

Sustainability Report 2021

F-ZURA





Why a Sustainability Report?

Our Sustainability Report is designed to provide insights into Azura Power's sustainability practices and accountability for our environmental, social and governance (ESG) matters from business development to operation.

This Sustainability Report covers key activities from 2020 and 2021. We want to share with our stakeholders and interested parties both the successes and challenges in our ESG performance and the impact of our ESG activities. We welcome your suggestions as well as any insights you wish to share, please contact us at info@azurapower.com



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Azura Power at a glance

Our mission

To become the leading power generation company in Africa with over 2 GW of assets, enabling us to generate power to millions of people across the African continent.

What we do

We generate affordable and reliable energy that's accessible to all. By closing the power gap as swiftly as possible and enabling the emergence of a sustainable energy mix, we can ensure development leaves no one behind.

Our Projects (as of December 2021)

Senegal

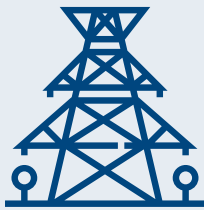
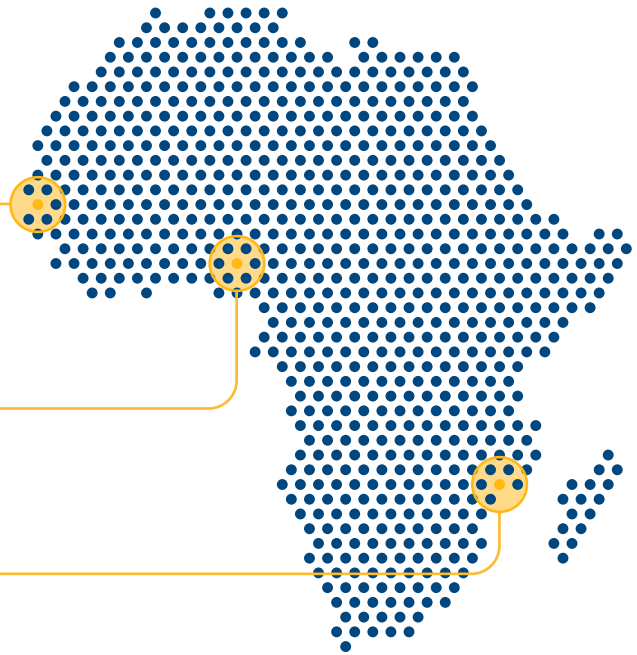
116 MW operational
187 MW in development

Nigeria

461 MW operational
100 MW in development

Mozambique

500 MW in development

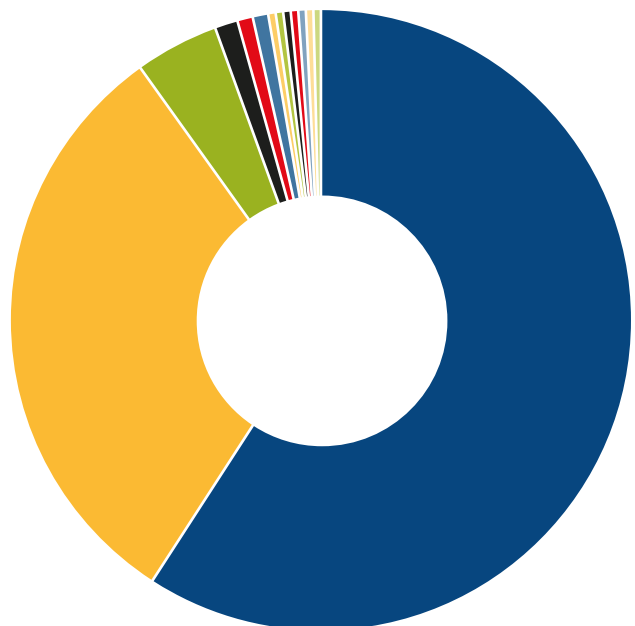


1,363

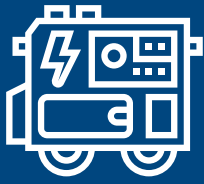
1,363 MW of power operational and in development

Employee diversity

Nigerian	149
Seneglaese	78
Lebanese	11
British	3
Pakistani	2
French	2
Irish	1
Philipino	1
Vietnamese	1
Cuban	1
Canadian	1
Portuguese	1
Turkish	1
Total	252



Facts and figures



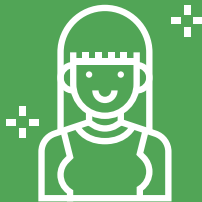
572

572 MW grid capacity



252

252 employees



21%

21% of our employees are women



10

Our diverse workforce consists of **10 nationalities**



<40

On average, our employees are less than **40** years old



500

Direct community investment project: In Azura-Edo, **500** service contracts were awarded to our three host communities

Our history

2012



Azura Power Holding Limited (APHL) is incorporated

2016



Construction of Azura-Edo Nigeria first IPP in Benin City Nigeria

2018



Commissioning of Azura-Edo 461 MW gas power plant Zero LTI during construction phase

2019



Acquisition of Tobene Power 116 MW in Senegal



A message from our CEO

Alan Muir

Chief Executive Officer



Azura Power generates power for millions of people in Africa and plays a part in making the world a more equitable place.

We believe Africa's abundant supplies of natural gas provide the most efficient pathway to rapid industrialisation and the emergence of a sustainable energy mix. Our projects are designed to reduce carbon emissions, transitioning plants from open cycle to combined cycle and using international ESG practices to develop clean gas projects on the continent. At the end of 2019, we purchased Tobene Power with the strategy to convert it to gas as soon as gas is accessible in Senegal; this will contribute to the goals of the 2015 Paris Agreement and the UN Framework Convention on Climate Change process. 2022 marks Azura Power's first sustainability report, and we look forward to sharing our sustainability journey with you annually.

The pandemic has taken its toll over the last two years, heavily impacting businesses and livelihoods. This has been a strange and challenging time for all, but I am incredibly proud of how we came together at Azura Power and demonstrated resilience in the face of adversity and proactively supported our host communities to show our solidarity (please see our social impact section).

Safely running our plants in a responsible manner is not an option but an essential requirement of how we run and grow the company. Why? Because ensuring that everyone feels safe at work and gets back home safely is a badge of honour for us, and so is having a social impact in our host communities and beyond. Our safety culture and how we are performing on safety is one of our key performance indicators. To reflect this, our goal is set to zero lost-time injuries, and we also report on near misses, unsafe acts and conditions, sick days and learnings from incidents. We continue to work on our safety culture, as we will not be satisfied until each employee does their part in staying safe and keeping each other safe. In the last two years, we have had 51 COVID-19 cases, and I am grateful that all who were affected recovered, and we have not lost any employees to this virus. And although we raise awareness on vaccination being the most effective tool to increase protection against COVID-19, this remains a personal choice; 76% of our employees are fully vaccinated.



45%

76% of our employees are fully vaccinated against COVID-19.

We believe strongly in the UN Women's Empowerment Principles, which we joined at the end of 2020, and are reflected across our organisation in all aspects of our decision-making processes, from our HR practices to our management team. Our Executive Committee is made up of 50% women and includes five different nationalities and in 2021, we recruited a woman to diversify the Board of Tobene Power. Nevertheless, we recognise that in the countries where we operate, the inclusion of girls and women in science, technology, engineering and maths is still a challenge, and we are committed to doing our part in this area as we contribute to the development of the next generation of power sector specialists.

Beyond our core business of generating power in a responsible manner, giving back to our host community is an important part of our identity. This, of course, means that we have strong engagement plans and ties with our host communities. In Senegal, for example, 45% of our staff are from the host communities.

I invite you to read our social impact section to learn more about our development impact aligned with the UN Sustainable Development Goals in the areas of education, health, lives and livelihoods, and water, sanitation and hygiene. Gender also runs as a cross-cutting theme across our projects; in implementing these, we purposefully take into account the impact on women as well as the opportunities to empower women.

Alan Muir
CEO



What does Sustainability mean to us?

For Azura, sustainability means conducting our business smartly and responsibly and ensuring that our projects provide tangible benefits to our people and the communities around us. Our long-term success depends on several factors; having healthy employees, being able to access the resources we need, contributing to Africa's economic, human and social development, and safeguarding our planet. Sustainability is just the Azura way.

Seynabou Ba

ESG Director



It is important for our host communities to feel heard and supported by us as we are part of each other's lives and care deeply about our long-term footprint.



Seynabou Ba
ESG Director

I joined Azura Power because I care deeply about my continent's economic development in a sustainable manner and energy is one of the key resources to achieve this. At Azura we are committed to operating to international ESG standards as we value operational excellence, and ESG is embedded in our corporate strategy. Our sustainability journey includes building ESG capacity and pushing every employee to be accountable for environment, health and safety (EHS) matters. In the last two years, the health part of EHS took centre stage as we tackled COVID-19 within and outside our fences. Although our health and safety statistics in terms of lost time injury (LTI) frequency rate and total recordable injury frequency rate have been exemplary in the last two years, we still thrive for more proactive reporting of leading indicators as we continue to build our health and safety culture.

Each asset has its own EHS and Social Team that contributes to keeping our most precious resources safe. As of end of December 2021, our Nigeria plant had operated XX days with no LTI and Senegal 940 days with no LTI.

We have a robust and adaptive environmental and social management system (ESMS) at each facility in line with national law, International Finance Corporation (IFC) Performance Standards, an ISO 14001 and ISO 45001. We will be starting our application for certification in 2022 and strive for certification in 2023. Our ESMS covers our facilities as well as outside the fence to ensure community health and safety.



Women group leaders from the eight villages near Tobene Power

On stakeholder engagement

At Azura, we encourage open communication with our host communities and other stakeholders; we listen, manage expectations and try to find solutions together.

Our stakeholder engagement is adaptive and tailored to each plant to ensure it is undertaken in a culturally appropriate manner. The fact that our ESG team is local gives us an edge in understanding the socio-cultural aspects to embed in our engagement. Furthermore, in Senegal, for instance, about 45% of staff are from the host community, making us very accessible to all in terms of expressing needs and grievances.

In Nigeria, the context is more challenging with three host communities that have competing interests. We work closely with each community and have in place rules of engagement including a grievance mechanism to govern our relationship. Nevertheless, we did face some challenges in 2021 with one community. We were able to adapt our stakeholder engagement strategy, incorporating learning and suggestions from our other stakeholders and shareholders and reset the relationship with this community. Our community relations team is well known in the communities and easily accessible and this contributes to our well-functioning grievance mechanism.



Training in the host communities



Community interaction



Community stakeholders meeting



Women from the eight villages in a post meeting discussion



Tobene Power Plant

On climate change

Africa accounts for less than 4% of the global carbon footprint yet is predicted to be the most hit by climate change.

We have undertaken climate vulnerability assessments of our assets to put in place adaptation measures for future expansion. As Alan indicates in the Message from our CEO section, Azura Power supports the goals of the 2015 Paris Agreement and those of UN Framework Convention on Climate Change process. These include the acceleration of nationally determined contributions to achieve the Paris Agreement goal of limiting global warming to well below 2°C and towards 1.5°C. Therefore, Azura is committed to doing its part in decarbonising by transition plants from open to combined cycle, and and continuing to provide balancing power to enable more renewable energy on the grid. Furthermore, we aim to reduce our scope 1 and 2 emissions as well as use renewables in our community investment projects whenever feasible.



A vocational training beneficiary



Health awareness session



Women from the eight villages

On social impact

Giving back is just part of our core values and as such we have our Power To Change project as a vehicle to do so.

The host communities we operate in are still in the early stages of development and have basic challenges of consistent access to clean water, sanitation, quality education, income-generating activities and access to finance. As such, we have short, medium and long-term strategies to support the development of our communities by first addressing their basic needs. For us it is important for our host communities to feel heard and supported by us as we are part of each other's lives and care deeply about our long-term footprint.

Please read the social impact section to see examples of the projects we are working on. At Azura, we welcome feedback as well as partners to achieve the Sustainable Development Goals (SDGs), so please don't hesitate to reach out at info@azurapower.com

Tanya Abdul Ahad

Group Chief Financial Controller



From my perspective, sustainability is all about looking at potential risks and proactively managing them, and at some point, it boils down to financial numbers and budget. For example, we make sure that ESG compliances matters are respected and monitored. This of course has cost implications but the benefits are higher. We don't cut corners and we choose to work with high standards and quality lenders, advisers and third parties. The review of risks is an ongoing mechanism for continual improvement and as such we need to anticipate and stay informed on regulatory changes, for example, as they could easily translate to financial penalties for non-compliance.

Beyond our own Power to Change programme in Senegal, we also contribute to the "Contribution Economique Locale" programme (which is used locally for corporate social responsibility activities). To me these are both means for Azura to give back to the community. We certainly want to work more closely with local authorities to understand how these contributions are used and give the most possible benefit to our host communities. This all leads us to better performance and to having an improved relationship with our stakeholders who are interested in our projects and trust us, given our track record. Lenders like to work with companies that can work and perform in difficult times and we have proved this by our ability to proactively monitor and manage our risks and to deliver and sustain during difficult times. We have good relations with our stakeholders and understand the contextual risks, their cultural environments and their views on risks. Our long-term approach to risks, relationship and performance has been key to building these strong relationships.



We take a long-term approach to risk, performance and relationships. This supports our ability to deliver and sustain in difficult times. I think this has been key to building strong relationships with our stakeholders.



Tanya Abdul Ahad
Group Chief Financial Controller

David Peacock

Chief Commercial Officer



From a business development standpoint, when we undertake our due diligence, we first evaluate whether an asset makes sense for us by looking at all aspects of the project such as country context, infrastructure, economics, ESG and HR. Second, we analyse what additionality we can bring to the project by checking its sustainability practices and opportunities to improve performance. From an early stage, we want to know whether communities surrounding the plant are being heard and treated right, as well as about any meaningful community investment. It's important for us to get involved in reputable projects so we can control the quality at entry to our portfolio with sound and impactful projects.

Taking Tobene Power as an example, today it runs on heavy fuel oil. However, it was strategic for us because we can make a transition to gas as soon as gas becomes available in Senegal and contribute to a lower carbon future. Given our focus on ESG, it is clear that if we face environmental and social challenges that can't meet our environmental requirements, we would simply not get involved in the transaction.

Our lenders and shareholders have strong views on ESG matters and we have strong credibility and a strong team to deliver well and report on ESG. The next step for us is to see how we can monetise our ESG brand and track record.



Given our focus on ESG, it is clear that if we face environmental and social challenges that can't meet our environmental requirements, we would simply not get involved in the transaction.



David Peacock
Chief Commercial Officer



Gender equity

Women employed in the energy sector in Africa only account for 21% of the workforce. In 2020 Azura Power sought to address the issue by adopting the UN Women's Empowerment Principles that offer guidance on how to empower women in the workplace, marketplace and community.



In Azura, there are strong, remarkable women working in an industry that has not historically attracted many women. I am particularly happy that we are empowering women.



Tanya Abdul Ahad
Chief Financial Officer

Sophie Ejelue

HR Manager, Azura Power West Africa Limited (APWAL)



Our HR policy makes sure that we attract, recruit, and promote employees on the basis of their suitability for the job without discrimination. Employees are remunerated fairly according to skills and performance with reference to competitive industry and market conditions. We value diversity and inclusiveness and believe employees from varied backgrounds enrich the Company's culture, thereby supporting business success through an inclusive workplace.

There is also no hold back when it comes to training our employees. In Azura, we believe that talent is not stagnant and people are the most important asset we have, so we invest heavily in employee training and development and leverage on one another's knowledge and expertise.

Work-life balance is important to us, we encourage employees to always maintain healthy balances between work and life.



APWAL recognizes that the long-term success of the Company depends on the ability to attract, retain, develop and motivate the right talents to ensure the continued growth and sustainability of the company.



Sophie Ejelue
HR Manager, APWAL



TP

TORENE POWER SERVICES

Environment, health and safety

At the heart of Azura's sustainability goals are the fundamental values of operating safely and responsibly, protecting the environment and ensuring the well-being of our employees, onsite subcontractors and the communities where we operate. We recognise the direct link between a solid performance in EHS, the social dimension and sound financial performance.

Edo Okeke

Managing Director, (APWAL)



We are committed to complying with all applicable national legal requirements for environmental, health, safety and social as well as the IFC Performance Standards. As such, these considerations are an integral part of our planning, development, operation and decision-making processes. We have also begun working with our primary subcontractors to integrate good EHS practices in order to continuously improve EHS performance across our value chain.

We continually put strategies in place to improve our safety culture. Our aim is to achieve the highest standards of performance through health and safety leadership, risk identification and mitigation, and continual improvement. Our top priority is to ensure all employees return home unharmed every day. The sound management of COVID-19 with all affected fully recovering and zero impact on our operations demonstrates our responsiveness and commitment to safeguarding the health, safety and well-being of our employees. We monitor and report our EHS and social performance to ensure the health and safety of our people and communities.



1,000 days without an LTI is no small achievement, especially considering the context and culture of where we are. But we did it because we hold ourselves to international standards and want to be recognised as such.



Edo Okeke
Managing Director, APWAL



1.3m

On a platform level we had **1.3 million** person hours with no LTI.



Maintenance work at Tobene Power



Maintenance work at Tobene Power



Students seeing how water treatment works



Employees doing an EHS inspection at Azura-Edo



Getting to 1,000 days without an LTI required real teamwork to ensure procedures as well as our 'no wahala initiative' were followed, and each person was accountable for safety.



Dafe Onoro
EHSS Manager, Azura-Edo



Dafe Onoro



Meissa Sarr, EHS manager during site inspection



Tobene Power shift change debriefing



Engineering meeting



Naffisatou Diouf, assistant mechanic at work



Moustapha Goumba



I have been at Tobene Power since 2015 and I'm passionate about fixing machinery. I am very comfortable stopping a colleague from undertaking an unsafe act. Each person needs to be humble and accept life-saving feedback.



Moustapha Goumba
Chief mechanic



Social

Social aspects are an integral part of our risk management framework as well as our impact footprint. From a risk management perspective we have a team to cover matters such as contextual risk, stakeholder engagement, grievance mechanism and labor and working conditions. We also have a social impact arm which focuses on improving peoples lives for the better.



Livestock farming training beneficiaries



Oba Erediawa Primary School library inauguration



Primary School hygiene lesson



Community Town Hall Meeting



Children in one of our communities

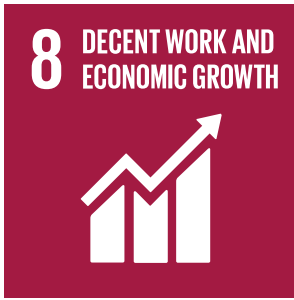
Social impact: Power to Change

Our aim is to contribute strategically and positively to the social, environmental and economic development of local communities.

Power to Change is the social impact arm of Azura Power and is active in both Nigeria and Senegal. It is embedded in Azura's strategy and creates measurable social impact that improves the lives of people in our host communities and beyond as well as contributing to the UN SDGs. Nigeria and Senegal each has its own committee members who are responsible for selecting impactful projects in the focus areas as well as identifying development partners to support Power to Change in implementing our programme.

The key focus areas are: education (including power sector capacity building), health, water and sanitation, and sustainable livelihoods noting gender is a cross-cutting theme.

These focus areas align and contribute to the following SDGs:



Azura also welcomes the opportunity to partner with others to achieve the SDGs.

Our internal stakeholders also participate in the success of the Power to Change programme. Azura has a Matching Gift Programme enabling employees to live out their values through charitable initiatives at the end of each year. Since 2018, Power to Change has made a direct and indirect positive impact on thousands of lives across Nigeria and Senegal. We plan on doing much more on this mission to improve lives for the better by deepening our impact in our host communities and across the countries we operate. We welcome you to join us on this journey of making lives better.

Nonye Obibuaku

Chief Financial Officer, APWAL



Early on, founders wanted the company to be more than just a company that makes money, they wanted to better the lives of our stakeholders; this is the root of Power to Change. Azura Power was created to be a model of what a power generator company could be in Nigeria, with a family spirit, where everyone can contribute ideas. Early on, the company also decided to allocate specific annual budget to social impact.



Giving back is part of our business model and as such it is important that communities, employees and stakeholders benefit from the success of the company.



Nonye Obibuaku

Chief Financial Officer, APWAL



Education

Education is essential to development, yet the quality of and access to education across most parts of Nigeria and Senegal could be strengthened. As we believe no nation can rise above its educational development, we are keen on investing in education in underserved communities in the countries in which we operate. Our work typically starts by renovating the physical infrastructure of schools (such as classrooms, ceilings, toilets and access to water) so as to provide a decent environment. Then, in collaboration with the relevant institution, we put in place a programme to improve the teaching and the educational level of the students in our host communities. Azura is a keen supporter of girls in science, technology, engineering and maths (STEM) and we plan to develop programmes to ensure girls stay in school and further their education (including in STEM), instead of getting married at a young age.

The North-East Children's Trust in Maiduguri, Borno State, north-east Nigeria. This region has been ravaged by the insurgency and terrorism meted out on innocent citizens by Boko Haram. The trust supports the psychosocial and educational well-being of 1,150 children between the ages of 5 to 18 years displaced by the insurgency in the region. Its flagship Learning Centre is equipped with living and learning spaces, an ICT centre, science laboratories, vegetable and animal farm, a library and vocational training facilities.

Azura provided support through our Power to Change programme by installing 120 kVA of solar power in the school. This helps reduce energy poverty by promoting access to clean energy, and has taken the total solar power supply capacity at the Learning Centre to 213 kVA. The school administration has already saved millions (of naira) in energy bills. An added bonus is that students were trained to put the solar panels in place and maintain them.

- a) Our education interventions include constructing a block of five classrooms and a library at the Oba Erediawa Primary School in the Idunmwonwina Community and installing clean water systems (tanks, pumps, taps and power) to provide water, sanitation and hygiene support in three primary schools.
- b) In two schools in Senegal we renovated 10 classrooms and toilets, and provided new desks or renovated existing ones if they were salvageable. Our next step is to improve the quality of education and to ensure girls stay in school.



1,150

The North-East Children's Trust supports the psychosocial and educational well-being of **1,150** children between the ages of 5 to 18



Solar PV installation and maintenance



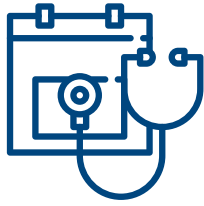
Solar PV installation and maintenance



Students learning



Students in one of the block of classrooms provided by the PTC in the host community



Health

Physical well-being is essential to quality of life, and can contribute to increased productivity and economic development. As such we support members of our host communities to improve their well-being through health initiatives. We also restore existing health facilities from both a physical infrastructure and medical equipment perspective.

Through our partnership with the Tulsi Chanrai Foundation we have funded the eye surgeries of more than 3,500 people from low-income families and communities across Nigeria. Many of these people had lost their sight completely or were on the verge of losing their sight due to preventable causes. In terms of outcomes, people regained self-dependency, enhanced incomes and improved livelihoods. Some people restarted or continued their education, some re-joined their jobs and others have either started their own businesses or are supporting family businesses. All participants now enjoy a better quality of life.

Within our host communities, health awareness events are conducted to keep the residents informed about tropical diseases (such as malaria and cholera) and other severe conditions like hypertension and hepatitis. We undertook a Santa Medic drive which is an initiative with doctors during Christmas to raise awareness on health matters and provide on-the-spot care to those in need. Furthermore, Azura-Edo piloted a telehealth integration programme aimed at providing virtual access to medical services via phone calls; this was provided to 500 households in the host communities.

In Senegal, we renovated the maternity ward in the health post that serves 8 villages in our host communities. We redesigned the delivery room and move it to a more spacious areas, redid the entire roof which was leaking, renovated the toilets, and provided new beds and medical equipment.



Eye surgery



3,500

We have funded the eye surgeries of more than **3,500** people from low-income families and communities across Nigeria.



Ambulance donated by the PTC



Telehealth integration programme



Orphanage employee matching program



Santa Medic drive



Santa Medic drive



Sustainable livelihoods

In Nigeria we are implementing various livelihood improvement programmes for members of our host communities, especially women and young people. These programmes are implemented in collaboration with Edo-jobs and LAPO and include vocational skills acquisition, business start-up and business management training. Participating in a business and financial management training session is part of the selection criteria for a pilot zero interest microcredit programme aimed at building credit and improving livelihoods. The programme has proved to be very popular and 52 participants (13 men and 39 women) have been selected.

In Taraba, Nigeria, our Power to Change programme supports members of the Gashaka community who live around the country's largest national park – Gashaka Gumti. The park is managed by Africa Nature Investors, a nature conservation NGO. Through our support, around 80 women from the communities around the park are being trained in shea nut harvesting and processing. In this way, community members can access higher incomes and improve their lives.



66

We supported **66** women in 14 communities to form an economic interest group to produce soap



Beyond our core business of generating power in a responsible manner, giving back to our host community is an important part of our identity.



Alan Muir
CEO

In Senegal, we supported 66 women in 14 communities to form an economic interest group to produce soap using local plants with natural herbal properties such as antiseptic and cleansing. This was part of our COVID-19 response initiative, partly financed by our shareholder Actis, to strengthen women's livelihoods in our host communities. The women mostly depend on seasonal agricultural activities so producing soap adds to their livelihood sources. For this initiative we partnered with UN Women who provided us with free technical assistance. Tobene Power supported the set-up of an economic interest group named 'Thiossane' to ensure a structured and formalised management of this activity and to facilitate its development. Furthermore, Tobene Power assisted the women in coming up with the design of their logo. The local workforce was used for the soap storage site renovation, and the making of shelves, tables, uniforms and so on. The first phase of the project involved training the women in soap-making and ensuring the quality is consistent; the second phase will be to support the women in marketing and sales activities beyond the nearby communities. Their ambition is to sell wholesale to supermarkets. A Facebook page will be created in 2022 to promote the soaps. Please don't hesitate to contact us if you would like to buy their wonderful products.



Shea nut harvesting in Nigeria



UN soap making certificate



Establishment of the cooperative society



Soap making training in Senegal



Water and sanitation

Tobene Power's early commitment to its communities included installing solar power for a water pump. This aimed to reduce electricity use, while enabling more villages to have access to water – in the long-term leading to community members having more disposable income. The solar panel system was inaugurated in July 2020. We are particularly proud of this as we managed to do the work during COVID-19 while respecting all national precautionary measures. Early outcomes indicate a significant reduction of electricity use, by a third.



Students using the PTC water system

33%

The solar powered water pumps we have installed have reduced electricity consumption by **33%**.



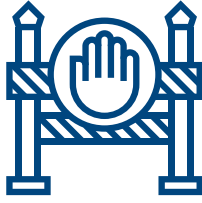
Upgraded Community water system



Solar power for the water pump in the eight villages near Tobene Power



Solar power for the water pump in the eight villages near Tobene Power



Safety

The safety of the Azura-National Integrated Power Project (NIPP) road has been improved by adding speed bumps to stop drivers speeding. In 2021, Azura further improved the safety of the road by hiring a contractor to install 136 units of solar streetlights to improve night safety and security. A quality assurance and control consultant was engaged to ensure quality standards and best practices were adhered to in the execution and delivery of the project.

Resettlement site at Azura-Edo

The site of the Azura-Edo Power Plant was previously occupied by farmers and several dwellings. The Edo-State Government acquired the land to enable the power plant project which is located close to NIPP. Azura Power as part of its policies ensured that the land acquisition process met international guidelines in particular IFC Performance Standards 5 (PS5) on land acquisition and involuntary resettlement. This required that Azura Power closes the gap between the government land acquisition process and the requirement of PS5. This involved key actions from Azura:

- a) Resettlement Action Plan (RAP), which was undertaken by ERM and it is publicly disclosed on the IFC website along with the environmental and social impact assessment;
- b) Additional compensation to top up government compensation;
- c) Building a resettlement site for people who had dwellings on the project site; and
- d) Undertaking an audit of the RAP to ensure that livelihoods have been restored.

Completing the resettlement site for the physically displaced project-affected people and closing out the RAP audit action are big milestones. The site has full amenities: roads, water, electricity access and a security guard. It is important to note that project-affected people were cash compensated in 2014 to rebuild their homes once the resettlement site was completed. However, all but one managed to become home owners before the resettlement site was completed. Nevertheless, 20 project participants (44%) are now building their foundations. The audit was conducted by a third-party consulting firm, Environmental Accord, in September 2021 and on review of its findings, the lenders and their adviser approved the RAP closeout audit.



136

The safety of the Azura-National Integrated Power Project (NIPP) was improved with the installation of **136** units of solar streetlights.



An engineer at work



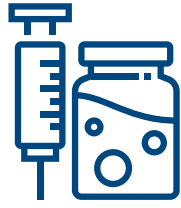
Housing at the Azura resettlement site



Solar-powered streetlights



An aerial view of the Azura resettlement site



COVID-19

Emergency preparedness and response system

We swiftly and proactively responded to the COVID-19 pandemic in Senegal and Nigeria. We developed a COVID-19 management plan to protect all our employees and our local communities. Our staff were among the first in Senegal to wear masks. Our protocols included temperature measurements, distancing within the company bus and canteen, regular disinfecting of our plants, and presence of an isolation rooms. We successfully dealt with COVID-19 cases without any business interruption which is a testament to our management system and strong commitment from staff.

We were also committed from the outset of the pandemic to helping to protect our local communities, not least because they are home to almost half our employees in Senegal, and several contractors in Nigeria. In March 2020, before schools closed and the requirements for social distance set in, we rolled out awareness-raising campaigns in schools and to the spouses/partners of our employees in Senegal. We also distributed soap to staff and community members, while frequently disinfecting our plant using a third-party firm specialised in COVID-19 disinfection.



64,000

We manufactured and distributed **64,000** masks and 210 units of medical personal protective equipment.

It was important for Azura to support host communities in the fight against COVID-19 and help build greater resilience to deal with future crises. Our inclusive and strategic stakeholder engagement and diversified means of communication were essential in this fight. We ensured that both young people and women were represented in guiding our interventions toward where it was needed the most.

Given the negative financial impact of the pandemic on many community members who depend on day-to-day mobility to make a living, it was key for Azura to support these people where possible in activities that could generate income. As such, during our intervention in Senegal, we sourced most of the goods and services directly from local communities. Local tailors made close to 10,000 masks that were distributed to the communities, firefighting services and Tobene employees and their families. We also enlisted support from youth groups to distribute the masks. And we installed handwash stations in key public areas, and provided digital thermometers to schools and the local market. As part of the government contribution to support local communities through the local municipality, we provided food packages to 300 vulnerable households. We also contributed to the government's special COVID-19 fund, along with other private sector businesses.

In Nigeria we intervened directly through our Power to Change programme and our partner Tulsi Chanrai Foundation – Mission for Water, with a grant from PIDG, to support the communities outside Benin State. Our direct intervention included first raising awareness on COVID-19 protection measures in schools and communities, providing the handwashing mechanism 'Veronica's Basket', providing water by fixing four boreholes, manufacturing and distributing 54,000 masks and 210 units of medical personal protective equipment for Edo State and our host communities' primary health centre, and distributing food packs to host communities, providing 600 households with rice, noodles, tomatoes and vegetable oil.

We financed the rehabilitation of 25 boreholes in three local government areas in Kebbi. In collaboration with the Tulsi Chanrai Foundation and other partners, we provided palliative items and medicated soaps to people in need. The key outcomes were assuring the availability of safe drinking water and sanitation and hygiene facilities to over 15,000 community members, and reaching more than 3,000 families with palliative care in Abuja, Yola and Zaria.



Students being taught about hygiene



It was important for Azura to support host communities in the fight against COVID-19 and help build greater resilience to deal with future crises.



Seynabou Ba
Head of ESG



A tailor making masks during COVID 19



Governance

We have a mandated focus on ESG from the very earliest stages of any project, whether that be greenfield development or an M&A opportunity and we screen for all ESG issues from the get go. We do not get involved with projects that will not be able to meet our environmental, health, safety and social requirements.

Our ESG Committee, made up of shareholder representatives and directors, together with our ESG team members, meets quarterly to discuss Azura ESG priorities, performance and challenges. Our ESG Director is on the Executive Committee at the Azura platform level and, in addition, also has weekly meetings with the CEO to discuss ESG matters. Our ESG commitments are the responsibility of every member of the organisation and are led by the environmental, health, safety and social teams on the ground.

Our Power to Change programme also has a governance structure that includes a chair and members from diverse groups in the organisation as well as observers. We follow written guidance on project selection, approval and monitoring processes.

We also have a comprehensive corporate governance structure in place which is subject to regular scrutiny and review. All employees have signed the anti-bribery and corruption policy and annual training is mandatory across the entire business. We already have a whistleblowing line in place but are in the final stages of outsourcing our whistleblowing mechanism to a third party to ensure more confidentiality and to accommodate the needs of our growing business.

Jennifer Gladstone

General Counsel and Head of HR



I have two roles at Azura: General Counsel and Head of Human Resources. In my capacity as General Counsel, I make sure that all contracts we enter into are robust, protect the company's interest, and are in line with our policies and governance principles. Our shareholders, boards, committees, management, finance and legal teams have all worked closely to put in place best practice corporate governance policies and procedures at all levels of the business. The teams work together to ensure that our governance structure is properly implemented and regularly reviewed; ensuring it is not only practical in its application but complies with an ever evolving regulatory environment.



45%

In Senegal **45%** of our staff are from our host communities.

On the HR side, I work together with our HR Business Partner and in-country HR managers providing direct support to our asset teams and our wider platform employees. Azura is a small and agile company with a family spirit. For me, it is important that people feel heard, have an open avenue to discuss their issues whether, work-related or not and have trust in the HR team and know that we are here to help resolve issues, where we can. Our grievance mechanism and easy accessibility to each other has allowed us to build more connectedness, communication and trust.

The pandemic is a massive macro event that did not come with a rulebook. We had to be nimble and write our own rules on how to best mitigate the associated risks and tackle issues head on, in each country of operation. This impacted both the legal and HR aspects of my role. From a HR standpoint, we had to ensure that platform and asset based teams were provided with all possible help, guidance and advice whilst, at all times, taking into account the differing national guidance and legal requirements in place across all Azura jurisdictions. We were mindful to work closely with all of our teams to ensure that our proposed procedures and practices reflected best practice but were also implementable.

Furthermore, we had to be understanding of the cultural differences at play, for instance, following discussions within the Azura-Edo plant in Nigeria, it was agreed that, to protect staff, the plant would enter a state of lock down. However, we were careful to ensure that our employees and subcontractors were provided with good accommodation, that the mental health and wellbeing of staff was a key priority and that staff were properly and well compensated. On the other hand, in Senegal, listening to staff and working with country management, it was clear that locking down the Tobene plant was not practicable but robust alternative solutions were quickly agreed and implemented that saw all staff members working together to minimise COVID risks whilst ensuring the plant continued to operate during a very challenging period. The fact that we were able to care for our employees and continue to operate successfully is a testament to our resilience and the incredible team spirit that we have within the business.



Emergency response testing for the cleaning crew



In my capacity as General Counsel, I make sure that all contracts we enter into are robust, protect the company's interests, and are in line with our policies and governance principles.



Jennifer Gladstone

General Counsel and Head of HR



Meissa Sarr visiting Azura-Edo

Looking forward

A sneak preview into next year's sustainability report

1

Progress on our certification process

2

Introduction to our new sustainability information management system – data automation

3

Health and safety culture initiatives at Tobene Power – successes and challenges

4

Signing up to the UN Compact

5

Modernising a pottery project, less pollution and more income for women potters in Taiba N'Diaye



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