslyn Non-hazardous waste: 5 900 kg (for Operational sites) does not include Rosslyn
Environmental Fines	Nil

CASE STUDY – LANSERIA INTERNATIONAL AIRPORT

LIA's development impact has significantly increased since Harith's investment in 2014, moving to reporting under the UNPRI and SDGs. In terms of Harith's ESMS and ESG policies, LIA has implemented numerous management plans and operational efficiency measures. The evolution of LIA's current ESG level of maturity in terms of unlocking developmental impacts, under the stewardship of Harith, is demonstrated in Figure 1 below.

Figure 2 summarises LIA current and future predicted ESG performance in a graph. Along the x-axis the shift in maturity shows LIA's further development as a relatively mature ESG entity, which is predicted to continue to strengthen their ability to create ESG value. The level of ESG leverage with respect to business profitability (measured as ESG shift in EBITA) is measured on the y-axis. The overall positioning of LIA on the graph in one of four quadrants summarises the business' overall ability to leverage ESG value creation to ensure a more profitable, robust and sustainable business. The four quadrants are summarised as "focus on internal controls", "building dialogue", "best avoided", and "brand building" respectively.

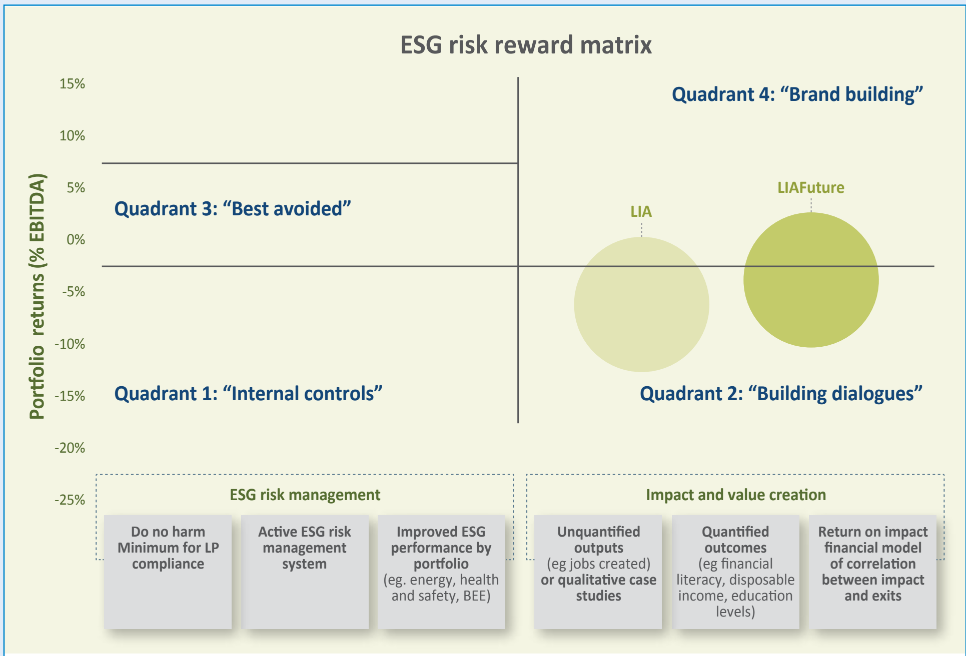
Since LIA operates in a very regulated legal compliance environment, the ability to maximise innovation and develop new product offerings are somewhat constrained, which is reflected in their trajectory along the y-axis. Relaxed legal constraints and regulations would allow LIA to move ahead faster than its competitors and not be held back by "business-as-usual" thinking and regulatory requirements. LIA are already actively engaging, and in many respects drive innovation and change in the aviation sector in South Africa which has proven to provide them with a competitive advantage.

Currently, LIA creates an "incidental" developmental impact related to the air transportation sector. However, LIA is striving to move further into the 4th ESG maturity quadrant to enable collation and monitoring of specific developmental outcomes linked to its core business. With forecast passage growth translating to LIA servicing six million passengers by 2027, and 18 million a year by 2050, maximising and quantifying the company's development impact will allow the airport to leverage considerable positive returns across the growing customer base.

LIA has established itself as international brand and has unlocked additional value-add from stakeholder engagement and open dialogue approaches. If the current trend of good ESG management continues, it is expected that the airport will further improve to unlock additional market share based on their ESG credentials. Lanseria has future plans to expand their runway to accommodate international long-haul flights and open up new tourist markets into Africa and Europe. Future growth will cater to both tourists and business orientated customers.

It is predicted that LIA will shift further into quadrant 4, which will unlock additional job creation opportunities, improve efficiency in airline travel and drive price competitiveness in an otherwise overly competitive market.

Figure 2: LIA ESG performance, and predicted future ESG value add



Our impact framework continued

ICT

The World Bank's 2016 World Development Report shows a 10% increase in broadband penetration can be linked to a 1,4% increase in growth in emerging markets. Technology is shaping African economies and promoting financial inclusion as disruptive digital technology fuels transformational development.

Investment in Africa's ICT infrastructure backbone is vital to support economic growth, promoting job creation and competing on the global stage. According to the Siemens 2017 African Digitalisation Maturity Report, the adoption of digitalisation in industrial sectors ranging from transport to manufacturing, could add a potential USD300 billion to the African economy by 2026.

Harith's investments in ICT will have a positive impact on driving down the price of internet data costs. Lower data costs and better internet access will reduce the cost of doing business by reducing the cost of advertising and providing a greater reach than traditional methods. ICT has major benefits for the agricultural sector in Africa. Agriculture is considered to be critical for economic development since it makes up a large portion of Africa's GDP: ICT infrastructure enables access to a greater network of suppliers and agricultural services which will improve competitiveness. Access to online markets has the potential to increase sales from agricultural products. Access to online information sources and service can directly improve yields.

Our assets, Main One, Nigeria, CIVH (DFA), South Africa and OCL, Malawi are key to extending access to ICT across West Africa and in Southern Africa.

SDGs we contribute to through our ICT assets:

8 DECENT WORK AND ECONOMIC GROWTH — **Decent work and economic growth**

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — **Industry, innovation and infrastructure**

10 REDUCED INEQUALITIES — **Reduce inequality within and among countries**

Snapshot of ICT assets:

MainOne, Nigeria

MainOne provides world class network, internet solutions, voice, data centre and cloud services to providers in Nigeria, Ghana and all of West Africa.

- World class submarine cable system running down the coast of West Africa
- State of the art IP NGN network
- Growing regional and metro terrestrial fibre optic networks
- Data centre facilities enable broadband services for businesses

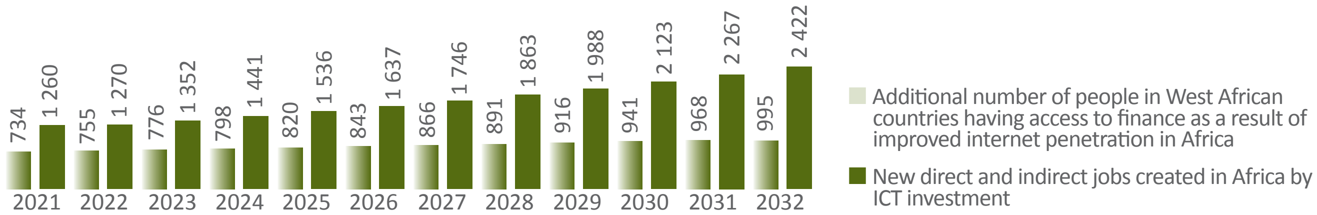
CIVH, South Africa

An open source fibre provider constructing bespoke fibre networks, and operates numerous ISP companies to support the roll out of fibre infrastructure in South Africa

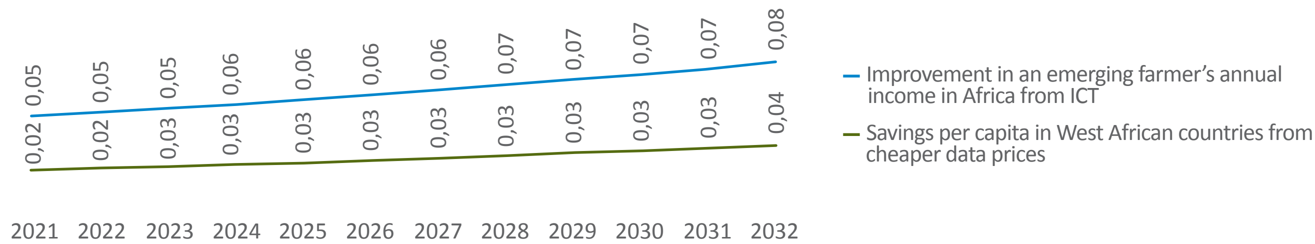
Open Connect Unlimited ("OCL"), Malawi

- Largest fibre optic coverage in Malawi
- Only fully redundant fibre network provider in the Malawian domestic market
- Provides carrier of carrier, redundant light and dark fibre services to leading mobile operators, ISPs and Terrestrial TV providers
- International fibre links to Mozambique and Tanzania
- Direct connection to SEACOM's Indian Ocean Submarine Cable and to EASSY via Mozambique de Telecommunication

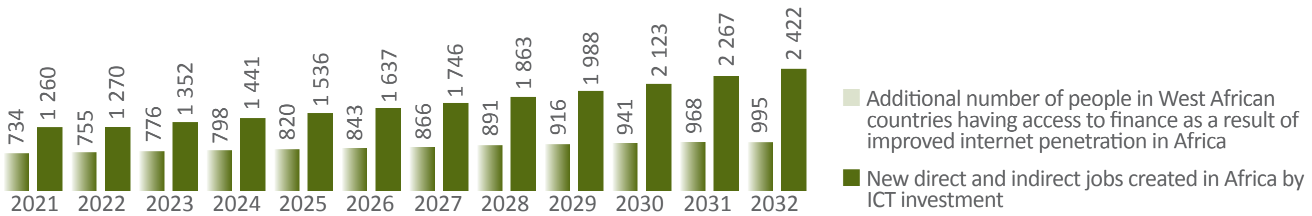
Harith's contribution to ICT job creation and access to finance



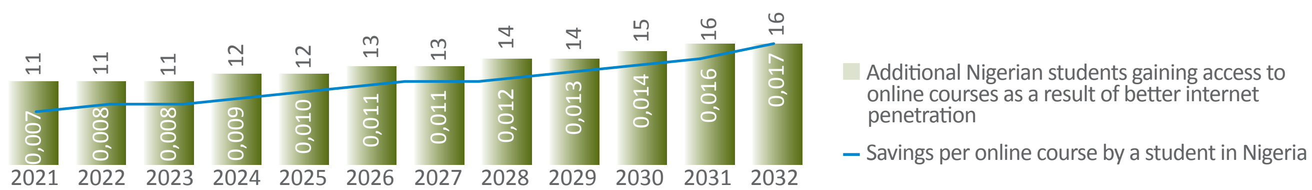
Harith's contribution to emerging farmer's annual incoming and saving per capita on cheaper data (USD)



Harith's contribution to ICT job creation and access to finance



Improved education as a results of ICT investment (USD)



Development impact

- Sector
- Improved internet penetration across Africa because of direct investment into ICT
- Additional number of people in West African countries having access to finance as a result of improved internet penetration in Africa
- Improvement in an emerging farmer's annual income in Africa from ICT
- New direct and indirect jobs created in Africa by ICT investment
- Saving per capita in West African countries from cheaper data prices
- Additional Nigerian students gaining access to online courses as a result of better internet penetration
- Savings per online course by a student in Nigeria
- Contribution to Nigeria's GDP, as a result of ICT investment driving reduced taxes on sector

Financial closure took place post-year-end in June 2018, after working towards this in the year under review. OCL owns a nationwide fibre network in Malawi, the largest network in the country. The network encompasses the main telecommunication carrier backbone across Malawi as well as inter-border crossings and includes fibre metros in Blantyre, Lilongwe and Mzuzu. OCL offers open-source wholesale capacity services to all telecommunications providers, ISPs, broadcasters and corporate customers. Harith invested up to USD24 million for a 20% stake in the company, with the potential increase of its shareholding to 60%.

Our impact framework continued

MainOne, Nigeria

In brief:

MainOne provides world class network, internet solutions, voice, data centre and cloud services to providers in Nigeria, Ghana and all of West Africa.

- World class submarine cable system running down the coast of West Africa
- State of the art IP NGN network
- Growing regional and metro terrestrial fibre optic networks
- Data centre facilities enable broadband services for businesses

Review of the year

- Revenue: UD55,8 million (2017:USD54,2 million)
- Operating costs: USD29,4 million (USD29,5 million)
- Economic value retained(profit/(loss): USD6,5 million (USD11,8 million)
- Employees' wages and benefits: USD5,8 million (2017: USD5,9 million)
- Payments to providers of capital: USD19,7 million (2017: USD18,4 million)
- Payments to government in income tax: USD2,6 million (2017: USD2,2 million)
- Percentage of significant investment (Capex) on overall existing company's asset value: 7%
- Cost of significant investment: USD11,9 million
- Life of significant investment: 7-10 Years
- Local procurement spend: 37%

Creating sustainable businesses

MainOne complies with the Nigerian Communication Commission's Code of Corporate Governance for the telecoms industry. The company has incorporated relevant parts of this code such that it forms part of the regulatory guidance for the business' corporate governance framework.

MainOne has a code of ethics in place that is reviewed every four years. All members of staff sign off on the code at the beginning of every year. Management are responsible for ensuring compliance within their respective departments. Any breach to the code is reported through the whistle blowing policy. The code emphasises that all employees should be of high integrity in all their conducts in the company. Significant corruption risks identified in the risk assessment include kickbacks to employees by a supplier in return for the supplier receiving favourable treatment, unauthorised private use of company property and collusion with customers and/or suppliers or favouring a supplier in which the employee has a financial interest. During the year this particular section of the code of conduct was contravened by one of the sales managers and the matter was discovered and reported. The company investigated the matter and the contravention was established against the said manager who was promptly suspended for one month.

The company fosters a high performance culture. The organisational goals and performance objectives are defined at the beginning of the year by the board, handed down to management and cascaded downwards to all staff at different levels of the organisation. These performance objectives and KPIs are reviewed midyear at the annual midyear business review session.

Performance appraisals for all staff to measure actual achievements against set targets are conducted and when necessary targets are re-set to realistic values in line with the prevailing environmental and economic climate. All KPIs necessary for the achievement of the company's vision and strategic objective are defined in relevant policies, processes and procedures (PPPs) as approved by the management and the board of directors. These PPPs are reviewed every four years as defined by MainOne control of document procedure but review could be earlier where the business strategic objective changes.

For sustainability, our quality management system is reviewed by the management twice annually in January and July and where necessary the company vision will be adjusted in line with the set performance objectives.

Engaging with stakeholders

Priority is placed on the stakeholders that are most critical to the business operation and cascaded downwards to those of less critical priority, including regulators, customers, employees, suppliers and government.

Key issues raised:

The regulator sets KPIs which the company is required to adhere to and renders various levels of compliance documentation and we do file monthly, quarterly, bi-annual and annual returns. These KPIs are met and returns filed promptly.

Government – Operating challenges are addressed with respective public and private institutions, stakeholders and regulators for intervention and resolution as the case may be.

Employees – The company continues to explore measures to address concerns around work-life balance with initiatives including flexi-hour work programme that allows employees to work through flexible arrangement off-site, telecommuting, HMOs subscription, training programmes, gym membership for health, fitness and recreational activities etc.

Overview of local community engagement and impact assessments

MainOne's community affairs policy acknowledges the importance of community improvement to our project and shall therefore:

- Plan operations and activities in such a way that there is little or no impact on the environment of the host communities
- Be sensitive to the needs and aspirations of the host communities as much as reasonably practicable
- Bring relevant issues affecting host communities to the attention of appropriate authorities and other bodies that can be of assistance
- Establish a continual community awareness procedure to ensure that host communities benefit from our existence in their communities and assist to provide jobs for host communities' members where possible

Development impact

MainOne's operations enable accessibility, availability and affordability of broadband services, as well as quality of service to all the sectors of the economy. The company's investment in cloud and data centre solutions as well as connectivity solutions has significantly impacted several other sectors of the economy through the improved connectivity access and overall affordability that it enables. Small, medium and large organisations as well as a number of government institutions are able to enhance their businesses through ICT tools that are enabled by access to broadband services. These services help to reduce costs and increase productivity and overall efficiency. Large corporates, financial institutions and e-commerce businesses continue to benefit from MainOne's shared infrastructure model, including metropolitan fibre connectivity services as well as data centre services including co-location, disaster recovery services and cloud solutions, helping them to achieve an exponential increase in operational efficiencies and regulatory compliance with no additional capex spend.

The prices of wholesale broadband access have drastically reduced over the past eight years and have continued in that trend at an average of 30% decline in bandwidth prices annually. This, as well as other investments in the company's metro fibre networks, cloud and DC solutions has also contributed to the exponential growth in internet penetration. Increased access to the internet drives growth in entrepreneurship, job creation and employment opportunities in the Nigerian ICT market. Digitisation increases efficiency in government transactions processing and an overall development of the West African economy. Our business continues to be the bedrock of the advances made in the improved digital economy in Nigeria and most of West Africa, leading the surge in e-commerce, financial inclusion and innovation.

MainOne's investment in infrastructure has contributed to the sharp increase in the number of e-commerce companies and innovation companies such as Konga.Com, Andela, CC-Hub, Jumia and HelloFood.com. The company also continues to support the sustainability of medium to large ISPs in the countries where it currently operates, providing them with upstream/internet access at competitive prices, as well as connectivity infrastructure to connect their businesses. Most recently, e-government initiatives such as online company registration by the Corporate Affairs Commission, e-FIRS, and online tax filing system amongst others are all illustrative of the phenomenal growth being supported by MainOne.

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

JOB CREATION	
Total number of employees	362 Male:female: 25%:77% Under 30: 14% 30-50 years: 83% Over 50: 3%
Total number of new hires (direct jobs created)	49 Male:female: 38:11 Under 30: 19 30-50 years: 30
Total number of indirect jobs created during the reporting period and since inception:	
EQUALITY	
Member of the governance body	Male:female: 46%:12% 30-50 years: 98% Over 50: 2%
Ratio of basic salary and remuneration of women to men	1:1
Ratio of entry level wage by gender to minimum wage	1:1
Percentage of senior management hired from local communities	93% (Local being employees hired by MainOne and working in their country of nationality)
Incidents of discrimination	Nil
Unionised workforce	Nil
Incidents of labour unrest	Nil
Minimum number of weeks' notice prior to significant operational changes	Not applicable

Our impact framework continued

TRAINING AND DEVELOPMENT	
Total training spend for the year	USD299 272
Average hours of training per employee	16
Number of employees	300
Percentage of total employees who receive regular performance and career development reviews	All employees
Skills development	Steam Turbine Training, ACC Training, Generator Breaker Training, Various Safety Training. Other trainings in the pipeline are Generator Turbine Training, Combine Cycle Training, BOP Training.
Please provide details of transition programmes to facilitate continued employability and the management of career endings	Not applicable
HEALTH AND SAFETY	
Lost time injury rate	Nil
Occupational disease rate	Nil
Absentee rate	Nil
Fatality rate	Nil
Occupational activities with high incidences of specific disease	Nil
Formal agreements with unions regarding health and safety	Not applicable
Workers represented by formal joint management-worker health and safety committees %	Not applicable

Environmental impact

MainOne's Environmental Management Plan (EMP) has been developed taking into account various national and international standards and guidelines for environmental planning to ensure the integrity of MainOne's operational activities in Lagos State, Nigeria and Ghana. The EMP is a site-specific plan developed to ensure that all necessary measures are identified and implemented during the operational phase of the MainOne Cable System with the aim to protect the environment and comply with environmental legislation. An environmental monitoring programme has also been outlined that will help to verify the effectiveness of the existing and prescribed mitigation measures.

DFA (CIVH), South Africa

In brief:

- Open Access Network and physical infrastructure for business
- World-class fibre network for transmitting metro and long distance telecommunication traffic in South Africa

Review of the year

- Year ended: 31 March April 2019
- Monthly annuity revenue: R171 million

The focus of the DFA products is the growth of annuity revenue which will ensure the sustainability of the company. The total annuity for the 2019 financial year across all products grew by R295 million. This is an annuity revenue growth of about 20% compared to the previous year, which is a slight decrease from the 25% growth achieved in the 2018 financial year. Though there is a slight decrease in the growth percentage, the growth in terms of absolute number is roughly the same. Africa Analysis forecast that the wholesale telecom market revenue will grow about 4,7% from March 2018 (R17,1 billion) to March 2019 (R17,9 billion). This means that DFA has grown above the average market rate for FYE 2019.

During the year, DFA rolled out 851 kilometres of duct infrastructure during the financial year. Most of the infrastructure build and link rollout was in KwaZulu-Natal.

Creating sustainable businesses

DFA complies with the recommendations of King IV and the Provisions of the Companies Act, 2008. The company's governance policies are reviewed at regular intervals. Any amendments are submitted to the board for approval. Ultimately, the board takes responsibility for governance. Governance matters are also reported to the audit committee and the social, ethics and transformation committee. The code of conduct and ethics provide for reporting unethical behaviour. There is also a hotline available to staff and the public, managed by an independent third-party. Complaints are handled by the social, ethics and transformation committee which also reports to the board on the outcome.

Development impact

South Africa currently has low broadband penetration. There are currently 965 000 ADSL connections (1,85% penetration) and over 81 000 000 active sim cards (150% penetration) and a 30% smartphone penetration. The World Bank has previously said that for every 10% increase in connectivity, countries gain 1,3% in economic growth.

DFA is contributing to the economy at large by increasing the availability of broadband through its infrastructure.

According to research undertaken by ITU analysts for Planning for Progress: Why National Broadband Plans Matter, raw data indicates that countries with a National Broadband Plan have fixed broadband penetration some 8,7% higher on average than countries without plans. Once the potential impact of factors like higher average income per capita, market concentration and urbanisation are discounted, research suggests that countries with plans benefit from fixed broadband penetration on average 2,5% higher than countries without plans – a significant margin of advantage in an increasingly interconnected global economy. In mobile, the impact may be even greater – countries which have National Broadband Plans also have mobile broadband penetration some 7,4% higher on average than countries without plans.

The report concludes that market competition also plays a strong role in boosting broadband penetration. Competitive markets are associated with broadband penetration levels some 1,4% higher on average for fixed broadband and up to 26,5% higher on average for mobile broadband.

For ICT regional infrastructure provides scale economies that substantially reduce the costs of production. Continental fibre optic submarine cables such as Seacom and WACS generally reduce internet and international call charges by up to a half. These submarine cables however need terrestrial fibre optic networks such as DFA to bring the associated benefits inland.

Within the CIVH Group, DFA contributes financially and with non-financial support to socio-economic development within the ICT sector. The necessary criteria for eligible donations are met (in that beneficiaries are not employees of the group) and at least 75% of the beneficiaries are black South Africans. All contributions indirectly promote sustainable access for the beneficiaries to the economy. The opportunity costs/cost to company for the measurement period is at least 1,5% NPAT. DFA connects a host of schools, welfare centres, hospitals and clinics etc. in the outer lying/peri-urban areas. This would have a direct and indirect positive impact on job creation and skills development in economically depressed areas etc.

Our impact framework continued

OVERVIEW OF JOB CREATION AND LABOUR PRACTICES

JOB CREATION

Total number of jobs created

Group consolidated headcount*									
Permanent employees	Male				Female				
	A	C	I	W	A	C	I	W	Total
Top management	1	0	4	10	2	1	0	0	**18**
Senior management	4	2	5	14	3	0	0	3	**31**
Professionally qualified/mid- management	31	11	23	65	24	2	7	23	**186**
Skilled technical/junior management	89	39	22	72	57	9	13	37	**338**
Semi-skilled and discretionary decision making	151	46	28	42	97	24	9	15	**412**
Unskilled and defined decision making	93	13	9	2	28	2	2	0	**149**
Total permanent	369	111	91	205	211	38	31	78	**1 134**
Graduates/learners	41	6	6	0	40	4	4	0	**101**
Grand total	**410**	**117**	**97**	**250**	**251**	**42**	**35**	**78**	**1 235**

** Grading levels may vary between subsidiaries therefore this is an estimate.*

Total number of new hires (direct jobs created)

Total number of new hires (direct jobs created)

Direct jobs created			Indirect jobs created		
At the inception of fund support	Added in 2018/19	Total number of permanent employees	At the inception of fund support	Added in 2018/19	Total number of permanent employees (current)
Not known – estimated at 50	216	1 235	Not known	*390 (estimate)	Est at 3 000

EQUALITY

Member of the governance body	
Ratio of basic salary and remuneration of women to men	Not measured
Ratio of entry level wage by gender to minimum wage	Not measured
Percentage of senior management hired from local communities	
Incidents	None
Unionised workforce	None
Incidents of labour unrest	
Minimum number of weeks' notice prior to significant operational changes	Not applicable

TRAINING AND DEVELOPMENT

Total training spend for the year	R16 million
Average hours of training per employee	Not measured 1 200 employees received training during the year representing 97% of employees
Percentage of total employees who receive regular performance and career development reviews	Not measured
Skills development	
Please provide details of transition programmes to facilitate continued employability and the management of career endings	

HEALTH AND SAFETY

Lost time injury rate	1,29
Occupational disease rate	Zero
Absentee rate	Region: 0,7% Male (0,4%) Female: 0,3%
Fatality rate	Zero
Occupational activities with high incidences of specific disease	Nil
Formal agreements with unions regarding health and safety	Not applicable
Workers represented by formal joint management-worker health and safety committees %	Not applicable

Environmental impact

As a good corporate citizen, DFA ensures its activities are executed considering the constitution, applicable environmental legislation, as well as specific provincial or municipal by-laws that may be applicable to the execution of such activities. Compliance is achieved through the implementation of robust policies, procedures, standards, specifications and processes that, not only DFA must adhere to, but also those contractors and subcontractors appointed by DFA to perform work on its behalf.

Should projects require the implementation of specific Environmental Management Plans, the process required to be followed by the National Environmental Management Act, 107 of 1998 (NEMA) is commonly undertaken in collaboration with a professional Environmental Assessment Practitioner (EAP), appointed by DFA to perform all relevant field studies followed by the drafting and implementation of project specific Environmental Management Plans (EMPs) as required by the NEMA, prior to the commencement of works.

DFA's approach to its environmental responsibility is to effectively manage the impact construction activities might have on the environment, in line with global best practice requirements and in accordance of national, provincial and municipal environmental legislation and requirements, by providing a framework for dealing with the impact the organisation's activities will have on the environment.

Within the DFA group monthly SHE ("Safety, Health and Environmental") audits on all its principal contractors as is required by Construction Regulations 2014. Environmental aspects that are constantly reviewed are:

- Management of spoil and waste on site
- Disposal of waste at appropriate disposal sites

These aspects are continuously monitored. Should a contractor be found not to comply the contractor is required to implement appropriate corrective action within a given timeframe.

Electricity and fuel usage are used to calculate carbon emissions. For the past FY, the total CO_2 emissions recorded for all DFA regions combined are as follows:

CO_2 emissions from fleet = 1258 tonnes

This an 84% increase based on the previous financial year total of 683 tonnes mostly due to an increase of DFA personnel and associate vehicles for new personnel as well as large scale network roll out in the Eastern Region (Bloemfontein, East London and Port Elizabeth).

CO_2 emissions from offices = 1231,91 tonnes

This is a 66% increase on the previous financial year total of 740,30 tonne which is also attributed to growth in terms of personnel as well as larger offices in Doringkloof (HQ), new offices in Cape Town and refurbished Gauteng South Regional Offices.

Open Connect Limited ("OCL"), Malawi

In brief:

- Largest fibre optic coverage in Malawi
- International fibre links to Mozambique and Tanzania
- Direct connection to SEACOM's Indian Ocean Submarine Cable and to EASSY

Review of the year

In September 2018, Harith invested USD24,1 million in OCL, acquiring a 60% stake held by PAIDF 2. The other major shareholder in OCL is Press Corporation Plc the largest holding company in Malawi which is listed on both the Malawi Stock Exchange and the London Stock Exchange as a global depository receipt. Other shareholders include the Malawian Government, Old Mutual, NICO Holdings Plc and Investments Alliance Ltd.

Creating sustainable businesses

OCL currently has the largest fibre optic coverage in Malawi. It provides carrier of carrier, redundant light and dark fibre services to leading mobile operators, internet service providers (ISPs) and terrestrial TV providers. As the largest and only fully redundant fibre network provider in the Malawian domestic market, with key international fibre links to Mozambique and Tanzania, OCL additionally has a direct connection to SEACOM's Indian Ocean Submarine Cable and to EASSY via Mozambique de Telecommunication (TDM).

OCL is focused exclusively on the operation of long-distance subterranean backbone, metro-ring and backhaul fibre to private sector, carrier to carrier operators, and has a fibre network in Malawi of over 2 250 km, more than triple that of its nearest competitor.

OCL was looking to upgrade its offering and the major revamp the network will undergo will ensure OCL maintains its competitive advantage.

Development impact

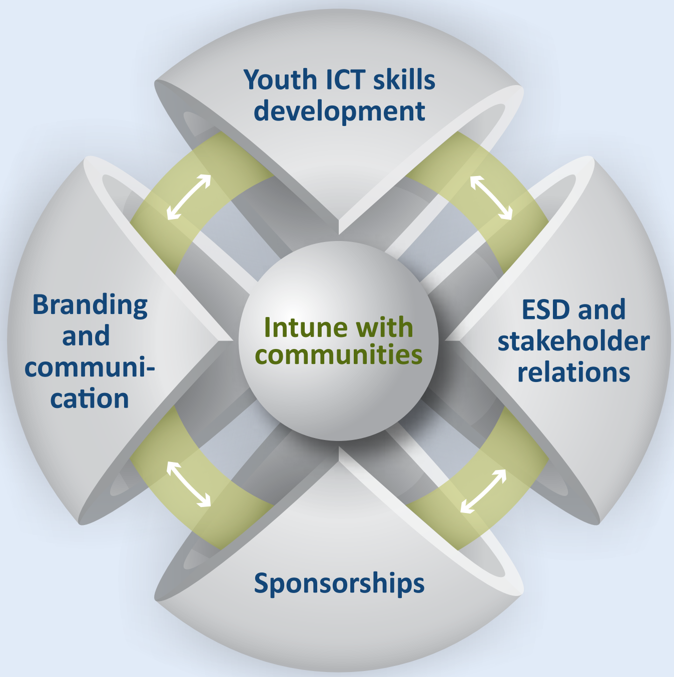
With a population of over 18 million people, Malawi's economy has historically relied on agriculture, but the service sector (of which telecommunications is a key sub-sector) has seen significant growth over the past couple of years, and now contributes the largest portion to the economy, which is expected to grow by between 3,9% and 4,9% this decade. The growth potential of the services sector is expected to remain strong as ISPs seek to grow their customer bases and mobile phone operators have huge potential to increase sales and internet subscriptions, as well as expand new services such as mobile banking.

CASE STUDY – ICT

CREATING MEANINGFUL CONNECTIONS FOR SUSTAINABLE SOCIO-ECONOMIC IMPACT

To create shared economic value for CIVH, we have aligned mindset, culture and values to contribute positively to the economy of South Africa. Our current business activities and transformation initiatives position us more effectively in marketing our contribution and strengthening our partnerships with the communities we operate in.

A National Community Development Programme has been initiated which focuses on two key agenda points ie skills and enterprise development in underdeveloped communities. The main aim of the programme is to not only channel funds towards social development, but also to be present and visible and run a sustainable programme which repositions the perception of CIVH in the public sector and communities.



Phase 1 of the programme targets female leaners in high schools. Engagement with these learners will proactively influence and provide ICT skills to female youth to shape the future of South Africa and our industry by growing 'Women in Tech' from grass roots.

Engagement resumes in Grade 9 to influence and encourage the choice of STEM-related subjects. From Grades 10 to 12, training and mentoring will focus on technical telecoms skills that are deemed critical to thrive in the digital industrial era. By the end of matric, the students should already possess certified basic skills required to either be employable in junior technical roles or to gain entry into universities of technology. We aim for the journey with the students to continue into tertiary, complementing possible international exchange programmes and ultimately feeding into our internal talent inventory or supplier database.

Phase 2 will focus on identifying adults in the communities who would be interested in benefiting from basic technical fibre and customer service training. The same will be the population from which contractors can hire trenching and splicing skills. It will be beneficial to simultaneously identify the possibility of partnering with SMMEs in the communities in the execution of the projects.

The most challenging region with regards to community partnerships will be engaged first. Thereafter as the programme stabilises, it will expand to other regions.

TRANSPARENCY AND ACCOUNTABILITY

Harith's value-driven culture imbues all our activities with integrity and an ethical foundation. This permeates our business and investments.

Our investment team

TSHEPO MAHLOELE
Chief Executive Officer
BProc, Harvard AMP Programme (Harvard)
Prior to his involvement with the origination of PAIDF, Tshepo headed the corporate finance and Isibaya Fund division of PIC and was the recipient of two recognition awards from the Association of Black Securities and Investment Professionals, including as CEO of the decade in 2014. He also previously headed the Private Sector Investment arm of the Development Bank of Southern Africa and before that worked for Rand Merchant Bank and the Commonwealth Development Corporation. Tshepo serves on numerous boards.

ALWYN WESSELS
MD: Strategy and Growth
BCom (Hons), Certificate in the Theory of Accountancy, Higher Certificate in Financial Markets
Alwyn was a senior consultant for Absa Bank for over 10 years, responsible for project and infrastructure finance before joining Harith in 2007.

SIPHO MAKHUBELA
MD: Investments
CA(SA), MBA
Sipho has over 11 years' merchant banking experience. Prior to joining Harith, he worked for Investec Bank, Coronation Capital and African Merchant Bank in South Africa, with a focus on aircraft, plant and equipment financing, and various acquisition finance transactions.

EMILE DU TOIT
Head: Implementation
CA(SA)
Emile was Head of Corporate Finance at the Development Bank of Southern Africa in South Africa. He has over 15 years' relevant corporate finance experience, having joined the DBSA as an Investment Officer. He has been involved in many high-profile transactions and currently serves as a director and trustee on the governing boards of several institutions.

LESIBA MORALLANE
Senior Manager: Growth
BCom (Hons), MBA
Lesiba has significant finance and telecommunications experience, with financial and management expertise gained from both the private and public sectors. He joined Vodacom SPRL in the Democratic Republic of Congo in 1999 as Head of Financial Management, has worked for Vodacom South Africa in Midrand, the Limpopo Economic Development agency in South Africa as Group Finance Director and also served as a Chief Operating Officer. He serves on various boards, including the South African Road Agency, Limpopo Province, and Checkers/Shoprite Proprietary Limited – Thohoyandou, Limpopo province.

PANI TYALIMPI
Head: Asset Management
BCom (Hons), MBL
Pani is a seasoned professional with many years of transactional experience in project finance, private equity, investment banking and corporate finance. Prior to working for Harith, she was an executive at the DBSA. She worked for several financial institutions, including the PIC where she funded and managed BEE transactions with the value of R43 billion; African Harvest Capital and ABN Amro, where she was employed in corporate advisory services. Prior to African Harvest Capital and ABN Amro, Pani also spent five years at the Development Bank of Southern Africa, working in the Project Finance Unit.

SOULEYMANE KEITA
Head: West Africa
BSc Actuarial Mathematics (University of Montreal, Canada), MBA (ESSEC, France)
Souleymane joined Harith in 2007. He has led a range of private and PPP transactions in the ICT, energy and transport fields across Africa. Previously he spent five years at AfDB, where he was successively a Senior Investment Officer in the Infrastructure Finance division, a Senior Financial Analyst and a Senior Analyst in the treasury department. He was involved in a number of projects including a power project in Uganda, water projects in Burkina Faso and Nigeria, and transport programmes in Morocco and Senegal. Before this he was an Investment Manager in charge of the development of new financial products at Dexia Public Finance. Souleymane's experience includes stints at Parabas Affaires Industrielles and Lazard Freres & Cie.

ORVILLE CACHIA
Senior Investment Director
BCom (Hons)
Orville was employed by Nedbank Capital in South Africa as an investment banker prior to joining Harith. He has extensive experience in project and infrastructure finance, having specialised in the provision of advisory services and finance to large projects and concessions. He has over 24 years' field experience and has been involved in the preparation, funding and implementation of a wide variety of infrastructure projects including the new Limpopo bridge between South Africa and Zimbabwe, the N4 Maputo Corridor toll road, the new rail line and upgrading of existing railway lines between Beitbridge and Heavy Junction in Zimbabwe, and the first limited recourse BEE mining transaction (Eyesizwe).

SOLOMON NORTJE
Head: Project Development
M.Com, T.H.O.D and CAIB qualifications
Sollie joined Harith General Partners in November 2012 as Head of Project Development. His core responsibility is to establish an infrastructure project development entity that will support the early stage preparation and development of infrastructure projects in Africa. Prior to this, Sollie was responsible for selecting, appraising and managing infrastructure equity investments on behalf of Absa Capital on the African continent, focusing on equity and mezzanine investments in infrastructure concessions, operating companies and service delivery organisations.

CHRIS GERBER
Head: Implementation – Research and New Products Development
CA(SA), CFA Charter holder
Chris has over 16 years' experience in private equity, investment banking, structured finance and corporate finance. He has worked for companies such as the PIC African Harvest Capital, Absa Capital and KPMG. He has managed a portfolio of investments in excess of R20 billion; led investments in BEE transactions amounting to over R11 billion as well as investment disposals totalling R1,8 billion.

VIRGINIA DE UJFALUSSY

Head: Legal Tax and Regulatory

BA, LLB, LLM

Virginia is responsible for all legal matters regarding Harith's investments including due diligence, structuring, negotiation, vetting, comprehensive legal risk analysis and mitigation as well as the oversight of all shareholder, project and transaction agreements. Prior to joining Harith, Virginia worked for South Africa's premier development finance institution, the Industrial Development Corporation. Virginia has worked in equity, debt and project finance in several cross-border Africa investments and projects. She is an admitted Attorney of the High Court of the Republic of South Africa.

PATRICK AFORDOFE

MBA, CA(SA), Bcom Hons, Bcom

Patrick has 10 years' experience in project and corporate finance. Prior to joining Harith, he worked in the Infrastructure team of the Industrial Development Corporation of South Africa where he closed, and was involved in a number of transactions. These transactions covered a broad range of infrastructure sectors including power, ICT and transport. He is a qualified chartered accountant, having obtained his Bcom and CTA from UCT and completed his articles at Deloitte.

LUMKA NGQOLA

Investment Manager

CA(SA)

Lumka has over six years' experience in deal making, financial analysis and modelling, and conducting due diligences. Prior to joining Harith, she worked as an Account Manager at the IDC, where she worked on a number of transactions across different sectors such as agro-processing, forestry, metals and renewable energy, among others. Prior to this she was a Financial Analyst within the assets and liabilities management team at the National Treasury.

THENJIWE VANDA

Senior Manager: Research and New Products Development

BEcon (Hons) (Economics), MBL

Thenjiwe is an economist at Harith. Previously she ran the PIC's Fund of Funds Unit. Thenjiwe made a total of seven fund investments totalling R2 billion during her period at the PIC. Prior to joining PIC she worked for the National Treasury asset and liability division responsible for restructuring state-owned enterprises in the telecommunications and energy sectors. She brings to the team over 16 years' experience in corporate finance, private equity and development finance, having worked for Standard Bank, WesBank Corporate Finance as well as the Development Bank of Southern Africa.

PEARL RABALI

Investment Director: Legal Tax and Regulatory

BSocSci, LLB (UCT), LLM (Wits), LLM (Vrije Universiteit, Amsterdam)

Admitted Attorney to the High Court of the Republic of South Africa. Pearl is an Investment Director for legal. She is responsible for legal matters relating to Harith's investments including due diligence, structuring, negotiation, legal risk analysis and mitigation as well as the oversight of all shareholder, project and transaction documents. Prior to joining Harith, she worked at Absa Capital as senior legal adviser in the leverage and structured finance team advising on all finance-related matters including project finance. She has also worked in the banking and finance departments of Nortonne Rose Fulbright and Clifford Chance.

ASANDA CHUMA

Senior Legal Adviser

BA, LLB (Rhodes)

Asanda is a senior legal adviser and is responsible for all aspects of investments, which include deal structuring, due diligence, project finance, post-transaction monitoring and reporting, and project development and execution. Prior to joining Harith, Asanda was a senior legal adviser at the Industrial Development Corporation, advising on all matters related to corporate finance, project finance, and corporate and commercial and project development.

BRUCE ARCHER

Investment Director

CFA Charterholder

Bruce has over 15 years' experience in corporate finance, project finance and asset management. Prior to joining Harith, he worked for Alexander Forbes, Citibank, Cennergi and Rand Merchant Bank.

Bruce has been involved in both equity and debt-related transactions spanning renewable energy, conventional power, oil and gas, telecoms, mining, affordable housing and sovereign loans and bonds.

XAVIER MOSIKARE

Senior Investment Analyst

BSc Actuarial and Financial Mathematics, CFA (student)

Xavier is an analyst in the investment team. He covers a number of different sectors as an analyst, inter alia, infrastructure, energy and other wider-fields areas. This has allowed him to develop a broad understanding across a wide variety of sectors and business areas. He also has a good quantitative background that has equipped him with excellent technical skills, particularly in a number of modelling languages such as Matlab, SAS and Excel.

RENEILWE MOKOENA

Senior Investment Analyst

BCom Accounting Sciences (Hons) University of Pretoria CA(SA)

Reneilwe is a Senior Investment Analyst within the Harith team. She obtained her BCom Accounting Sciences (Hons) from the University of Pretoria and completed her articles at Deloitte Johannesburg before qualifying as a CA(SA). Prior to joining Harith she worked as an Investment Associate at the National Empowerment Fund in their Turn-Arounds Workouts and Restructuring Unit, tasked with managing and rehabilitating the distressed portfolio. Previously she was an Audit Manager within the Financial Services Team at Deloitte where she planned and managed audits across the retail banking, asset-backed lending and investment management sectors.

Definitions

AfDB	African Development Bank, an investor in PAIDF
Aldwych or AHL	Aldwych Holdings Limited, a PAIDF investment in the energy sector in Kenya, South Africa and Zambia
ABSA	Absa Bank Limited, an investor in PAIDF
ARM	Asset and Resource Management Company Limited, a Nigerian asset management firm which focuses on traditional asset management and specialised funds
ARMHIF	Harith Infrastructure Investment Limited, a specialist private equity infrastructure fund set up by ARM in partnership with Harith
BEE	Black Economic Empowerment
Board	Board of directors of Harith General Partners Limited
Bongwe	Bongwe Investments Proprietary Limited, a PAIDF investment in the infrastructure sector in Botswana
Board of Trustees or Trustees	Board of Trustees of PAIDF
CAGR	Compound annual growth rate
CIVH	Community Investments Holdings Proprietary Limited, a PAIDF investment in the ICT sector in South Africa and the holding company for DFA and non-core assets, Dartcom and MCT
COMESA	Common Market for Eastern and Southern Africa
CSR	Corporate social responsibility
DBSA	Development Bank of Southern Africa, an investor in PAIDF
DFA	Dark Fibre Africa, a PAIDF investment in the ICT sector in South Africa, a subsidiary of CIVH
DFI	Development finance institution
Enfidha	Enfidha-Hammamet International Airport, Tunisia, operated by TAV
EPPF	Eskom Pension and Provident Fund
ESG	Economic, social and governance
ESHS	Environment, social, health and safety
ESIA	Environmental and Social Impact Assessment
FIFR	Fatality injury frequency rate
FMEnv	Federal Ministry of Environment Nigeria
The Fund or PAIDF	Pan African Infrastructure Development Fund under management of Harith
FSCA	Financial Sector Conduct Authority
GEPF	Government Employees Pension Fund, a South African pension fund and investor in PAIDF
GDP	Gross domestic product
Harith or the Fund Manager	Harith General Partners Limited, fund manager of PAIDF and PAIDF 2, developer of Progeny
ICNIRP	International Commission on Non-Ionising Radiation Protection
ICT	Information and Communication Technology
IFC	International Finance Corporation World Bank Group
IFRS	International Financial Reporting Standards
Investors	Investor participants in PAIDF
IPP	Independent Power Producer
King IV	King Code of Corporate Governance for South Africa
LIA or Lanseria	Lanseria International Airport Proprietary Limited, a PAIDF investment in the transport sector in South Africa
Liberty	Liberty Life Limited, an investor in PAIDF
LTIFR	Lost time injury frequency rate
LTWP	Lake Turkana Wind Project, under development by PAIDF investment Aldwych, is the largest clean power project in Africa and will provide 300 MW of clean power to Kenya's national electricity grid
Main One	Main One Cable Company Limited, a PAIDF investment in the ICT sector across West Africa
Management team	Management team of Harith

MCT Telecommunications	MCT Telecommunications Proprietary Limited, a subsidiary of CIVH
Metropolitan	Metropolitan Life Limited, an investor in PAIDF
Monastir	Monastir Habib Bourguiba International Airport, Tunisia, operated by TAV
NESREA	National Environmental Standards and Regulations Enforcement Agency, Nigeria
OM or Old Mutual	Old Mutual Life Assurance Company, an investor in PAIDF
PAIDF	Pan African Infrastructure Development Fund 1 under management of Harith
PAIDF 2	Pan African Infrastructure Development Fund 2 under management of Harith
PIC	Public Investment Corporation Limited
Portfolio	Investment portfolio of PAIDF
PPPs	Public private partnership, a commercial partnership between private and public sector for the purpose of completing a project that will serve the public
Progeny	Progeny Development Finance Proprietary Limited, a newly established subsidiary of Harith focusing on the early stages of infrastructure project development initiatives
RIFR	Reportable injury frequency rate
ROML of Rabai	Rabai Operations and Maintenance Limited
SARS	South African Revenue Service
SDG	Sustainable Development Goals
SSNIT	Social Security National Insurance Trust, an investor in PAIDF
Socoprim	The concessionaire of HKB Bridge in Côte d'Ivoire
Standard Bank	Standard Bank of South Africa, an investor in PAIDF
TAV	TAV Tunisia SA, a PAIDF investment in the transport sector in Tunisia
TRIFR	Total recordable injury frequency rate
valuation policy	Valuation policy of PAIDF in respect of the portfolio and underlying investments
y-o-y	Year on year

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Editorial:

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