

SUSTAINABILITY REPORT 2019



JCM
POWER



“As we celebrate the ten-year anniversary of JCM, we remain as committed as ever to building a sustainable enterprise that considers the values and needs of all of our stakeholders. 2019 was a pivotal year in developing and adopting leading environmental and social practices. The commitment to sustainability and impact is one that sets us apart from our peers and will generate long-term value for JCM and our partners.”

Christian Wray,
Chief Executive Officer

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MESSAGE FROM MANAGEMENT:

We are united in our commitment to achieving the highest international standards in environmental, social and governance matters.

We recognize that this commitment is essential to building sustainable positive relationships with local governments and communities. It ensures that we can attract and retain top talent in our organization, and also the highest quality partners and investors.

We will continue to foster a culture of continuous improvement and accountability. We will build on an already strong foundation to ensure that sustainability and impact remains woven into the fabric of our corporate culture.



Message From Management

MESSAGE FROM THE ESG DIRECTOR:



In late 2018, we launched our ESG Strategy to kickstart the company's ESG journey, and to provide a framework in which to do so. This Sustainability Report represents our commitment to delivering on this strategy, as well as our intention to engage with our stakeholders on the progress we are making towards creating a company that achieves its mission of accelerating social, economic and environmental sustainability in growth markets through the development of renewable energy. It provides us with an opportunity to stop and take stock of what we have achieved thus far, as well as what we would still like to achieve as we look to the future.

2019 has been a year of building: building our systems, our capacity, our relationships, and even starting to build our first utility scale project. In the course of the last year, we were also successful in building the capital base required to support JCM's trajectory from developer to Independent Power Producer (IPP).

Ultimately, what we hope that we have been building are the foundations for success. For JCM, success in terms of ESG and sustainability means not only the effective mitigation of ESG risks, but also maximization of positive impact for people, and protection of the environment.

The development of the 2019 Sustainability Report has afforded us the opportunity to assess our progress towards success in a holistic, transparent, and detailed manner. The next step in our sustainability journey is about reflecting on our performance, looking for areas in which we improve, and finding ways in which the positive impact of our work can be increased. I look forward to taking these next steps with colleagues and partners alike, and to reporting on our continued journey in 2020!

A handwritten signature in black ink, appearing to read 'Alan Cochran'.

Alan N. Cochran,
JCM ESG Director

Message From the ESG Director

JCM is an Independent Power Producer (IPP) dedicated to accelerating social, economic, and environmental sustainability in growth markets.

ESG STRATEGY

THE BASICS

Focused on getting the basics of ESG right such as project compliance, operational reporting, integrating ESG into the project lifecycle.

THE BUSINESS

Creating a corporate structure for effective ESG management, including the establishment of the E&S Advisory Committee, the development of an Environmental and Social Management System, and E&S related policies, and the introduction of sustainability reporting.



OUR IDENTITY

Creating an identity that is synonymous with ESG best practice, which involved establishing a branding for JCM ESG that was easily recognizable, engaging with industry and peers through learning and teaching, and engaging with stakeholders outside of project development.

OUR IMPACT

Looking for opportunities to optimize our impact and create added value, through the development of an impact strategy and a framework for understanding our impact, looking for areas to optimize our impact, and looking to partner with our various investors to leverage funding opportunities to maximize the positive change we are able to create.

ABOUT THIS REPORT:

This is the 2019 annual Sustainability Report of JCM Power (JCM). The report covers the period 01 January to 31 December 2019 and provides an overview of our Sustainability Journey.

SCOPE AND BOUNDARY OF THIS REPORT

The content of this report covers the corporate and project development function of JCM (hereafter referred to as Corporate) as well as the following project companies: Hawa Energy Private Limited, Pakistan (hereafter referred to as Hawa or Hawa Project) and JCM Matswani Solar Corporation Limited, Malawi (hereafter referred to as Salima or Salima Project). It is aimed at providing an overview of our sustainability strategy and progress to date, as well as plans for the coming year.

REPORTING FRAMEWORK

JCM is committed to five pillars of sustainability which form the foundation of our approach to integrating sustainability considerations into the work that we do. The Global Reporting Initiative (GRI) Standards forms the basis of our reporting framework. The detailed GRI content index can be found as an appendix to this report. We have also aligned our approach to the UN Sustainable Development Goals (SDGs). We welcome any feedback on our work and on our reporting. Contact details for this purpose can be found at the end of the report.



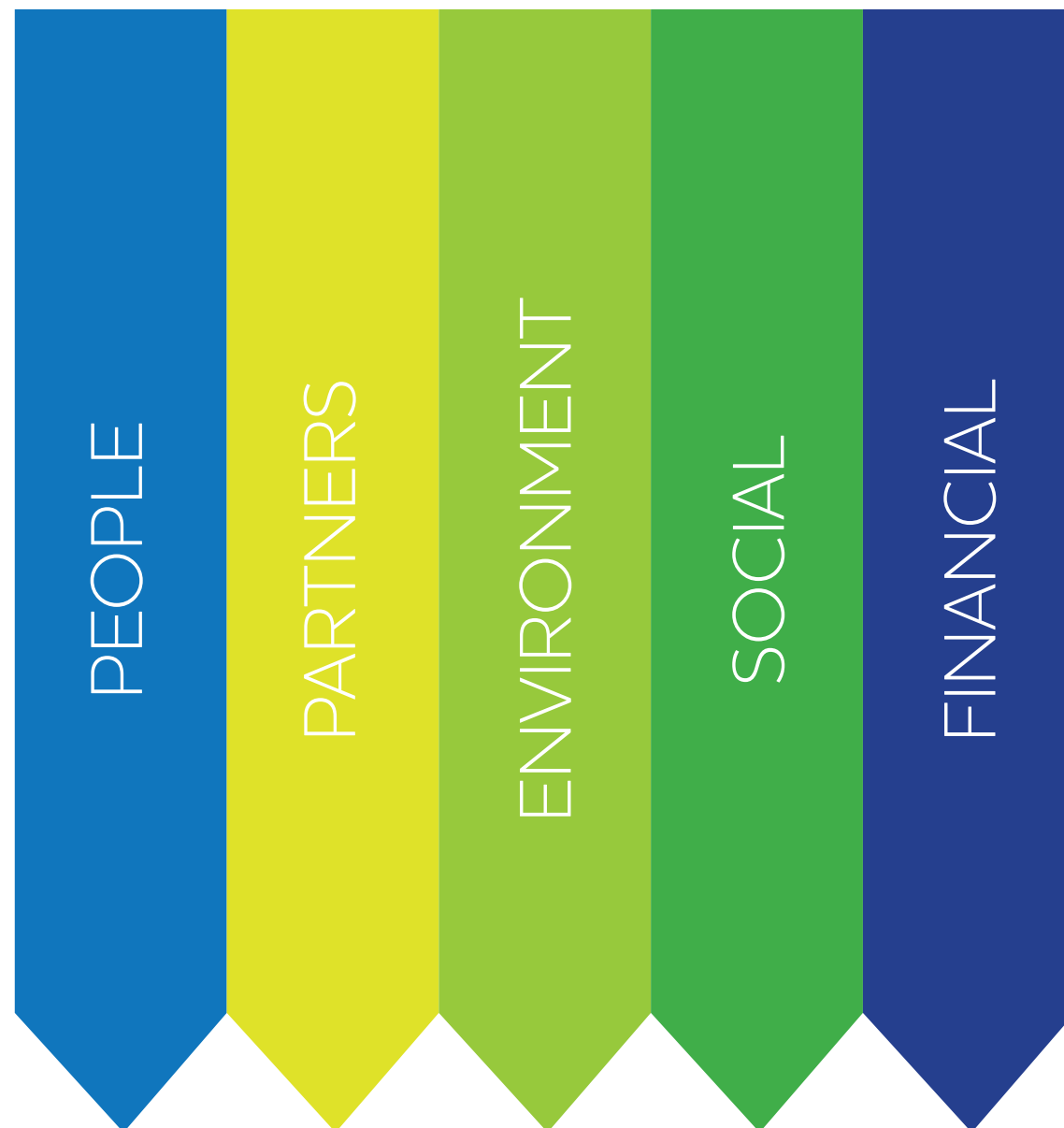
JCM Salima Project Team, Salima Construction Site, Malawi

About this Report

REPORTING FRAMEWORK

GLOBAL DEVELOPMENT PRIORITIES:
UN SUSTAINABLE DEVELOPMENT GOALS

JCM SUSTAINABILITY PILLARS



REPORTING FRAMEWORK:
GRI STANDARDS

2019 REPORTING SUITE

The Sustainability Report complements the Annual Report, which provides a more detailed understanding of the financial aspects of our business.

This report, as well as various appendices, other supporting documents and compliance information not included in this report can be accessed online: www.jcmpower.ca.

LOOKING FORWARD

The nature of this report means that it contains statements that refer to our intentions for the future which, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond JCM's control. The authors, therefore, advise readers to use caution in interpreting any forward-looking statements in the report.



VISION, MISSION AND CORE VALUES:



OUR VISION

Advancing the clean energy age.



OUR MISSION

Our mission is to accelerate social, economic and environmental sustainability in growth markets through the development of renewable energy.



OUR CORE VALUES

Sustainability is at the core of all that we do, and our approach to sustainability takes into account five main spheres that account for the sustainability of our business, our relationships (internally and externally) and our contribution to the sustainability of the environment and society more broadly. The way that we view and embed sustainability is underpinned by our business culture, and is treated with the same level of importance and emphasis as our other business imperatives.

Vision, Mission and Core Values



JCM
is committed to five pillars of sustainability which form the foundation of our approach to integrating sustainability into our work.

JCM'S FIVE PILLARS OF SUSTAINABILITY



ABOUT JCM:

JCM is an IPP dedicated to accelerating social, economic, and environmental sustainability in growth markets. The core of our business is developing, constructing, and operating renewable energy projects and high-voltage Direct Current (DC) transmission lines. We focus our efforts on locations with rapidly growing economies which have abundant sun and wind resources, and where a lack of power infrastructure has led to a scarcity of electricity supply, inhibiting the growth of the economy in question. JCM aims to build long-term partnerships with local communities, governments, and financial institutions throughout the construction and operational phases of clean-energy projects. We recognise these partnerships to be integral to the upliftment of the societies in which we operate, but also critical to our business success.

Countries in Sub-Saharan Africa, Asia, and Latin America are well-positioned to leapfrog fossil fuel-intensive energy production methods and exploit clean, renewable sources of electricity with lower environmental impacts and increased social benefits. Such methods are often more affordable than existing fossil-fuel-based power generation in emerging markets.

Another factor which informs our decision as to whether to enter a country or not is the extent to which governments are eager to take control of their own electricity production and decrease their reliance on imported fuel sources, as this is a key determinant of the ease of doing business within the country in question. As an early entrant in most of the markets in which it operates, JCM has often been a pioneer in young energy sectors, helping governments structure their first Power Purchase Agreements (PPAs) and supporting them in the transition towards low-cost, clean electricity for their citizens.



Signing of the Salima Project PPA

About JCM

MEXICO



Development

PUEBLA, 130MW SOLAR

JCM is developing a 130MW AC ground-mounted solar PV project in the Puebla State, Mexico. The project has secured control of 354 hectares situated 36km southeast of the city of Puebla, and approximately 3.4km from the substation, connecting at 115kv. Due to the recent cancellation of the auction in January 2019, JCM has re-opened discussions with groups for a bilateral sale of the project.

MEXICO



Development

DURANGO, 50MW SOLAR

JCM is developing a 50MW AC ground-mounted solar PV project in Durango State, Mexico. The project has secured control of 270 hectares situated 75km north of the city of Durango, and approximately 100m from the Maniobras substation and feeds into the Canatlan-73460-Nuevo Ideal 115kv transmission line. JCM is seeking a buyer for this project as it plans to exit the market in Mexico.

HAITI



Project

SIGORA, MICRO-UTILITY

Sigora Haiti is a Haitian micro-utility operating generation, transmission, and distribution (direct to end-user) infrastructure in the north-western region of Haiti. The micro-utility includes co-located solar, wind (in development), diesel generation, utility battery storage, transmission, distribution lines, smart meters, and interconnection equipment.

PERU / CHILE



Development

PACIFICO, 1,000MW 700KM HIGH-VOLTAGE DIRECT CURRENT (HVDC) TRANSMISSION LINE

The Project consists of the development of a 1,000 MW 700km long bipole HVDC transmission line interconnecting the Sistema Eléctrico Nacional electricity system of Chile and the Sistema Eléctrico Interconectado Nacional electricity system of Peru. This project represents an important capital asset and will significantly promote mutual economic development. The HVDC technology will enable a better power flow control and improve reliability and security of electrical energy supply. This project is still in early Feasibility and Environmental Screening stages.

MALAWI



Project

SALIMA, 60MW SOLAR

JCM has been developing a 60MW AC solar photovoltaic (PV) project in the Salima district of the Republic of Malawi since mid-2013. JCM has signed a Power Purchase Agreement (PPA) and Connection Agreement (CA) with the Electricity Supply Corporation of Malawi Limited (ESCOM), and an Implementation Agreement (IA) with the Government of Malawi. Equity financial close of the project was reached in March 2019. Construction of the project commenced in April 2019 and is currently ongoing.

MALAWI



Development

GOLOMOTI, 20MW SOLAR

JCM is developing a solar PV project in the Golomoti district of the Republic of Malawi. JCM was successful in a tender process in Malawi and was awarded the right to develop two sites, one site near the Salima substation and a second site near the Golomoti substation. JCM has negotiated and signed a Power Purchase Agreement with the Electricity Supply Corporation of Malawi Limited and an Implementation Agreement with the Government of Malawi.

NIGERIA



Development

KATSINA, 75MW SOLAR

JCM, along with its local partner, has been developing a 75MW AC solar photovoltaic project in the Katsina State, Nigeria since 2014. The project company has 209 hectares of land through a Certificate of Occupancy granted for 40 years. The Nigerian Bulk Electricity Trading Plc (NBET), the off taker, has extended the Long Stop date in the PPA until 2022. JCM will reach financial close and will begin construction when all the commercial agreements are finalized. This includes, the Put Call Option Agreement (PCOA) the amended Power Purchase Agreement and the issuance of the Partial Risk Guarantee from the African Development Bank (AfDB). JCM continues to finalize negotiations with the Federal Government of Nigeria.

PAKISTAN



Project

HAWA, 50MW WIND

In May 2017, JCM launched its Asian platform, partnering with the JS Group through its acquisition of an interest in the 50MW Hawa wind farm located in Jhimpir, Pakistan. The project achieved commercial operation in Q1 2018. OPIC, the US development bank, has provided debt financing for the project. In addition to the Hawa wind farm, JCM currently owns 49.99% of Indus, which in turn owns the controlling interest in Hawa. JCM is pursuing the acquisition of the remaining 50.01% of Indus in order to gain majority ownership of Hawa.

CAMEROON



Development

MBALMAYO, 60MW SOLAR

JCM is developing a 60MW AC ground-mounted solar PV project in the Nyong-et-So'o department of Cameroon's Centre Region. The site is 174 hectares and is subject to a Declaration of Public Utility. The site is situated 7km south of the city of Mbalmayo and approximately 2km from the substation. Feasibility studies, including topography, grid connection, and Environmental and Social Impact Assessment have been completed and approved. The project is currently on hold as JCM plans to bring in a partner to keep the project moving forward.

WHERE WE OPERATE

JCM is headquartered in Toronto, with regional headquarters in Sub-Saharan Africa, Asia, and Latin America. Each Project Company* is staffed by a local team which contributes their region-specific expertise to lead on issues such as local permitting, land acquisition, government relations and stakeholder engagement.

JCM operates in some of the fastest growing markets in the world. Despite the regional differences in socio-political structures and economic prosperity, all target regions have common features of high, unmet energy demand paired with low electrification rates. It is well accepted that unlocking the economic development potential of these areas will require trillions of dollars in energy infrastructure investment over the next two decades, with part of this requirement being met through the work being done by JCM.

Economic development is a key focus of our activities. This is because we understand that the stimulation of local economies is the most powerful lever in improving the quality of life of the people that live within these economies. The average energy consumption of individuals living in JCM's target regions lags the world average by a considerable margin and is substantially less than half of the Organization for Economic Cooperation and Development (OECD) levels.

This highlights the issue of uneven global consumption of energy and emphasises the opportunity for JCM to fulfil potential future demand in these regions with renewable energy, contributing to economic growth and improving livelihoods in a way that minimizes negative impacts on the environment.

BUILDING A GLOBAL RENEWABLE IPP



“JCM has been on a remarkable journey – starting as a new kid on the block not too long ago – it is now leading the pack when it comes to committing to tackle some of the world’s biggest challenges which include gender equality, climate change mitigation, and improving access to energy in developing countries. For this reason, JCM is well-positioned to grow as a company and become a major global player in the future.”

Trang Tran,
Sustainable Finance Manager

*A Project Company is a utility-scale solar photovoltaic (PV) plant, wind farm, High Voltage Direct Current (HVDC) or High Voltage Alternating Current (HVAC) transmission facility. A Project Company is a corporation, partnership, joint venture, trust or other entity which is a subsidiary or joint venture of JCM or any of its subsidiaries, which is the direct or indirect owner of a Project.

BUILDING REGIONAL PLATFORMS

JCM's business model is to build regional platforms and leverage the local presence and teams on the ground to identify new business development opportunities. Currently the most fully developed platform is in Pakistan, where JCM owns a minority stake in an operating asset and has three people on the ground and another twelve employed by the operating asset. JCM's Pakistan team has in turn identified a number of acquisition opportunities and a development pipeline of more than 500MW. JCM also has a platform being built in Malawi, centred initially around the 60MW* Salima Project and the 20MW Golomoti development project. This team will identify further opportunities in Malawi and the surrounding area.

A third, earlier stage, platform is in Nigeria where JCM has an office and representation. The Katsina project is fully permitted and awaiting the government guarantee, which requires Nigeria to come to terms with the World Bank. When this agreement is reached, Katsina will move into construction and JCM's Nigeria platform will grow significantly. In the meantime, JCM is investigating other opportunities in Nigeria. JCM's business plan is to invest in two to three additional platforms over the next three years.

*All Project capacities in the Sustainability Report refer to Alternating Current (AC).

EVOLUTION FROM A DEVELOPER INTO AN IPP

Over the last three years, JCM has transformed from a developer of renewable energy projects into an IPP which owns and operates facilities for the long-term. In its early years, JCM had the capital to develop (permit) projects and would then sell the projects as they were being constructed or coming into operation to the long-term owners. In 2017, JCM raised additional capital to enable it to invest in the construction and long-term ownership of projects, rather than selling them off at the operational phase. That year, JCM invested in the 50MW Hawa wind farm in Pakistan. JCM is now investing further long-term equity in the construction of the Salima solar PV facility in Malawi. JCM has a significant pipeline of construction and acquisition opportunities, and its business plan calls for an investment of more than \$400 million USD in assets over the next three years as it transitions into one of the leading IPPs in its markets.



Hawa operating facility, Jhimpir, Pakistan

A FRAMEWORK FOR SUSTAINABILITY:

JCM has approached its commitment to sustainability in an intentional and structured manner. This ensures that all of our activities are managed and executed effectively, governed appropriately, and that collectively, they contribute towards the realisation of our company mission.

Our Environmental and Social Management System (ESMS) forms the backbone of our framework for sustainability, and responsibility for ensuring its integration into the work that we do is allocated across all levels of our business. Our Impact strategy further outlines our intentions and approaches to creating positive change for a range of stakeholders across our impact focus areas.

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

JCM is committed to fighting climate change, as well as promoting and practicing the protection of the natural environment and the social wellbeing of our employees and the local communities and Project Affected Persons (PAPs) in our operating countries.

The main way in which this is done is through JCM's core business, which is building and operating renewable energy assets. This is further achieved through conducting our business activities and managing our projects in a manner that will prevent, minimize, mitigate or remediate any negative environmental and social impacts associated with our business activities, while maximizing positive impacts that they are positioned to achieve.

The JCM ESMS, which was developed and implemented in 2019, provides a framework for doing this. It is made up of a range of policies, plans, procedures and tools, all of which are linked to the greatest possible extent to other business systems and procedures, such as Human Resources (HR) systems and procedures and the Grievance Redress Framework, which is discussed in detail in the People and Social Sections of this report.

A Framework for Sustainability



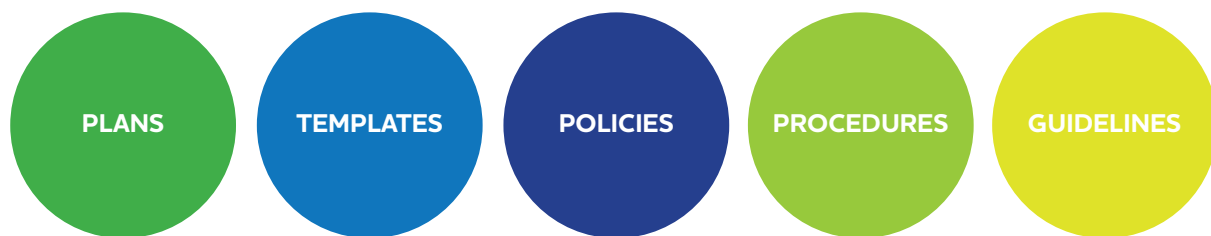
Women Focus Group Discussion (FGD) Salima, Malawi

JCM ENVIRONMENTAL & SOCIAL MANAGEMENT SYSTEM

ESMS MANUAL

1. E&S Management and Organisation
2. E&S Risk Management
3. Compliance Management
4. Construction & Operational E&S Requirements
5. Training, Awareness and Competency
6. Event & Non-Conformance Management
7. Monitoring, Reporting and Compliance Assurance
8. Stakeholder Engagement
9. Non-Controlling Interest ESMS

ESMS SUPPORTING MATERIAL

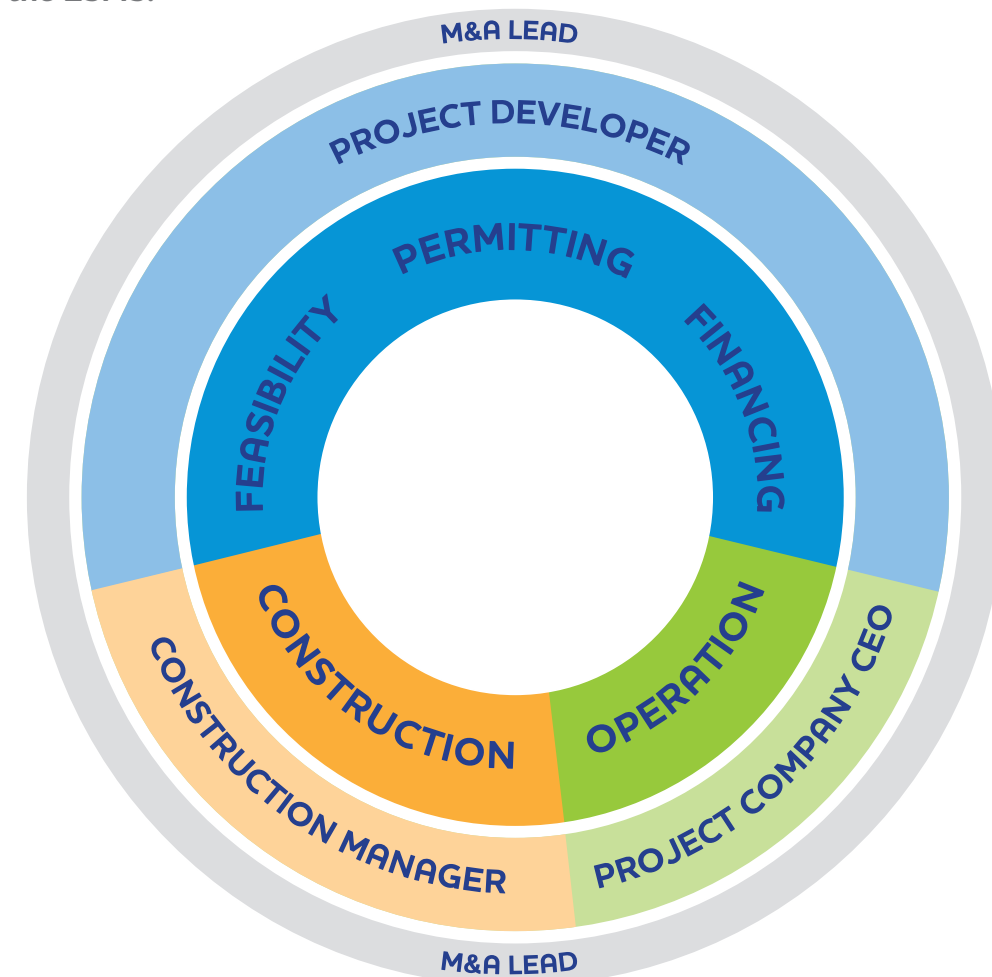


- ~ Environmental and Social Policy ~
- ~ Employment and Labor Policy ~
- ~ Social and Economic Development Policy ~
- ~ Health and Safety Policy ~
- ~ Anti-Bribery and Corruption Policy ~
- ~ Code of Business Conduct ~

The ESMS is designed to enable not only risk management, but also to allow JCM to improve its Environmental and Social (E&S) performance. The ESMS has been designed in accordance with the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability, which continues to reflect global best practice in E&S management. The core management elements of the

JCM ESMS are implemented and periodically updated as appropriate to ensure that the ESMS remains responsive to changing environmental, human health and safety, and other social management needs. Periodic updates also consider and ensure that the level of detail within each element of the ESMS is commensurate with available resources and the nature of the activities being conducted.

Throughout the project lifecycle JCM has dedicated Project Leads who are responsible for managing E&S risks in accordance with the ESMS.



“FMO is convinced that companies such as JCM Power are crucial drivers for sustainable development. Delivering on that potential is a challenge that can only be taken up with the proper tools: policies, procedures, and capacity to manage environmental and social risks and opportunities. However, that toolbox alone will not be effective, unless it is considered part of the fabric of the company. Only then will it truly guide strategic decisions at Board level, the actions on the ground by each employee, and the interactions with the communities and societies in which the company operates. So, why did we invest in JCM? Not because all of that was in place at the time we engaged, but because we recognized the ambition and commitment to walk the talk, and the openness towards obtaining guidance from institutions like FMO. When discussing challenges and strategies in the E&S Committee, and when engaging with management, we experience first hand the progress that is being made as a result of this ambition and commitment.”

Albert van Leeuwen,
Senior Environmental and Social Officer, FMO



JCM is committed to undertaking a formal assessment of E&S risks and potential impacts associated with each potential investment and for each project. JCM adopts a phased approach to assess E&S risks during acquisitions, namely: E&S Screening; E&S Due Diligence; and Final Investment Decision Making and Contracting. Regular E&S monitoring and reporting of our investments is also undertaken.

Collectively, the ESMS and its supporting documents constitute a flexible management approach and can readily accommodate the changing needs of JCM and its Projects. A challenge in the development of the ESMS was considering the best way of ensuring that all

project companies in which JCM invests (even those in which JCM holds only a non-controlling interest) can, in some way, be subject to the principles and commitments of the ESMS.

Through consultation with JCM's Executive Team and the E&S Advisory Committee, the ESMS was adapted to include a section on recommendations for how JCM may influence the adoption of best practice at these Projects and Project Companies. In turn, JCM recognises that central to influencing the adoption of best practice as a minority shareholder is the ability to collaborate with other minority or majority shareholders on E&S issues.



GOVERNANCE

The group holding company for JCM is JCM Power Corporation, a corporation existing under the laws of the Province of Ontario.

JCM Power Corporation's governing body is its board of directors (the Board), which consists of nine directors, including seven directors who are not members of executive management and five directors who are nominees of DFI's. Executive officers appointed by the Board are responsible for the day-to-day management of the business and are subject to the supervision of the Board. Directors and executive officers are subject to fiduciary duties under Ontario law.

The Board has three standing Board committees: the Audit Committee, the Compensation Committee and the Corporate Governance Committee. In addition, the Board chartered the E&S Advisory Committee in 2018 to provide input and advice regarding the

development, monitoring and implementation of the company's approach, practices and systems with respect to significant E&S matters.

In 2019, the membership of the E&S Advisory Committee comprised management representatives of JCM and E&S experts employed by the company's DFI shareholders (namely Swedfund and FMO). In the course of the year, the E&S Advisory Committee held five meetings as prescribed by the charter, and completed two extraordinary meetings for the purposes of providing advice to the Board regarding project approval.

JCM's ESG Director reports to the Board at least quarterly regarding the activities and recommendations of the E&S Advisory Committee and other E&S matters. The main policies which guide the governance of E&S issues are outlined in the description of the ESMS section above.



IMPACT STRATEGY

During 2019, we embarked on a journey to articulate our strategy regarding impact, made possible through Technical Assistance funding from Swedfund. Although impact is at the core of what we do, and all our activities are guided by a desire to maximize positive impact for society and the environment, we recognized the value of establishing a specific strategy to outline our intentions regarding impact, as well as what we need to do to achieve them.

The drivers for our focus on impact are both internal and external. From an internal perspective, a mission to accelerate social inclusion and economic and environmental sustainability is at our core, making the achievement of impact a fundamental part of what we aim to do. One of the key external drivers for increasing our intentionality in the management and measurement of impact is the growing expectation amongst our funders and other market stakeholders, particularly DFIs.

The ongoing growth and developments in the impact space mean that we need to remain up to date with best practice and ensure that our own practices reflect this. The third key driver for embedding impact into the work that we do is the recognition that we carry out our work in what are largely underserved communities, which require that we are focused and proactive in the ways that we engage with these communities, ensuring that we drive impactful initiatives that are relevant, and support the growing acceptance of our work amongst a broad range of stakeholders.



IMPACT OBJECTIVES

JCM has undertaken a rigorous impact mapping process to identify our impact objectives. This process began with a visioning exercise to capture our impact aspirations as a company and map out what was feasible in terms of the impact that we can contribute to through our core business operations and our socioeconomic development

programmes. Thereafter, we undertook an investor-level analysis to identify the key impact objectives of our investors. Finally, we cross-referenced our findings with the SDGs to determine which SDGs (and specific targets) we can effectively contribute to. Through this process, we identified the following key impact objectives for JCM:

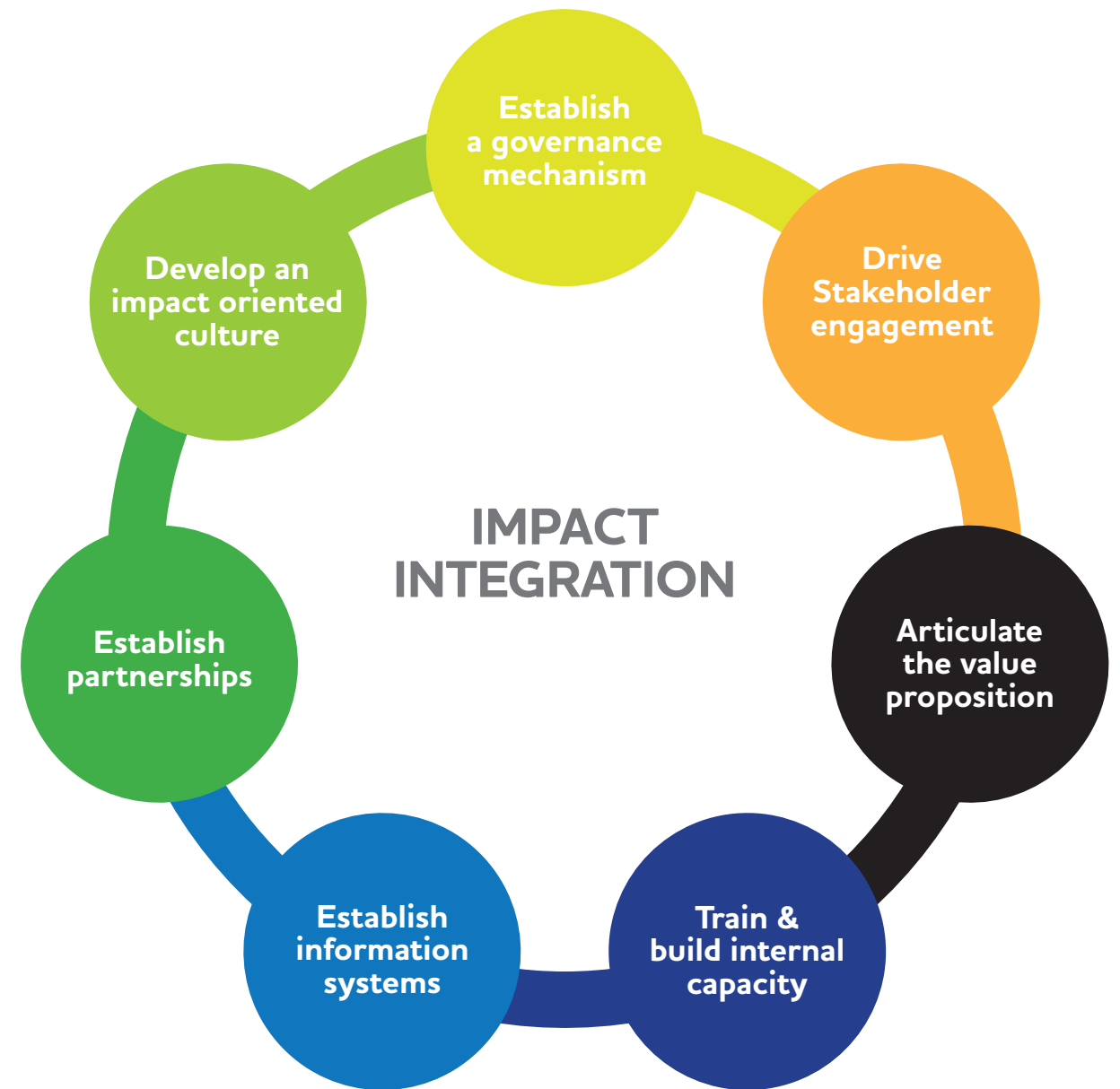
IMPACT OBJECTIVES & SDG ALIGNMENT



INTEGRATING IMPACT

Integrating our impact strategy into our daily work is a complex and nuanced process. In light of this, we recognise that certain business drivers need to be leveraged effectively in order for this to take place. These drivers are outlined in the diagram below:

We are energised at the opportunity to continue driving impact through the Impact Management and Measurement Framework which we have established and look forward to sharing feedback with our stakeholders on an ongoing basis.

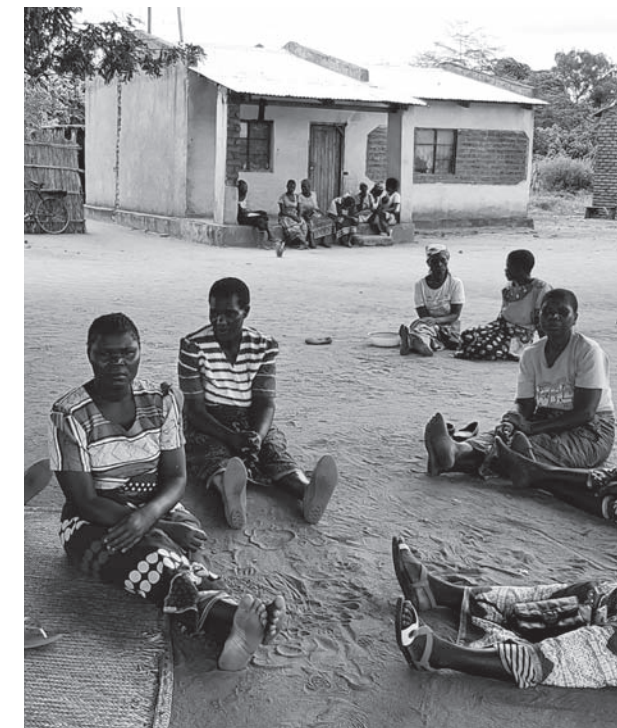


DIVERSITY AND WOMEN EMPOWERMENT

At JCM we strive to unite a mosaic of people and cultivate a culture where diversity of thought is celebrated. 2019 marked the beginning of our journey to advance the inclusion and empowerment of women in a more intentional way, recognising this as a pillar of inclusion and diversity more broadly. Early dialogues with UN Women Empowerment (WE), FinDev Canada, and Swedfund revealed resourceful paths to achieve such a goal.

An examination of JCM's corporate landscape allowed the introspection necessary to establish clear Gender Action Plan targets that would create a lasting effect on our communities. Further commitments made under the signing of the UN's Women Empowerment Principles (WEP) are a representation of the importance of this journey. Steering our organizational behaviour in the direction that strengthens our values will further the potential of our people, experiences of our partners, and the impact felt in communities we serve.

Progress toward gender equality will be unique to each country, community, and culture within the JCM portfolio. For this reason, empowering women across our operations will require empathy and cultural fluency. Together with our community stakeholders, our investors and other strategic partners, we will partner to address the distinctive challenges surrounding the topic of gender and its related themes and explore new ways of engaging women in their communities, businesses, and governments.



“It is through clear strategy, accountability, and process of empathy that we prepare ourselves to support the empowerment of women in the years to come.”



Olivia Ariss,
Human Resources Director

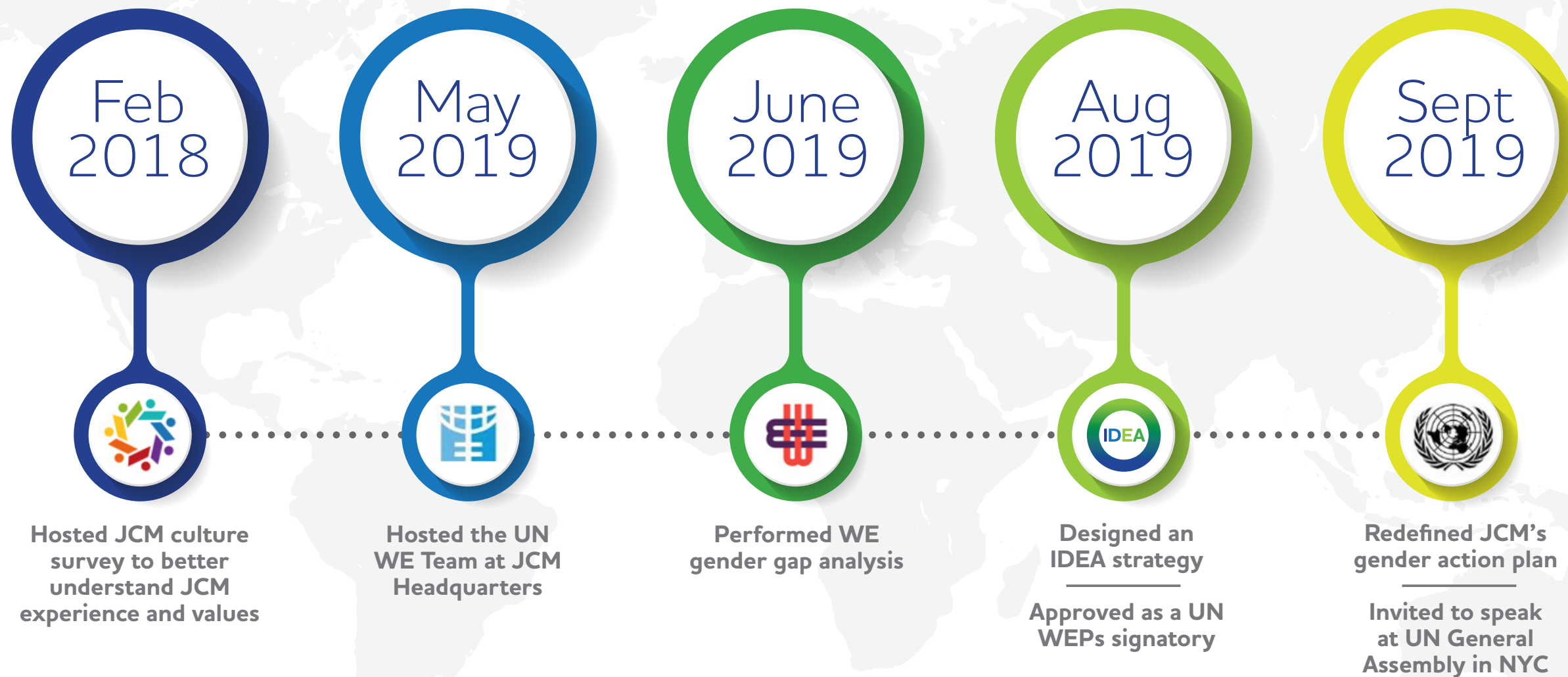
IDEA

As we have solidified the commitment to enrich our culture of inclusion, we want to ensure that our approach to adopting, managing, and measuring inclusive practices in a more meaningful way is a collaborative one. With the support of recent partnerships with UN Women Empowerment and FinDev Canada, we see a path forward for successful integration of IDEA (Inclusion, Diversity, Equity, and Accessibility) at JCM. We see significant benefits to immersing diversity and inclusion into our organization, including:

- **Increasing innovation and productivity.** A focus on involving unique perspectives derived from experience will foster innovation and produce better business outputs for the bottom line.
- **Aligning our actions and interests with industry partners.** Increasingly, our partners – DFIs and Governments – are advocating for the necessity of diversity in business and demanding measurable outcomes in favour of global campaigns for equality.

- **Improving our social awareness.** As we explore new opportunities in communities across Sub-Saharan Africa, Asia, and Latin America, we cannot underestimate the importance of adapting to the unique context of each region. This requires us to engage with a wide range of stakeholders, with a clear intention to understand the challenges, opportunities and perspectives of each new environment in which we hope to operate. Focused collaboration with local managers, employees and potential candidates remains a central tenet of this engagement.

- **Involving our affected stakeholders.** We strive to create a future that enriches the lives of the people and partners we work with, most importantly our employees. Engaging those in our business whose families and friends will be directly impacted by the outputs of JCM's efforts creates a level of passion, otherwise unattainable, to create a path forward.



MOVING THE NEEDLE BY 2022

JCM's three-year plan to model an inclusive workplace which embraces diversity of thought will be led by the JCM Executive Team. In our early discovery phase of this effort, JCM has welcomed the support of knowledgeable and interested partners to advise and guide in our process to date. With significant investment of time and resources, 2020 will bring a noteworthy opportunity to make an impact at every level of our organization and in the communities we serve. JCM is committed to inclusive practices that drive equity and access for women both at a Corporate and Project Company level. The practices will be steered by a Gender Action Plan that addresses:

- **Infrastructure:**
A strong underlying policy infrastructure will align stakeholders for global adaptation to IDEA.
- **Experience:**
Enriching experiences for employees, partners, and other key stakeholders through programs and practices that capture IDEA.
- **Culture:**
Enhancing awareness at the senior leadership level to intentionally display and articulate IDEA.
- **Reporting:**
Self-monitoring our progress objectively.

Case Study:
Empowering our female employees to explore new opportunities



**IVA LUCIC,
PROJECT FINANCE MANAGER
AT NEOEN, FRANCE**

“I started with JCM as an ECO Canada Research Intern in 2011 and throughout my employment, JCM invested in ongoing development opportunities and helped to empower me to explore new career possibilities. I was supported through a career transition into Project Finance and rewarded with two promotions during my six-year tenure with JCM. I am thankful to still remain in contact with many of my previous colleagues and recognize the role JCM played in helping me to advance in my career beyond JCM.”

Case Study:
Enriching the lives of people we work with



**ITAYI NKHONO,
COMMUNITY LIAISON OFFICER**

“In 2019, JCM provided me with the opportunity to attend a 10-day training programme developed by the University of Groningen in partnership with the World Bank Group on Land Acquisition, Resettlement and Social Sustainability. The course was an eye opener for my work as the Community Liaison Officer at the Salima Project as it examined the typical issues that were and are still affecting our Project. I have been able to apply the knowledge I gained during this course to our ongoing Livelihood Restoration Plan, where JCM has provided support to the vulnerable members of our community during the lean months. The course also emphasised the need to ensure all processes are participatory, particularly at the community level, for JCM to maintain a Social Licence to Operate and create a sense of ownership and accountability with our communities.”

Case Study:
Supporting and encouraging women in attaining their career goals



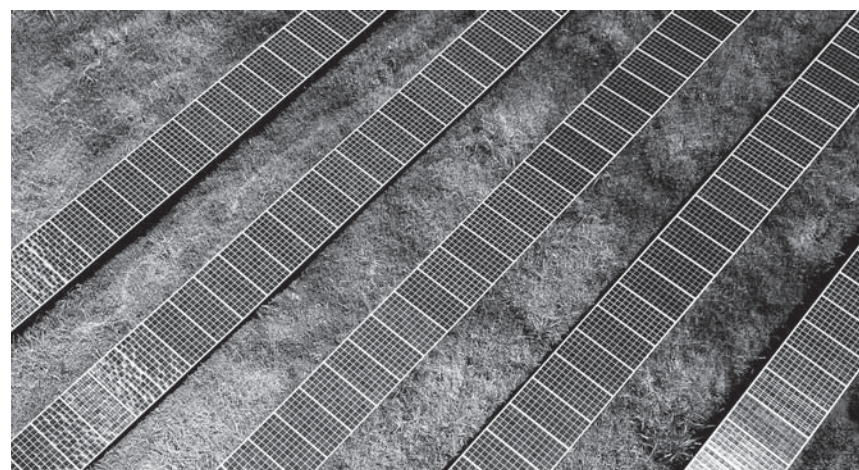
**ONA OSHEN,
LEGAL COUNSEL**

“I joined JCM as a foreign qualified lawyer in the middle of my Ontario lawyer licensing process. JCM undertook to support the process and, one month after my start date, I wrote the first Bar exam. I would go on to complete all licensing steps in 2019 with JCM's continuing support. Aside from being instrumental in my licensure, JCM also conferred me from the beginning with a dynamic role where I contribute perspectives from practising law in Nigeria and the United States.”

DFI PARTNERS

In December 2019, JCM closed its first large equity offering – securing a total of \$115 million USD in commitments from five development finance institutions (DFIs), specifically FMO (the Dutch DFI), Swedfund (the Swedish DFI), the Investment Fund for Developing Countries (IFU) (the Danish DFI) through the Danish SDG Investment Fund, STOA Infra & Energy (a French company jointly owned by Caisse des dépôts et consignation and the French Development Agency), and FinDev Canada the newly formed Canadian DFI.

Each DFI had their own unique mandates and investing strategies – but chose to invest in JCM due to a shared ambition to increase the supply and quality of clean energy in developing countries.



DFI PARTNERS

DFI	SECTORS	FOCUS AREAS
	<ul style="list-style-type: none"> • Agribusiness, food & water • Energy • Financial institutions • Dutch business 	<ul style="list-style-type: none"> • Job creation • Environmental sustainability (reduced greenhouse gas emissions) • Inclusive development
	<ul style="list-style-type: none"> • Energy and Climate • Financial inclusion • Health 	<ul style="list-style-type: none"> • Impact on society • Sustainability • Financial viability
	<ul style="list-style-type: none"> • Broad mandate 	<ul style="list-style-type: none"> • Improvement in health (provision of clean water) • Economic growth
	<ul style="list-style-type: none"> • Infrastructure & energy 	<ul style="list-style-type: none"> • Environmental sustainability (in accordance with IFC PS) • Climate change
	<ul style="list-style-type: none"> • Agribusiness value chain • Green growth • The financial industry 	<ul style="list-style-type: none"> • Economic growth • Women empowerment • Climate mitigation and adaptation

2019 SUSTAINABILITY PERFORMANCE:

KEY SUSTAINABILITY TOPICS

Our strategic objectives and our ability to achieve these may be influenced by matters that substantively affect our ability to create value over the short, medium and long term. Our success will be measured by how well we manage these matters, while retaining our focus on longer-term goals.

Sustainability reporting is built on the materiality assessment process. Our materiality determination process followed the identification of societal, environmental and economic topics that present risks and opportunities, and influence the type and degree of value we are able to create. We followed a three-step process in our materiality assessment framework, aligned with the AA1000 AccountAbility Principles (AA1000APS, 2018):

- **Desktop assessment**
- **Materiality survey**
- **Review and approval of key material issues by the Executive Team**

2019 Sustainability Performance



1. IDENTIFY

The first step entailed an internal materiality scan to identify and contextualise topics likely to be material for JCM. This involved assessing matters that directly affect JCM by reviewing relevant information such as the Corporate Risk Register, relevant policies, ESG Strategy Implementation Plan and other Corporate presentations. Each of these sources was analysed in order to extract relevant topics acknowledged or addressed in the period.

2. PRIORITISE

Matters linked to our external environment, and the renewable energy sector in general, were assessed by analysing media articles, research materials, industry benchmarking studies and economic outlook reports.

3. VALIDATE

Relevant matters identified through the internal materiality scan and the review of JCM's external environment were incorporated into a materiality survey which was shared with both internal and external stakeholders for completion. All participants had the opportunity to express views on topics they deemed material, and this input was incorporated into the next steps of the process.

4. REPORT

The result of these steps was a list of prioritised material topics for 2019. Each issue was linked to the five pillars of sustainability and expanded into subcategories in order to determine specific key performance indicators (KPIs) for monitoring and reporting. These topics were then presented to the E&S Advisory Committee, where each topic was interrogated and reviewed in an engaging session in order to arrive at the final approved list of material matters.


These matters formed the basis of the sustainability disclosures that were monitored and reported by Corporate and Projects during 2019.

Below are the 2019 material indicators associated with the SDGs on which JCM's activities have a direct or indirect impact.


PILLAR	MATERIAL TOPICS	SDGs
PEOPLE	Employment and diversity	3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Health and safety in the workplace	3 GOOD HEALTH AND WELL-BEING
	Skills development and transfer	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH
PARTNERS	Relations with the community	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Bribery, corruption and ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
ENVIRONMENT	Decarbonization of electricity production	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
	Management of environmental impacts	6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
	Compliance to environmental legislation	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
SOCIAL	Local development and economic diversification	1 NO POVERTY, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
	Protection of Human Rights	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
FINANCIAL	Economic and financial value creation	1 NO POVERTY, 8 DECENT WORK AND ECONOMIC GROWTH
	Compliance with investor reporting requirements	17 PARTNERSHIPS FOR THE GOALS

2019 SUSTAINABILITY HIGHLIGHTS


The JCM Environmental and Social Management System (ESMS), was developed and implemented.



All Corporate staff trained on the ESMS

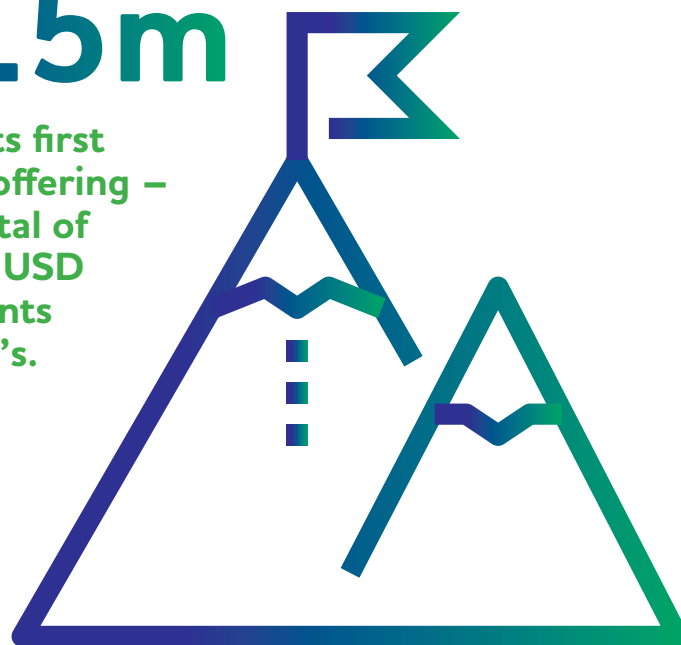


First external ESMS audit undertaken. JCM overall performance in executing the ESMS is considered good and of a high standard



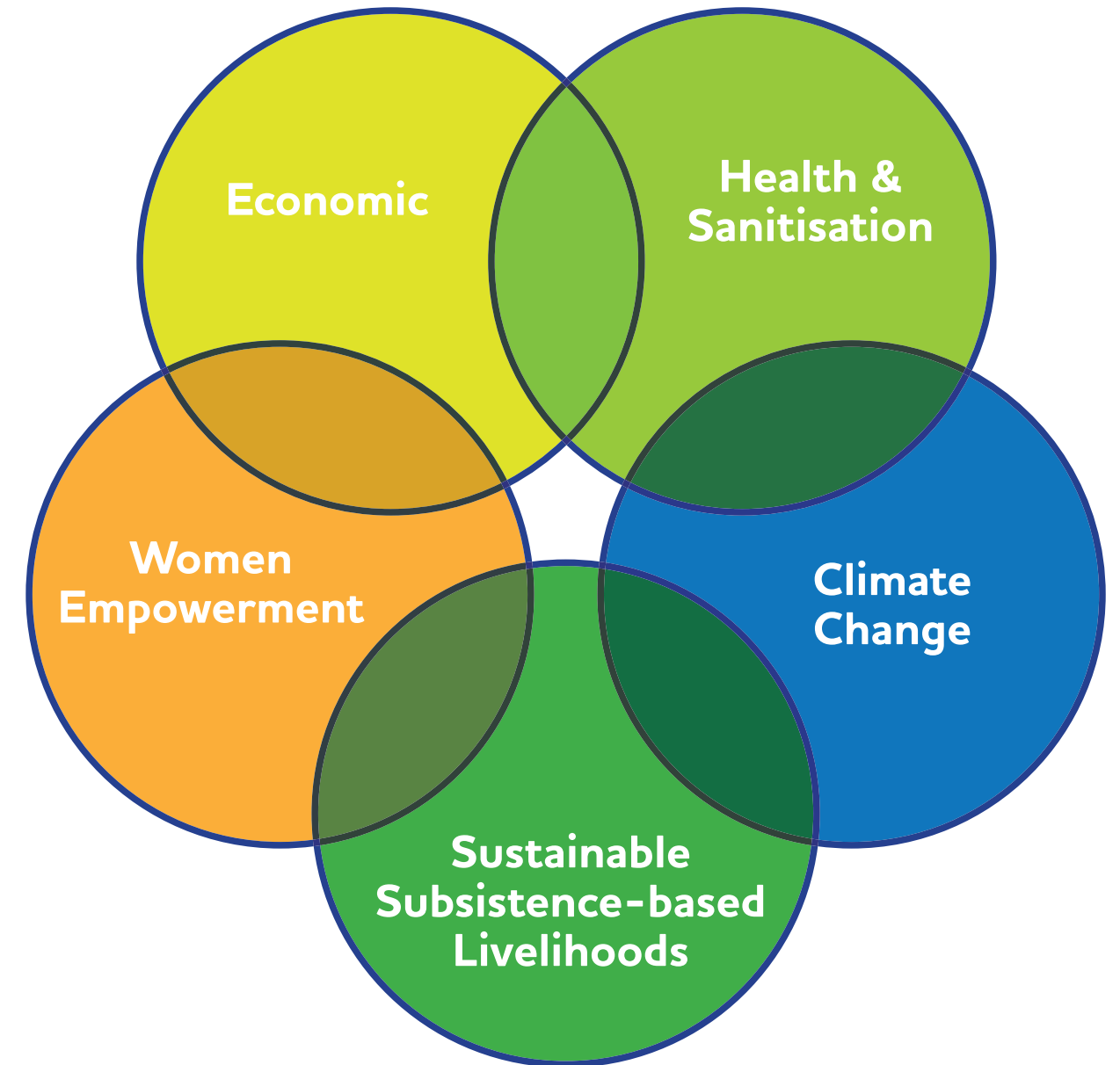
\$115m

JCM closed its first large equity offering – securing a total of \$115 million USD in commitments from five DFI's.



IMPACT OBJECTIVES

We have established a specific strategy to outline our intentions regarding impact and identified impact objectives that are aligned with our internal mission, our investors growing expectation of impact and global best practice.



JCM has developed its three-year plan to model an inclusive workplace which embraces diversity of thought, and which will be steered through our Gender Action Plan.



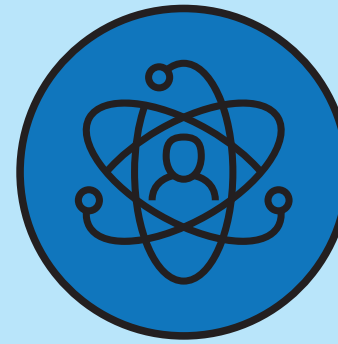
2019 Sustainability Highlights

PEOPLE

26
WOMEN
EMPLOYED

0
FATALITIES

Increase in H&S reporting practices across the company and all projects

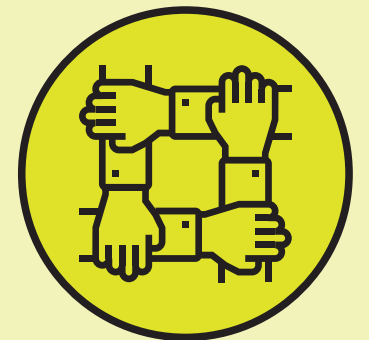


PARTNERS

100%
COMMUNITY GRIEVANCES
ADDRESSED AND RESOLVED
AT PROJECTS

100%
OPERATIONS ASSESSED
FOR RISKS RELATED TO
CORRUPTION

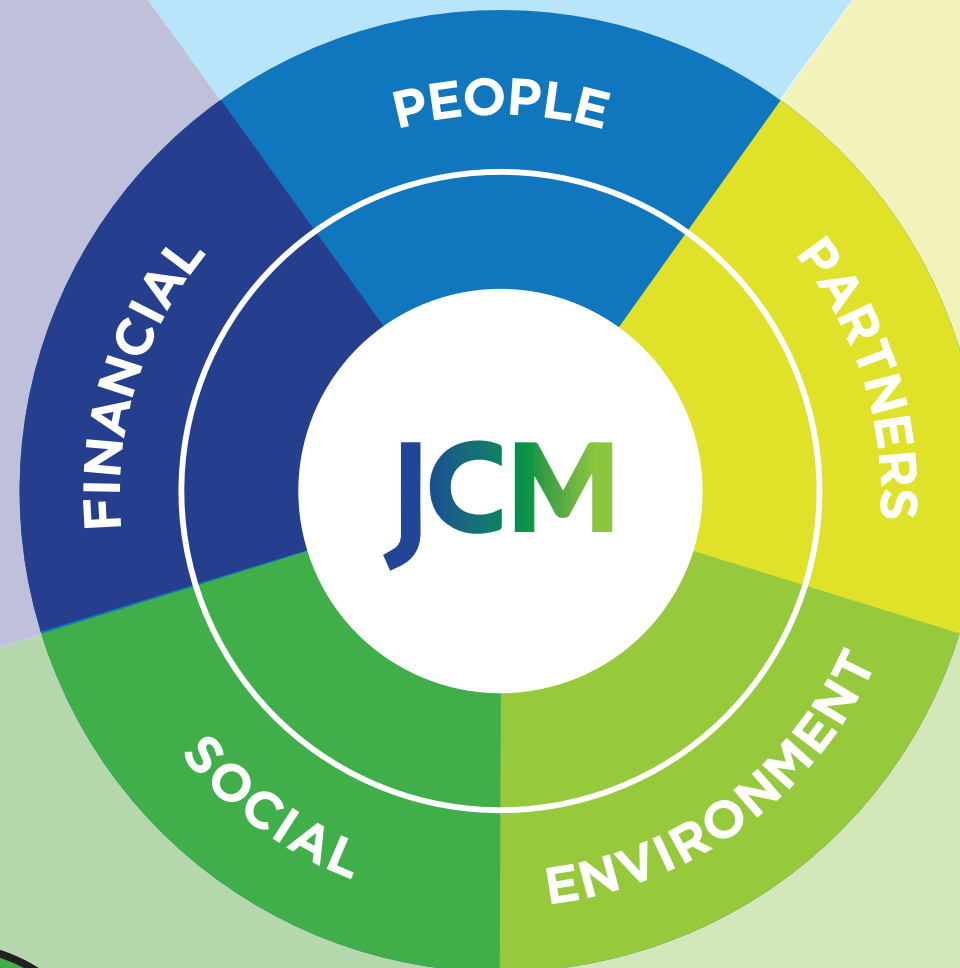
Development and rollout of the Grievance Redress Framework



FINANCIAL

\$41,256_{USD}
ECONOMIC VALUE
ADDED TO COMMUNITY
INVESTMENTS AT SALIMA

Salima Project land acquisition and compensation analysis to address calculation and rate discrepancies; adhering to the principles of IFC PS:5



SOCIAL

\$348,800_{USD}
EXPENDITURE ON LOCAL
GOODS AND SERVICES AT SALIMA

56%
OF DIRECT AND INDIRECT
EMPLOYEES AT SALIMA
FROM LOCAL COMMUNITY

Enabling long term food security and skills development for our most vulnerable PAPs at the Salima Project



ENVIRONMENT

160,260_{MWH}
ELECTRICITY DELIVERED TO OFF
TAKERS DURING 2019 BY HAWA

NO SIGNIFICANT FINES OR
NON-MONETARY SANCTIONS
FOR NON-COMPLIANCE
WITH ENVIRONMENTAL
LAWS AT OUR PROJECTS

Commitment of the Project Development Team and ESG Department to protect our ecological heritage, namely baobab trees at the Golomoti Project.



PERFORMANCE RESULTS



PEOPLE

JCM fosters an environment of teamwork and collaboration. We drive a culture that aims to attract and retain team members who are passionate about what they do, and achieve a sense of purpose in their daily work. We recognise that our work is meaningful, and that, together, we are tackling some of societies greatest challenges.

The JCM Employment and Labor Policy is applicable to both those who work for us directly, and those who work for us indirectly through contractors. The policy emphasizes our commitment to providing productive, non-discriminatory, exploitation-free, decent, safe and healthy working environments for our employees.

JCM is intent on treating all employees fairly in terms of recruitment, progression, remuneration and conditions of work irrespective of gender, race, colour, language, disability, political opinion, age, religion or national origin. Our culture of transparency and inclusivity is embedded through active listening and information sharing. Our intention to drive ongoing excellence and improvement is supported by two-way feedback that we aim to provide one another on a daily basis.

EMPLOYMENT AND DIVERSITY

At JCM, we are the sum of our people, and recognise our team as our most important resource. A motivated workforce moving towards shared goals is critical if we are to ensure effective execution of our strategy, our continued growth, and our ultimate success as a company. The professionalism, skills, and integrated working style that we aim to attract and cultivate is the cornerstone of success at JCM.

2019 was a year of strong growth, reflected both in projects and people. The number of JCM employees who support at our Corporate office and our Project Companies reached 57. In 2019, 437 employees were indirectly employed by JCM as contractors hired to deliver on our Projects. During the year, we recruited 15 highly skilled full-time employees and the turnover rate was 17%.

EMPLOYMENT CATEGORY	ENTITY		
	Corporate	JCM Matswani Solar Corp.	Hawa Energy Pvt Ltd
Total number of direct JCM employees	44	13	-
Total number of indirect employees (full time)	-	-	4 ^a
Total number of indirect employees (contractors)	-	360 ^b	77 ^c

^a Hawa Staff
^b EPC contractor employees
^c O&M contractor employees

As a global company which is rapidly expanding into new regions, JCM employees reflect diversity in terms of age, gender, nationality and culture. Diverse backgrounds and experiences help our organisation to remain flexible and agile, and ultimately to be better equipped to respond to fluctuating and complex markets and environments.

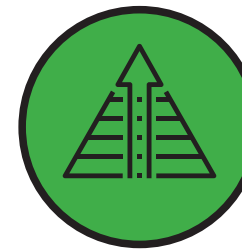
JCM considers diversity a resource, a source of enrichment and an asset that makes us stronger and better

able to face complex global challenges. Alliances with the critical public and private sectors stakeholders in countries in which JCM operates is becoming a hallmark of our growing international presence.

In order to retain world-class talent and grow the global team, JCM ensures that it is in a position to pay competitive wages, and that these are paid equitably across all levels of our workforce.

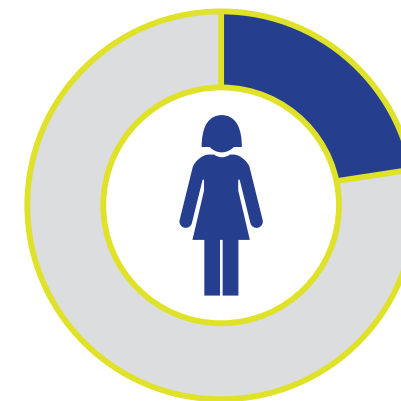


26 Women Employed



4%
Female ownership

PROPORTION OF WOMEN IN MANAGEMENT



23%
CORPORATE



33%
SALIMA

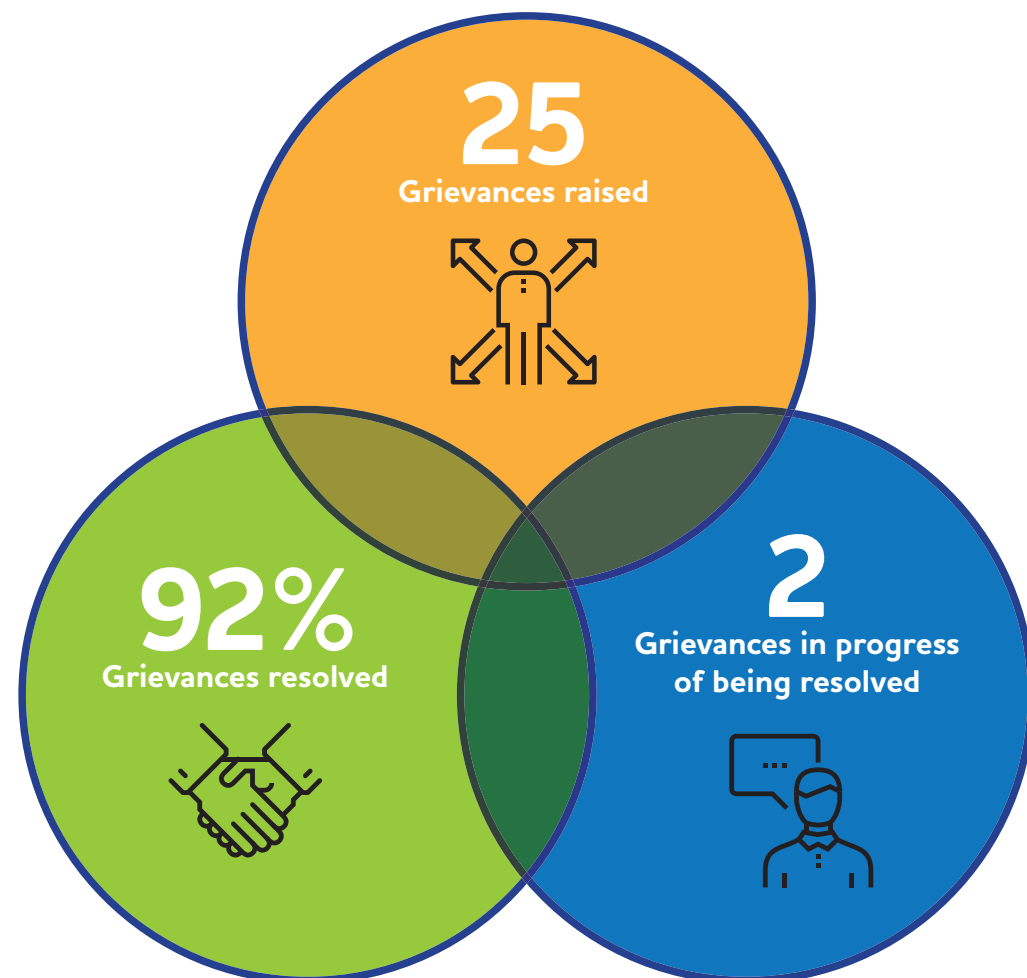
The wage disparity that exists between women and men at senior levels is largely due to the fact that these categories include roles across different wage-earning positions at JCM, which creates the appearance of a wider ratio. With the current employee make up, we do not have enough personnel in the same position to offer a direct comparison across each role. All employee salaries, regardless of gender, are benchmarked against industry standards in the sector for each role.

An additional challenge faced today is that candidate pools in the renewable energy industry have fewer experienced women than men available for new opportunities. In response, JCM has approached recruiters to present qualified female candidates in every search. Where qualified female candidates do not exist, we have introduced search opportunities to find 'high potential' women and invest in their career development to progress them into higher earning roles.

EMPLOYEE GRIEVANCES

In 2019, JCM developed a Grievance Redress Framework and supporting Grievance Mechanisms (Employee Grievance Mechanism, Corporate Grievance Mechanism and Project Grievance Mechanism) to provide stakeholders, including our employees, with a clear process through which to raise issues, concerns or complaints and to have these matters dealt with in a fair and equitable manner.

**SALIMA EMPLOYEE
GRIEVANCES**



At the Salima Project, of the 25 employee grievances received by the EPC's labour workforce in 2019, 92% were resolved.

Through the grievance mechanism, employees have been able to anonymously submit their grievances and the Employee Grievance Committee were able to conduct investigations and respond to the grievances accordingly.

There were no grievances received by employees at Hawa in 2019. This is likely a reflection of the fact that there are only four Project employees at Hawa, and the Project is in its second year of operation. Salima on the other hand, which is in the construction phase, has a much larger workforce, with a broader range of concerns and priorities.

**Case Study:
Improving HR
practices at Salima**



**TIWONGE HARA CHIRWA,
SALIMA HR ADVISOR**

“We have seen the impact the awareness training of the grievance mechanisms has given to the employees – this has helped to bring back trust between employer and employees.”

Following the Project due diligence and reviews from lender technical advisors, it was found that the HR practices at the Salima Project showed a low level of compliance with both Malawi Labour Laws and the IFC Performance Standards, namely IFC PS2: Labour and Working Conditions. Inadequate capacity of the HR personnel coupled with lack of a proper HR management system resulted in continuously increasing labour related disputes and employee dissatisfaction.

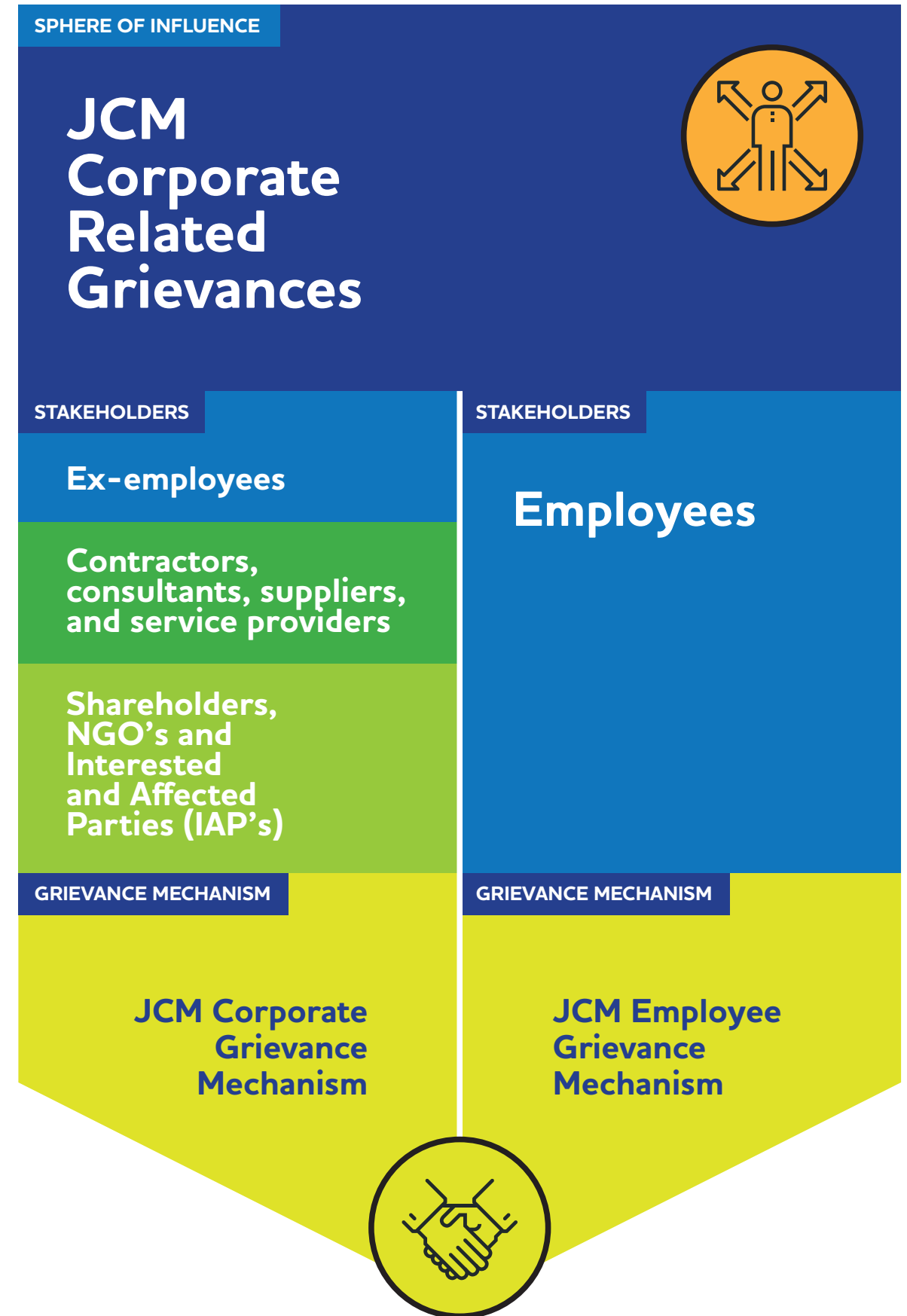
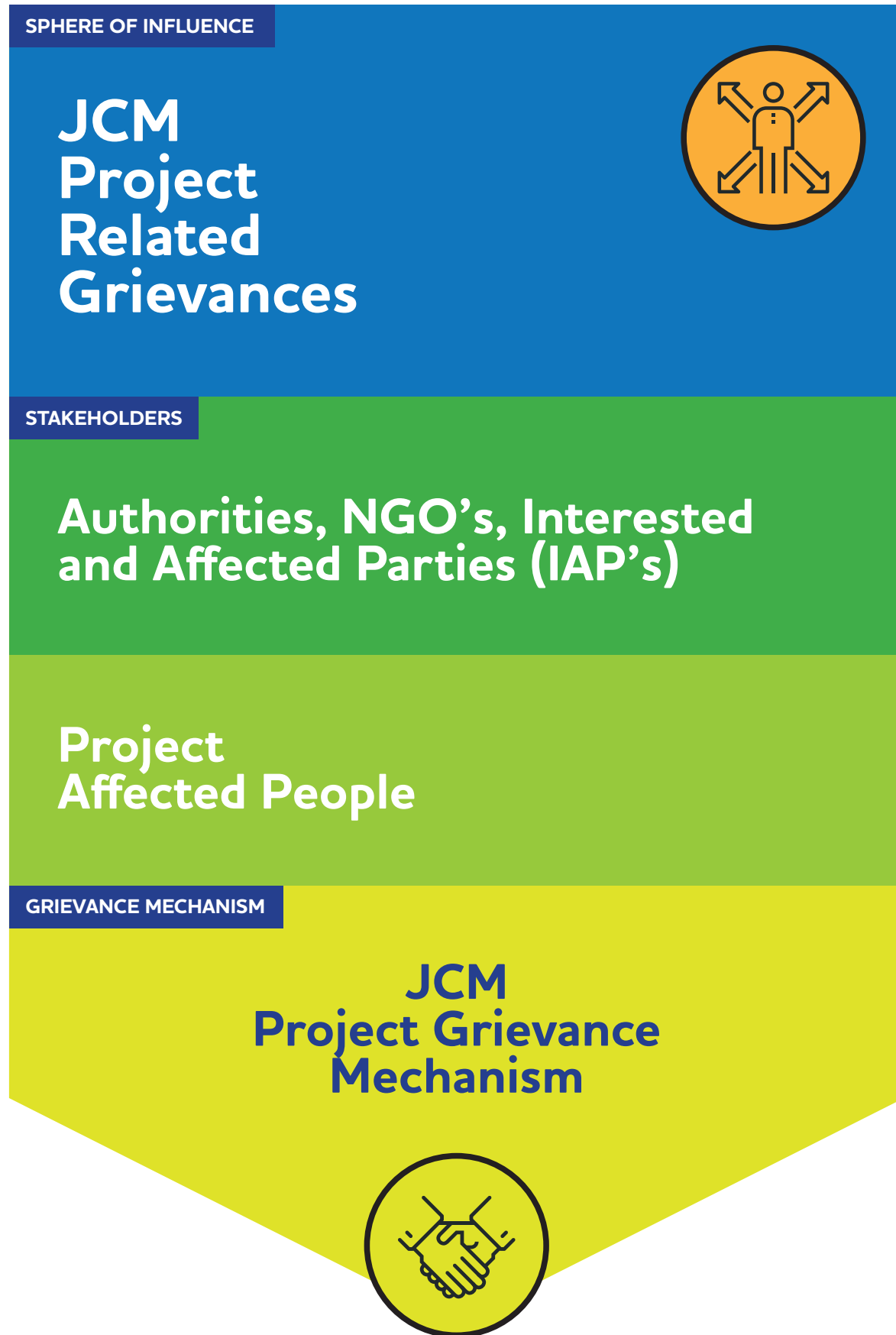


Kanzimbe community members, Salima, Malawi

JCM undertook to resolve this challenge and thus appointed a local HR Advisor, Tiwonge Hara Chirwa. Within her first few weeks of employment, Tiwonge undertook a comprehensive internal HR audit to identify gaps in the HR System and developed corrective action plans to that effect. Tiwonge, together with the JCM Salima team, have conducted awareness training to all workers on HR Policies and procedures, including the grievance mechanisms.

The increased level of awareness has resulted in employees feeling more empowered to report grievances and has highlighted the need for more regular engagement with employees. Grievances that are received at the Salima construction site by worker's are now reviewed on a weekly basis by the Workers Grievance Committee. This Committee is comprised of both male and female representatives of JCM, the EPC contractor and subcontractor as well as representatives from the Worker's Committee.

GRIEVANCE REDRESS FRAMEWORK



SKILLS DEVELOPMENT AND TRANSFER

One of our founding principles is continuous learning and improvement. This is critical in an industry that is fast-moving and ever evolving. Our open working culture fosters a community of transparency, which is evident in the way that employees seek and share industry best practices, and the way in which employees at all levels are encouraged to coach one another, and remain open to feedback from their colleagues. Additionally, JCM advocates continuous learning and encourages employees to participate in “lunch and learns”, where individuals have a chance to present on a subject of their choice to the team.

JCM considers the skills of its people, at all levels, to be crucial for operational excellence. JCM targets

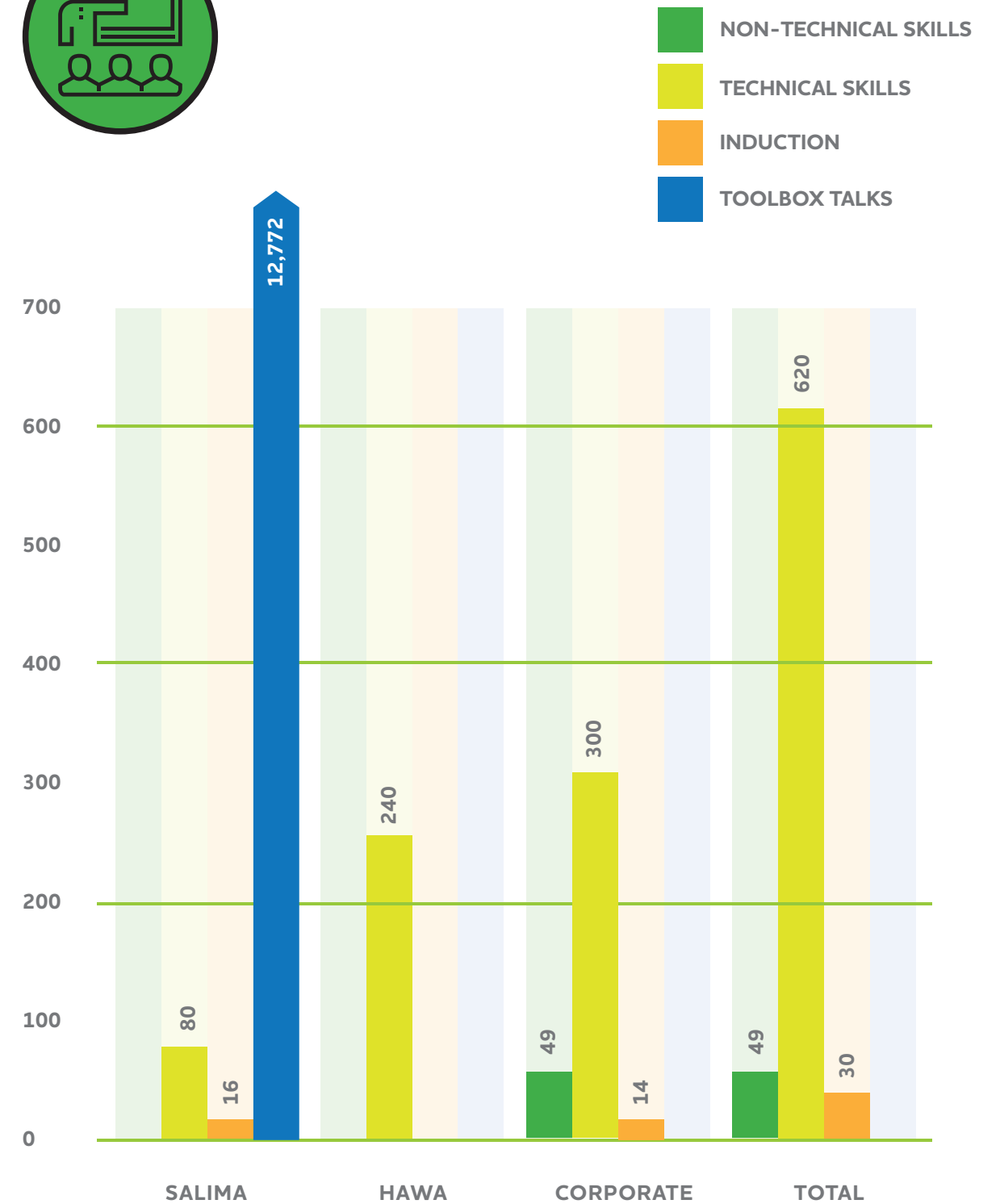
a value-based high-performance culture and encourages employees to take responsibility for their own professional and personal development. We facilitate this by providing a variety of learning and development opportunities throughout the career spectrum.

JCM aims to be supportive of all employee requests for targeted training that will contribute to their professional and personal development. Every year, personal training necessities are mapped and evaluated according to specific needs, including those linked to global scenario challenges and strategic business issues, such as grievance redress, project finance, climate change adaptation, ESG and leadership training.



Toolbox Talk, Salima construction site, Malawi

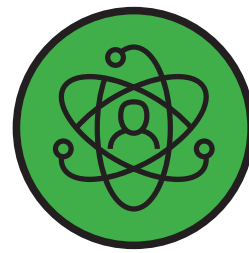
TRAINING HOURS



In addition to the formal training hours illustrated in the table overleaf, the Salima Project undertakes weekly Toolbox Talks that cover a range of key topics, including but not limited to alcohol and substance abuse, recognizing unsafe conditions, hot works requirements, spill management and reporting, grievance mechanisms, working at heights, HIV/AIDS awareness and malaria.

We understand that attracting, developing, and retaining talented employees is critical to delivering our strategy and, we remain passionate and committed to sustainable talent development, talent management, and succession planning.

All full-time employees at Corporate and Hawa participate in performance development programmes. No performance development programmes were implemented for Salima Project Company staff in 2019. Performance development programmes across our Project Companies are being developed and implementation will begin in 2020.



PARTICIPATION IN PERFORMANCE DEVELOPMENT PROGRAMMES:

100%
Corporate & Hawa

HEALTH AND SAFETY IN THE WORKPLACE

At JCM, the health, safety and wellbeing of our employees and contractors is paramount. JCM is committed to aligning with the applicable national and international legislation which informs our Health and Safety Policy. We recognise that our commitment to Health and Safety (H&S) extends beyond the establishment of a policy, and requires the development of a strong H&S culture that begins with JCM leadership, and their role in encouraging the necessary behaviors that enable employees, contractors, PAPs and local communities to report any potential risks and incidents, and stop work if there is any concern in order to prevent injuries from occurring.

2019 was characterised by increased expansion, with a high level of construction activities at our Salima Project in Malawi where we indirectly recruited 360 workers for the ongoing construction of the Project. We are proud to say that we delivered 712,237 working hours with no fatalities in the course of the year.

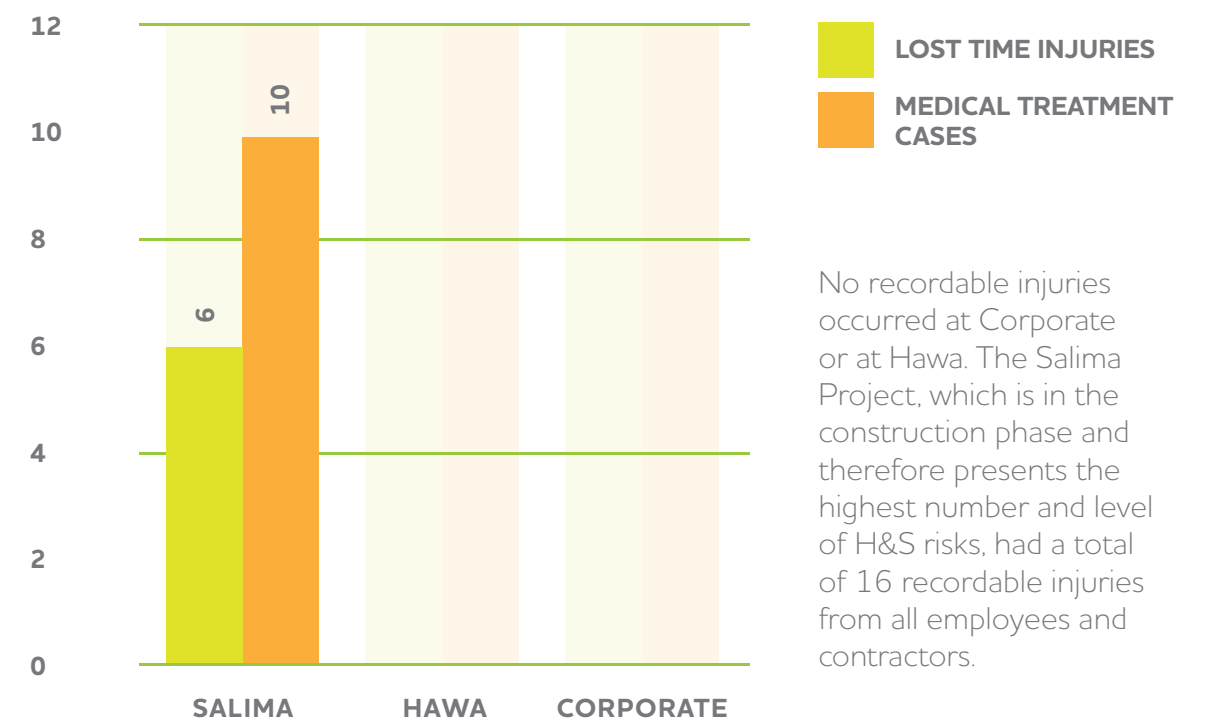
The rate of recordable work-related injuries amounted to 4.5 per 200,000 working hours, which is in line with

the average rate for construction in the renewable energy sector. The frequency rate reflects our entrance into new geographical areas with new projects, combined with efforts for and encouragement of a stronger reporting culture. The main types of work-related injuries involved insect bites during bush clearing as well as cuts or bruises to hands and feet through slips, trips and incorrect use of Personal Protective Equipment (PPE).

RECORDABLE INJURIES



Recordable injuries are made up of Medical Treatment Cases (MTCs), and Lost Time Injuries (LTIs). A recordable injury is any incident that results in medical treatment beyond first aid or more severe incidents that result in modified work or lost time.



H&S INDICATOR	Corporate	Hawa	Salima	Total
Number of fatalities	0	0	0	0
Total recordable injury frequency rate	0	0	5.4	4.5
Lost time injury frequency rate	0	0	2.0	1.7
Number of work-related occupational diseases	0	0	1	1

The patterns of common causes of injuries are monitored and discussed during Toolbox Talks in order to increase awareness. In-depth root cause analyses are conducted for recordable injuries. A key focus in 2019 was to encourage better reporting practices across the company and all projects. We encourage the reporting of unsafe conditions and acts, including near misses. Reporting a near miss can help to ensure that future incidents and injuries are avoided. During the year, a total of 66 near misses were recorded at Salima and Hawa collectively. Encouragement of better reporting will continue and be further strengthened in 2020, as only through accurate and effective reporting can we continue to improve our practices.

One work-related occupational disease was registered among our employees and contract workers in 2019. A JCM employee contracted malaria whilst working on site at Salima. A few days following a meeting on site, the employee started experiencing flu-like symptoms and was taken to a clinic three days later when the employee's condition had deteriorated further. The person was treated for malaria and had a lengthy recovery period.

In 2019, JCM Project Companies implemented awareness training that covered HIV/AIDS, malaria and protective sex. In addition, all on-site workers undergo entry and exit medical exams. While no occupational hygiene programmes currently exist at Corporate, awareness and reporting of illnesses has started as part of our H&S Journey.

JCM has clear policies on absenteeism from work. Employees are entitled to paid sick leave in accordance with relevant legislation in the country in question. In 2019, sick absenteeism remained low at Corporate and Salima. No data was collected by Hawa for absenteeism but monitoring and recording of absenteeism rates will be carried out in 2020.

During 2019, all Corporate staff participated in wellness activities that are supported by JCM. The activities offered to JCM Corporate employees are broad in nature, and all employees have participated in at least one of the many aspects of our wellness offerings including:

- Use of wellness spending account
- Benefits education session
- Mental health survey

ABSENTEEISM RATE



The absenteeism rate is the rate of unplanned absence due to sickness or other causes and is calculated by dividing the total number of days absent by the number of available work days for the reporting period.

0.6% Corporate **2.0%** Hawa

PERFORMANCE RESULTS



PARTNERS

JCM is an entrepreneurial company founded by a Canadian team which has expanded into a global group of highly experienced energy experts. We strive to achieve long-term success for all stakeholders involved in our projects. From its inception, JCM has partnered with likeminded groups, including local communities and governments, international banks and investors who trust us with their funds, as well as a wide range of co-developers and service providers.

RELATIONS WITH THE COMMUNITY

In striving to achieve our mission, JCM recognizes that situations may arise whereby stakeholders may need to raise grievances with JCM and that dealing with these grievances is of great importance to maintaining healthy relationships with stakeholders. The JCM Grievance Redress Framework provides our communities with a process through which to raise issues, concerns or complaints.

Grievance mechanisms are ever evolving as circumstances change and JCM continually seeks to improve our grievance mechanisms in order to address changes that arise.

At the Project level, Stakeholder Engagement Plans (SEPs) have been developed to define a technically and culturally appropriate approach to consultation and disclosure with affected and interested stakeholders. This helps to ensure that our activities are being implemented in a participatory and inclusive manner, and in a way that minimizes potential environmental and social risks. At Hawa, monthly consultations are held in the local communities and the contact details of the plant and HSE Managers are provided to the communities to enable open communication channels.

While the Salima Project is in the construction phase, the main stakeholder engagement activities are:

- **Livelihood restoration and community investment programmes to ensure that key stakeholders participate in the decision-making process regarding priorities, needs and feasibility of the programmes**
- **Community health and safety management to inform the community of the construction activities, progress and risks**
- **Grievance management**

Stakeholder engagement activities at Salima are the responsibility of the appointed Community Liaison Officer who ensures that the stakeholder engagement process is effective and is being implemented in line with the approach set out in the SEP.

Through the Grievance Redress Framework and the relevant SEPs, JCM maintains grievance logs at both Hawa and Salima for the management and monitoring of relations with the communities, and in order to ensure that all issues or suggestions raised by stakeholders are taken on board and responded to adequately.

In 2019, JCM received 24 grievances from members of local communities in Pakistan and Malawi. These grievances typically concerned the following issues: employment for members of local communities, compensation for land acquisition, environmental impacts on communities, respect for community rights and community investments.



100%

Community grievances addressed and resolved at Projects

BRIBERY, CORRUPTION AND ETHICS

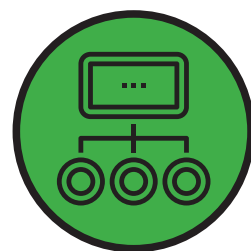
JCM's business practices are governed by integrity, honesty, fair dealing and compliance with all applicable laws. The JCM Code of Business Conduct (the "Code") establishes certain non-negotiable minimum standards of behaviour in key areas. The scope of this Code is not meant to cover all possible situations that may occur. Rather, it is designed to provide a frame of reference against which to measure any activities, and to identify any deviance from the Code.

Entering developing markets can be a complicated process, especially in places where business endeavours can be frustrated or impeded by bribery and corruption. JCM takes a zero-tolerance approach to bribery and corruption, incorporating the highest international standards and due diligence processes into the Anti-Bribery and Corruption (ABC) Policy. This policy, signed by all JCM employees, requires JCM to act professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate globally and ensures that we implement and enforce effective systems to counter bribery.

The spiralling effects of corruption extend beyond counterparties to market competitors, suppliers, and most importantly, citizens. JCM holds its own business ethics to the highest standards and takes a strong position of holding our ethical ground, even in cases where this may affect profits.

JCM's Chief Risk Officer, Martin Ritchie, is the Co-Chair of the Canadian Centre of Excellence for Anti-Corruption. This centre advises small- to medium-sized enterprises across Canada on the implementation of their anti-bribery and corruption compliance programs according to their size and needs.

Any allegations of bribery and corruption are relayed through a whistle-blower communications channel and reported to the JCM Audit Committee on a quarterly basis.



OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

100%



INCIDENTS THAT TRIGGERED THE ABC POLICY

1



HOURS OF ABC TRAINING

30

During 2019, the investigation of concerns related to corruption resulted in one confirmed incident that triggered the ABC Policy. In May 2019, a Project Company employee unexpectedly received a cellphone as a gift from a subcontractor. The gift was immediately reported by the employee to the relevant manager. It was understood by the JCM employee that gifts of this nature are not acceptable in terms of the ABC Policy as well as the Code of Conduct and therefore the gift was returned. Following the incident, the employee and subcontractor were provided additional training on the ABC Policy in order to avoid such incidents occurring in the future.

All new Corporate employees are required to undergo ABC training when joining JCM. In 2019, 15 employees completed the ABC training course provided by Transparency International.

JCM screens all new partners through third party independent integrity checks and interviews to ensure that they have no history of bribery and corruption.



PERFORMANCE RESULTS



ENVIRONMENT

The Environmental and Social (E&S) Policy governs JCM's commitment to fighting climate change and to promoting and practicing the protection of the natural environment. We do this by realizing renewable energy production and by conducting our business and managing investment projects in a manner that will prevent, minimize, mitigate or remediate negative environmental impacts associated with our business.

DECARBONIZATION OF ELECTRICITY PRODUCTION

The industrial process to produce PV modules and wind turbines has drastically changed over recent years as renewable technologies have matured. At the current rate, the energy payback

period for PV modules is less than a year after instalment. This means that the amount of energy used to produce Project equipment is recuperated by the solar production a year after the start of Project operation. In comparison, a 1-gigawatt (GW) coal-fired power plant fitted with carbon capture and storage technology has an estimated energy payback period of 3.92 years. The benefits of renewable technologies are three-fold:

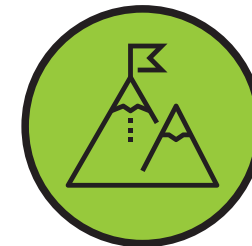
1. The environmental footprint of panel manufacturing is at an all-time low
2. The construction and operation of renewable energy projects has fewer environmental impacts in terms of air, water, and soil pollution

3. The technology itself slows climate change by replacing or avoiding the burning of fossil fuels



ELECTRICITY GENERATED BY HAWA IN 2019

160,370 MWh



GHG EMISSIONS REDUCED AS A RESULT OF RENEWABLE ENERGY GENERATION

75,864* tCO₂e

A secondary impact metric is the amount of CO₂ released into the atmosphere for every kilowatt-hour (kWh) of electricity produced. JCM is committed to using proven technologies to achieve the lowest carbon footprint while providing a superior source of energy.

Hawa used 110 MWh of the clean energy generated by the Project in order to run its operations and the remaining 160 260 MWh was sold to the grid in 2019.



ELECTRICITY DELIVERED TO OFF TAKERS

160,260 MWh

*To calculate the emission impacts of renewable energy it was assumed that all energy supplied to the electricity grid displaced fossil-fired generation



Hawa operations facility and wind turbines

“The Salima Project has created upwards of 350 jobs in Malawi and will supply approximately 1.5 million people with much needed electricity.”

Patrick Godfrey,
Project Developer



While the Salima Project is still under construction, once completed and fully operational, it will boost Malawi's installed capacity by approximately 15%. Malawi's supply mix is composed primarily of run of the river hydro and supplemented by costly peaking diesel gensets. The World Bank estimates that a kilowatt-hour of electricity generated from the diesel gensets costs approximately \$0.42 USD, whereas a kWh of electricity from the solar power plant currently under construction will only be \$0.08 USD, representing significant cost savings if the Electricity Supply Corporation of Malawi Limited (ESCOM) is able to largely replace the diesel gensets with that of the electricity generated by the Project.

Malawi is also impacted by seasonal drought and deteriorating equipment at many of the run of the river hydropower plants. The Project will provide clean and largely predictable electricity in a system where forecasting electricity generation is very challenging.



Case Study: Changing the face of energy in Malawi



**JOE RICHARD,
PROJECT ENGINEER:**

“JCM is leading the charge in Sub-Saharan Africa with plans to integrate a utility-scale Battery Energy Storage System (BESS) to the 20MW Golomoti Solar PV Project.”

Solar energy is soon to make up a large portion of the Malawi grid. During severe droughts, Malawi's generating assets only account for approximately 200MW. Once the solar projects in development or construction are completed, JCM's assets will comprise of approximately 25% of all generating assets in the country. This represents a high percentage of intermittent power of the grid infrastructure for countries in Sub-Saharan Africa.

The fundamental challenges with increasing solar penetration are:

- **A reduction in spinning reserve from the hydro units which can respond to contingency events (milliseconds to seconds)**
- **Increasing variability in generation output due to cloud cover across the various solar projects (minutes to hours)**

Currently, the Project team is planning to integrate a utility-scale Battery Energy Storage System (BESS) to help support this integration. The BESS will reduce the overall energy variability by having more control of the solar output's ramp rate. I.e. When a cloud rolls over the PV plant, the BESS can supplement the energy output to maintain a safe operating change in ramp rate.

After completion of two BESS studies completed by Power Engineers and Aurecon, respectively - there are two battery sizes under consideration: 5MW and 10MW. The main technical benefits that the integration of energy storage will provide include:

1. Trip Mitigation
2. Renewable Ramping
3. Arbitrage

Both solutions have similar technical capabilities, however, with more capacity, more impact can be made. To fund the capex of the 5MW BESS, a grant of \$2.8 million USD from Innovate UK's Department for International Development (DFID) was awarded in December 2019. The Project team is also in the process of securing an additional grant from the Private Infrastructure Development Group Technical Assistance (PIDG TA), which would fund the expansion of the BESS to the larger 10MW system. This Project will be one of the first of its kind in Sub-Saharan Africa and will help unlock further energy storage projects on the continent.



MANAGEMENT OF ENVIRONMENTAL IMPACTS

Despite the significant environmental benefits of renewable energy, the development of solar and wind projects does have environmental impacts. Most environmental impacts occur during the development and construction phases of a Project. The degree and types of impacts caused by renewable energy projects vary based on site location and the environmental characteristics of the site.

Emissions, water withdrawal, waste generation and increased transportation to and from the site area are typical impacts during the construction phase of a Project. JCM is committed to minimising environmental impacts and increasing local benefits.

We monitor and mitigate each of these impacts by implementing specific management plans.

CARBON FOOTPRINT

By providing clean electricity, our plants contribute to reducing greenhouse gas emissions where we operate. However, we acknowledge that our own operations and the construction of our plants produce greenhouse gas emissions (GHG emissions).

The majority of the GHG emissions are from the Salima construction site (diesel generators as well as vehicles and equipment) and from work-related air travel by Corporate employees. Hawa uses its own energy generated by the wind plant and therefore its GHG emissions are much lower than Salima.

FY2019 GHG EMISSIONS (tCO_{2e})

	Corporate	Hawa	Salima	Total
Total Scope 1	0.1	33.4	603.8	637.4
Total Scope 2	16.9	-	-	16.9
Total Scope 3	341.5	-	-	341.5
Total Scope 1, 2, 3	358.5	33.4	603.8	995.7

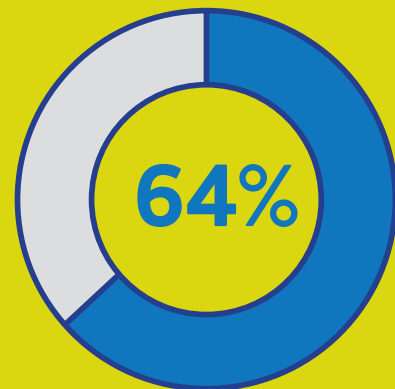


75,864 tCO₂e

GHG EMISSIONS REDUCED
AS A RESULT OF RENEWABLE
ENERGY GENERATION

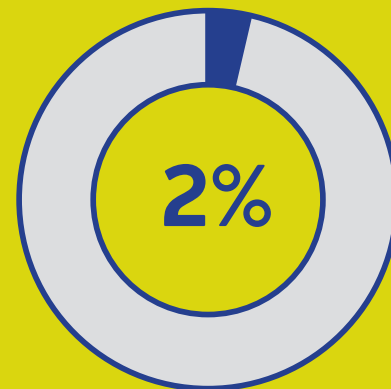
**Total
Greenhouse
Gas Emissions
for 2019:**

995.7 tCO₂e



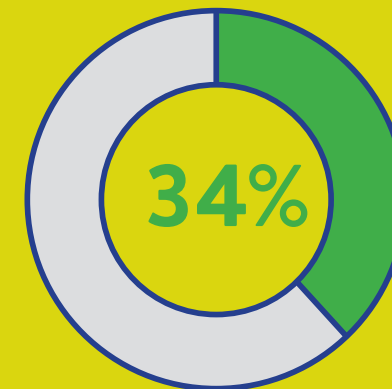
SCOPE 1:

Greenhouse gas emissions from sources that are owned or controlled by the company.



SCOPE 2:

Greenhouse gas emissions resulting from the generation of electricity, heat or steam purchased by the company.

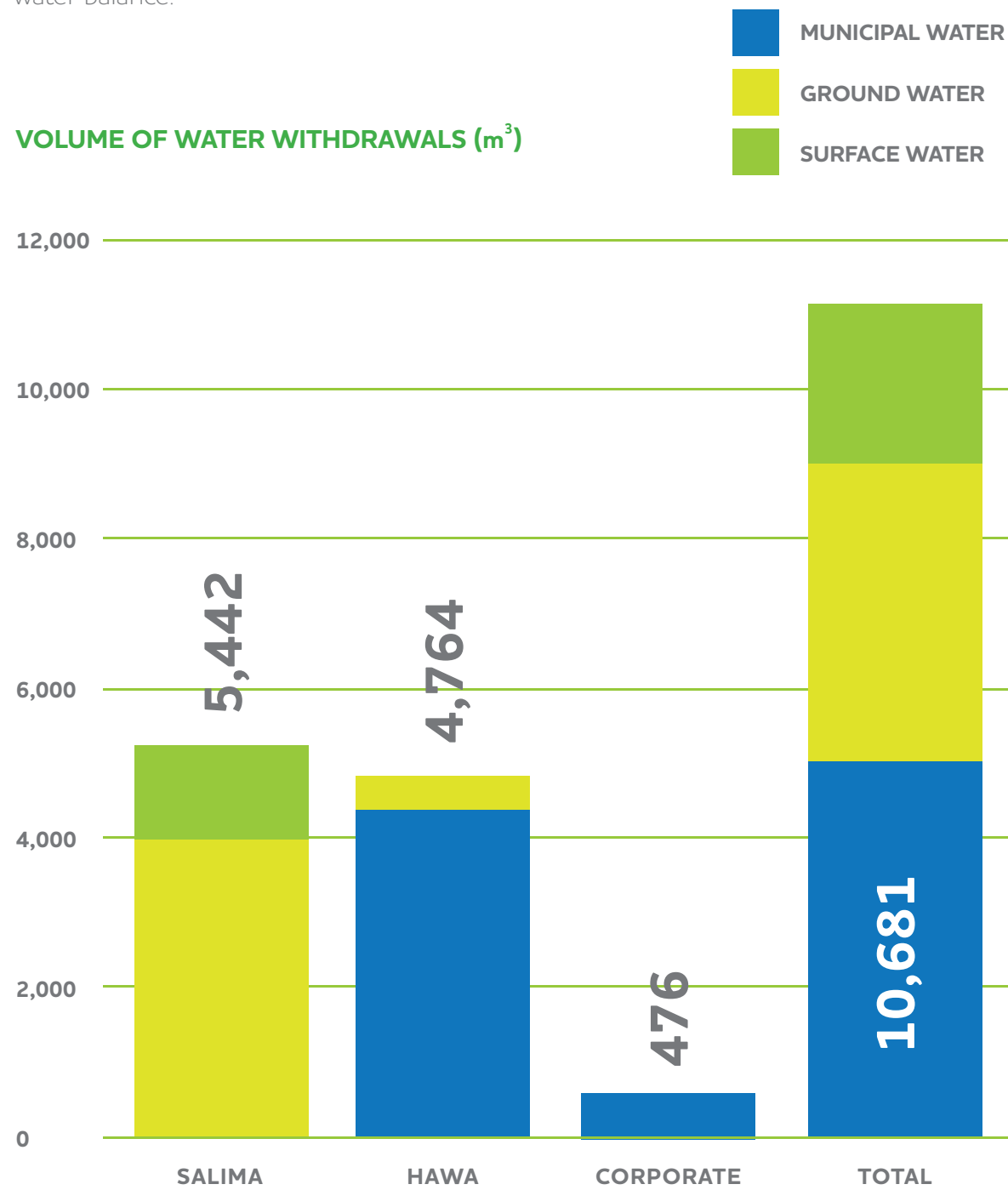


SCOPE 3:

Greenhouse gas emissions from sources not owned or directly controlled by the company, but related to its business activities.

WATER USE

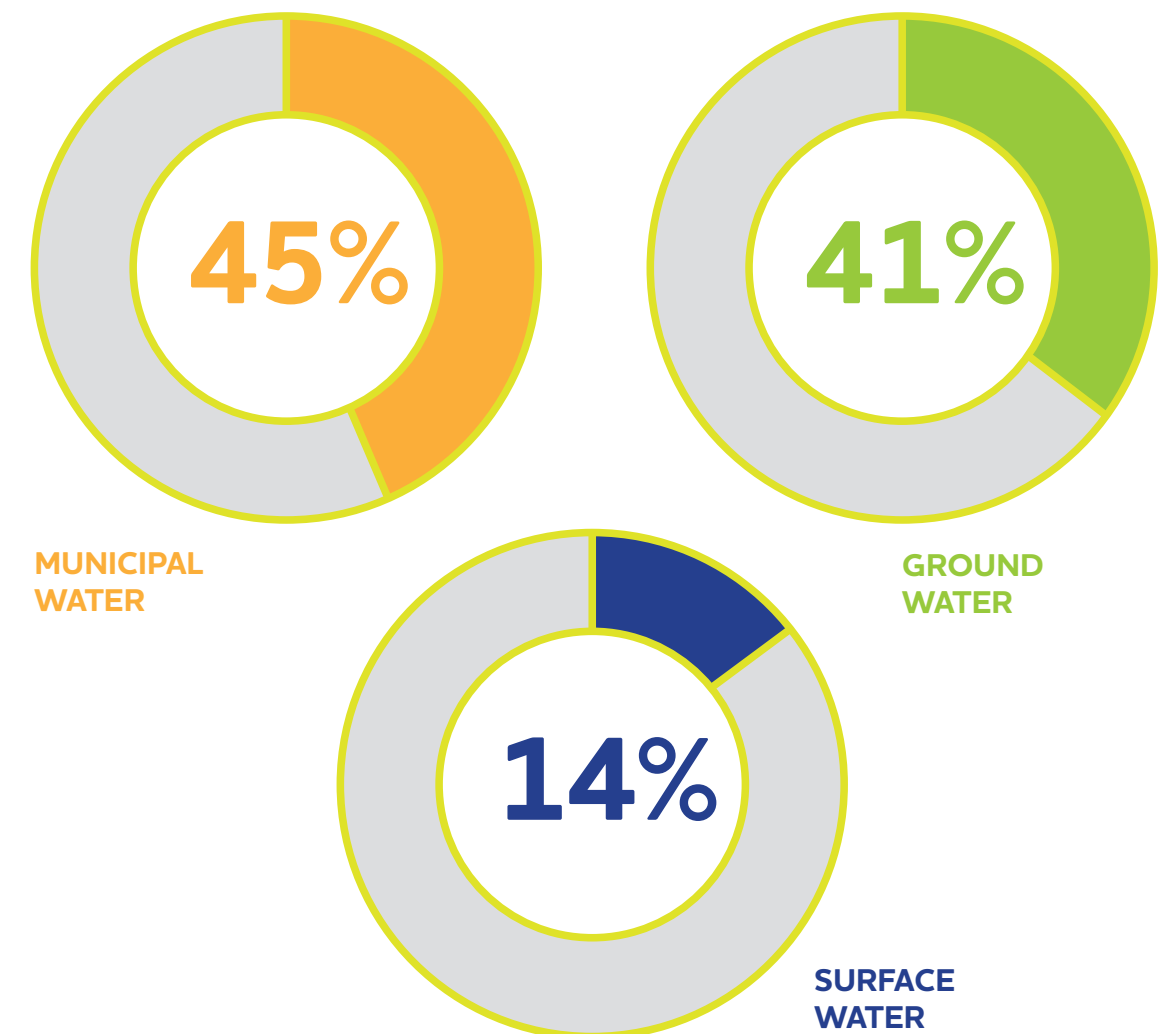
While we do not undertake water-intensive activities, JCM strives towards the efficient use of water, particularly in water stressed areas. We monitor each Project's water withdrawal by source in order to avoid any negative impact on the local water balance.



Different water supplies are used for our Projects at different locations, including groundwater from boreholes, municipal water and surface water. At Hawa, water is used for operational activities such as cooking, cleaning and drinking. At Salima, water use is

mainly linked to dust suppression of the access roads, cleaning of the site offices as well as construction activities, including cement mixing. Water used for dust suppression was withdrawn from surface water at a local quarry (Waya Water Pool).

WATER WITHDRAWALS BY SOURCE



WASTE

In addition to cutting our carbon emissions and water usage, we also work hard to monitor, manage and reduce our wider environmental impact including waste generated.



The total waste generated from Project's in 2019 was 191.7 tonnes. The majority of waste was non-hazardous waste generated from construction activities at Salima. This includes organic waste and packaging waste that is collected by a waste contractor and disposed of at a landfill site.

While no formal waste recycling programmes are currently in place at Project sites, recyclable materials from the construction site at Salima have been provided to the community. Community members have used the plastic strapping materials to weave

WASTE GENERATED (TONNES)

	Hawa	Salima	Total
Total hazardous waste generated	0.3	2.2	2.5
Total non-hazardous waste generated	16.8	172.4	189.2
Total waste generated	17.1	174.6	191.7

BIODIVERSITY

JCM's E&S Policy commits to compliance with the IFC Performance Standards on environmental and social sustainability and thus includes IFC PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

The construction of the Salima Project has required the clearing, leveling and preparation of the land and as such necessitated the removal of all vegetation. JCM identified that there were four tree species within the project footprint that are protected under Malawi Forestry Law. JCM reviewed the importance and sensitivity of the trees and found that most of the species were replaceable and could be cultivated within a short to medium time period. However, prior to the start of construction, the JCM ESG Department worked with the Project Development Team to alter the project design to avoid removing two large Baobab trees (*Adonsonia digitata*) which were also on the locally protected list and were deemed as important species to the area. For all other locally protected trees that were removed JCM has developed the Salima Tree Replacement Plan which commits us to plant saplings of the species which were lost, and which provided ecosystem services, within the Project affected communities.

Whilst the Mbalmayo project in Cameroon has secured its Environmental Licence, in 2019 JCM undertook further biodiversity studies to deepen our understanding of biodiversity at the Project. This involved an Ecosystem Services Assessment, Critical Habitat assessment, and the development of a Biodiversity Management Plan. These additional studies have provided further insights to the biodiversity of the Project and further aligned the Project with the principles of IFC PS6.

At the Hawa Project, the impact on flora was minimized wherever and to the extent possible during the construction phase. The Project has enhanced the biodiversity of the site in 2019 by planting Neem trees (*Azadirachta Indica*), a fast-growing indigenous tree with medicinal properties, at the plant and in the communities and Date palms (*Phoenix dactylifera*) at the substation.

Weekly bird counts are undertaken by the Hawa EHS staff, and monthly bird monitoring surveys are conducted by an independent consultant. No bird strikes (i.e. injuries/deaths of birds by wind turbines) were recorded in 2019.



Baobab tree (*Adonsonia digitata*), Salima project site, Malawi

“At JCM, environmental and social responsibility are not just programs to implement or policies to follow; it is a way of approaching our work that carries our vision and values, celebrates our diversity and supports a balance of professional and personal needs. JCM believes it has a strong responsibility to the communities in which it operates as well as to its investors, employees and business partners.”

Philip Leferink
Director, Malawi



Case Study: Protecting our ecological heritage



JCM intends to build, own, and operate a 20MW alternating current solar PV plant located approximately half a kilometre from the Golomoti Substation and less than one kilometre from Golomoti Trading Centre in Dedza District, Malawi. The Golomoti Project will be constructed on a 92-hectare (ha) parcel of land and will also include the construction of a short transmission line.

The Project construction will require the clearing, leveling and preparation of the land and, as such, will necessitate the removal of all vegetation. This will include the removal of trees, some of which are listed as protected under Malawi law. Based on the detailed land and asset surveys undertaken by the Ministry of Lands (MoL) five tree species have been identified as locally protected under Malawian Law and occurring within the Project boundary.

JCM's E&S Policy commits to compliance with the IFC PS on environmental and social

sustainability. Of relevance regarding protected trees is IFC PS6, which states that 'as a matter of priority, the client should seek to avoid impacts on biodiversity and ecosystem services' and 'clients are expected to fully exercise the mitigation hierarchy'.

Of the five locally protected tree species identified, only one species (the Baobab tree, *Adansonia digitata*) was deemed as highly sensitive and potentially irreplaceable. Two Baobab tree specimens were identified within the Project footprint and were deemed as sensitive due to their age, cultural value and keystone role within the ecosystem. Therefore, an internal process was undertaken in order to apply the mitigation hierarchy for these two trees. It was determined that one of the trees can be avoided through altering the design and the other cannot be avoided without causing a significant impact on the feasibility of the Project and therefore could not be avoided. Therefore, JCM was able to save one of the Baobabs through altering the design.

For the protected tree species that will need to be removed, JCM has developed a Protected Tree Plan which ensures that for each individual protected tree cut down during the land clearing, the Project will plant five or more individual seedlings of the same species in areas adjacent to the Project.

This collaborative effort between JCM's ESG Department and the Project Development Team demonstrates JCM's commitment to environmental and social international best practice.

COMPLIANCE TO ENVIRONMENTAL LEGISLATION

JCM is committed to implementing and maintaining an effective E&S framework within our company, which is informed by relevant national and international environmental and social legislation and aligned with international best practice. The JCM ESMS provides a framework for managing environmental and social risks and impacts.

There were no significant fines or non-monetary sanctions for non-compliance with environmental laws or regulations in 2019.

Through its E&S Policy JCM has committed to alignment with the IFC Performance Standards for Environmental and Social Risk Management. A number of external IFC PS compliance audits were completed at Hawa and Salima in 2019.

IBIS Environmental Social Governance South Africa (Pty) Ltd (IBIS) has been appointed by JCM to undertake construction monitoring at the Salima Project, focusing on, but not limited to, the IFC Performance Standards and applicable IFC EHS Guidelines. The E&S monitoring of the Project takes place every two months, with two audits undertaken in 2019.

Quarterly external audits are undertaken at Hawa, and four were carried out in 2019.



Case Study: IFC PS5: Salima Compensation Analysis



**LISA MULLER,
JCM ESG COORDINATOR**

“Through the Salima compensation analysis, JCM has demonstrated its ongoing commitment to uphold the objectives of the IFC Performance Standards, particularly the principals of PS 5 which deals with land acquisition.”

The development of the Salima Solar PV Project and the required land acquisition triggered economic displacement of land users. PAPs were provided with cash compensation that was designed to pay full replacement value for affected agricultural land and assets contained therein, as well as cover transaction costs associated with displacement.

As the land acquisition and compensation process was led by the MoL and the Salima District Council, it did not necessarily take into account the principals of IFC PS 5: Land Acquisition and Involuntary Resettlement when determining compensation rates for land and assets. The JCM ESG Department led a full and detailed analysis of the compensation process that was undertaken against the principles of IFC PS5, specifically in terms of what PAPs were compensated for. The verification process included recruiting a suitably qualified third-party valuator to review the asset prices paid against asset prices that would meet IFC Performance Standards.

Following the detailed data analysis, it was found that there were discrepancies in the calculation of the compensation amounts either due to clerical errors or omissions; and discrepancies between the rate paid versus the rates that would meet the principals of IFC PS 5. Based on the results of the compensation analysis, JCM has developed a Supplemental Action Plan (SAP) which outlines the action items, timeframes and responsibilities for addressing both the compensation calculation and rate discrepancies. The SAP will be rolled out in early 2020.

PERFORMANCE RESULTS



SOCIAL

Aligned with our mission to accelerate social, economic and environmental sustainability in growth markets is the recognition that our work needs to create tangible value for the communities hosting our projects. This is achieved through employment, as well as through more targeted social interventions.

Each phase of a renewable energy project, from inception and development through to construction and operation, creates employment. People are employed within the JCM offices and, to an even greater extent, the market where the project is located through the knock-on effect that this creates. Local

stakeholders and consultants have an intimate knowledge of laws, regulations, customs, culture, and environmental sensitivities, and JCM benefits from such regional knowledge by working with and employing local consultants. On the other hand, local professionals benefit from a knowledge transfer and additional experience which is acquired as a result of working closely with the JCM team. Over the lifetime of a project, JCM is intentional about hiring local team members, hiring and training locally to support construction, followed by a smaller round of hiring for the operation and maintenance of the project.

LOCAL DEVELOPMENT

Social development activities are guided by the JCM Social and Economic Development (SED) Policy. JCM is committed to SED in the communities in the countries in which we operate through the establishment of consultative and self-sustaining programs which meet the needs of PAPs and communities. We are further committed to creating opportunities, developing partnerships, enhancing self-efficacy, and promoting sustainable livelihoods within communities, so that communities remain vibrant and independent after the involvement of JCM.

JCM is dedicated to creating specific plans designed to impact local communities through the provision of community development interventions that are aligned with the SDGs, including healthcare, agricultural practices, clean water and sanitation, rural electrification and education.



Distribution of food security packages, Salima, Malawi



Community meeting, Salima, Malawi

QUALITY EDUCATION FOR CHILDREN AT HAWA

ACCESS TO CLEAN AND AFFORDABLE ENERGY AT HAWA

IMPACT OBJECTIVE:
Economic Growth

The Hawa Project provides ongoing educational support to schools in the region through the provision of educational materials and financial support for a teacher's salary. During the construction phase, the Project constructed and now continues to maintain a primary school building that caters to approximately 30 children aged between six and ten years old. The Project also provided furniture and books and hired a teacher to support the delivery of the syllabus to the school children. The teacher has been retained for the two-year Operation and Management (O&M) contract.

The on-site Hawa team visits the school on a monthly basis to evaluate whether all appropriate materials are available and ensure that teachers and learners are in attendance. Thus far the Project's support has resulted in an increased level of engagement and attendance at the school as the average number of regular students attending school has increased from 19 to 28 in 2019.



Students at the school supported by the Hawa Project, Jhimpir, Pakistan

IMPACT OBJECTIVE:
Climate Change

Access to electricity opens the door to a world of possibilities and has a cascading effect on all aspects of society and the economy. Access to modern energy sources significantly reduces the time and money women and children spend on everyday activities, such as collecting fuelwood, cooking, food processing, and pursuing education and income generating activities. In 2019 Hawa introduced a pilot programme for the distribution of solar modules for members of the Ghulam Hussain Barfat village near the Hawa Project. As part of the initial roll-out, the following items were distributed:

- 4 solar modules of (50 watt)
- 4 batteries and chargers (12 V 24 AH)
- 16 LED lights (10 Watt)

Based upon feedback received from the locals and availability of resources, this pilot programme will be further expanded to the rest of the villages near the Project.



Hawa Project, Jhimpir, Pakistan

AGRICULTURE FOR NUTRITION AND LIVELIHOODS AT SALIMA

IMPACT OBJECTIVE:
Sustainable subsistence-based livelihoods

During the 2018 and 2019 agriculture season, 22% of the total Malawi population, and 33% of the population in Salima District were vulnerable and required humanitarian assistance to fill the food gaps for approximately two to four months.*

With this background, along with our commitment to target agriculture intensification and address issues regarding low crop productivity as part of our Livelihood Restoration Programme, the Conservation Agriculture Initiatives are aimed at tackling food and nutrition security amongst 950 rural households (4,180 people) in and around Group Village Headman Kanzimbe. The impact objective of the Project is to improve household food and nutrition security, and to increase and diversify household incomes, enhancing resilience to the effects of climate change for our community's households. The Project's purpose will be achieved through three inter-linked outcomes:

- 1. Increased production and productivity of targeted crops and promoted livestock**
- 2. Improved and expanded access to output markets**
- 3. Increased adoption of environmentally friendly technologies and practices**

JCM has identified an implementation partner and will commence with the initiatives in 2020.



*Malawi Vulnerability Assessment Committee Bulletin No. 15/18, Volume 1

COMMUNITY WATER PROJECT ENHANCING LIVELIHOODS AT HAWA

IMPACT OBJECTIVE:
Health & Sanitation

The Hawa Project runs a water delivery initiative to the local community. On average approximately 20 tankers of water are being delivered to communities on a monthly basis. Each tanker has a capacity of 10,000 litres. As per the agreement with community representatives, one water tanker per week is delivered to each village which is enough to meet the community's needs. A total of 181 sweet water bowsers were delivered to the community in 2019. Aside from the obvious benefit of access to potable water, this initiative also provides employment opportunities, as the program is outsourced to the community members themselves. The Hawa Project team has a good relationship with its surrounding communities, and should a household in a village require additional drinking water, contact is often made directly to the Hawa HSE Officer and a solution is provided.



Delivery of water to communities supported by the Hawa Project, Jhimpir, Pakistan

RURAL ELECTRIFICATION OF BOREHOLE BRINGS WATER AND JOBS AT SALIMA

LINKING COMMUNITIES TO ESSENTIAL HEALTHCARE AT HAWA

**IMPACT OBJECTIVE:
Health & Sanitation**



The village of Kanzimbe, which is host to the Salima Project, has one borehole and a hand pump as the main source of potable water supply. This borehole supports over 2,000 people and, as a result, community members (predominantly women and girls) spend a long time (between two to four hours) fetching water. This impacts the time remaining for women to carry out their other daily activities, and girls are sometimes late for school, often being sent back home, which affects their school performance.

Namanda Primary School, the main primary school in the area, has a non-functional solar water pump system and a standalone solar PV system which is also not working. As a result, the students and teachers fetch water from the nearby villages, and only one of eight classrooms are lit as a result of the solar system not having the capacity to accommodate the whole building.

The Malawi Government standards require one hand pump borehole to cover a maximum of 250 people for effective provision of water to the borehole users. Boreholes that serve more than 250 people are

considered to have a high risk of frequent mechanical failure and low water yield due to extended abstraction. Therefore, from the given population figures, there is need to provide more potable water sources in villages.

In late 2019, a solar PV system and borehole at Namanda Primary School was built and operationalised by the Salima Project. The community members provided labour and funds required for remunerating labourers was paid into the community maintenance account. In 2020, JCM will expand this programme to Mbwezela Primary School.

**IMPACT OBJECTIVE:
Health & Sanitation**



Hawa provides support to the ambulance service in the region by servicing the ambulance vehicles on a periodic basis. The nearest available healthcare facilities are in Hyderabad or in Karachi, which are over 60 kilometres away. Given the lack of options available to the local people for transportation to these facilities, a well-functioning ambulance service has had a significant positive impact on the local community. This was particularly evident in two cases, one in which a man was bitten by a venomous snake and another in which a woman went into labor. In both cases the ambulance service was able to transport the patients to the hospital in a timely manner to avoid any adverse health impacts.

In 2019, quarterly medical camps were arranged in the local villages whereby basic check-ups were made available to the community focusing on medical conditions that are common in the region (e.g. Tuberculosis). The camp resulted in the early detection and diagnoses of several cases that could have led to more serious complications for community members. Once diagnosed, patients are provided with the required medications and follow ups by the relevant doctors.



Construction of water tank support base, Namanda Primary School, Salima, Malawi

SAFER START FOR CHILDREN AND NEW MOTHERS AT SALIMA

**IMPACT OBJECTIVE:
Health & Sanitation**

JCM and CowaterSogema have joined forces in Malawi where both Canadian companies are active. CowaterSogema has been implementing a maternal, newborn and child health (MNCH) initiative for the past two years in Chitipa and Kasungu districts. Recognising the companies' shared values and commitment to support the social, environmental, and economic development in Malawi, a partnership was formed through the CowaterSogema led InPATH initiative.

With this partnership in place, additional funding was leveraged from the Government of Canada to expand the Integrated Pathways for Improving Maternal, Newborn and Child Health (InPATH) operations to Salima, the district which is host to the Salima Project. This unique opportunity allowed JCM to join an existing consortium of private, public and civil society stakeholders and benefit from established strong working relationships with national and local governments in Malawi.

The goal of the 2016-2021 InPATH project is to contribute towards the reduction of maternal and child mortality in Kasungu, Chitipa and Salima by strengthening local health systems and improving governance and accountability for results in Rural Maternal, Newborn and Child Health (RMNCH).



Integrated Pathways for Maternal, Newborn and Child Health (InPath)



To do so, the InPATH project is addressing the capacity of skilled health personnel in Malawi by building local-level capacity for facility and community-based health workers; the need for safe and hygienic environments for deliveries, antenatal and post-natal care through improved water and sanitation at health facilities; and the involvement of citizens in local-level decision making for RMNCH service delivery through strengthened local governance structures and mechanisms for citizen engagement.

This initiative will improve the delivery and utilization of essential health services in the communities of Salima including maternal, newborn and child services to mothers, pregnant women, newborns and children under the age of five.

During the reporting period 01 April 2019 to 14 February 2020 (InPATH Project Year Three) the project supported different activities in Salima; including;

- Three Gender Technical Working Group (TWG) and MNCH Sub-committee meetings; this is a forum where Gender and MNCH issues are coordinated and collaborated (discussions include scaling up best practices, lessons learnt as well as challenges and mitigation measures).
- Provided logistical and technical support on monthly basis to MoH district mentors to conduct clinical mentoring to health facilities service providers on maternal newborn health, family planning, post abortion care, Health

Management Information Systems.

- Quarterly MNH Quality Improvement collaborative learning sessions conducted in the five clusters; health service providers and District Health Management Teams meet during these sessions and discuss progress on improving quality of maternal health services.
- Finalized engineering designs and procurement of services for Water, Sanitation and Hygiene (WASH) and health facility renovations; contracted GIMTECH and Thandi to do construction works starting at Salima District Hospital and Khombedza health center.
- Procurement of medical equipment for Maternal Newborn and Child Health (MNCH) services.
- Procurement and distribution of essential equipment for Long Acting and Permanent Methods (LAPM) and Post Abortion Care (PAC) services.
- InPATH provided a Resuscitaire (a warmer for resuscitating babies who are born with breathing problems) to the Operating Theater at the Salima District Hospital.
- Supported capacity building of health workers in maternal and newborn health, child health, family planning, Post Abortion Care; capacity building of Gender TWG and MNCH Subcommittee on Sexual Reproductive Health and Rights (SRHR) and Sexual Gender Based Violence (SGBV).

**ECONOMIC
DIVERSIFICATION**

JCM aims to promote activities that support local development in the countries where we operate. JCM is committed to contributing to job creation, and, for this reason, we employ local labour and suppliers as far as possible. This practice provides knowledge and technical skills transfer to the communities where we operate.

A significant number of the jobs that are created through our projects originate during the construction phase. Workers are provided with important technical skills and experience that make them more eligible for work in the future.

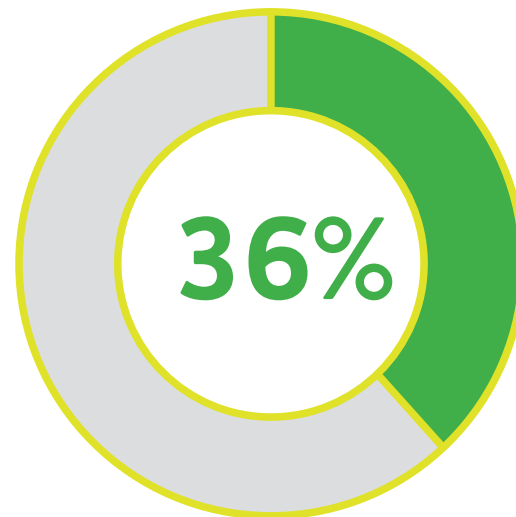


5
New jobs
created by JCM
Corporate

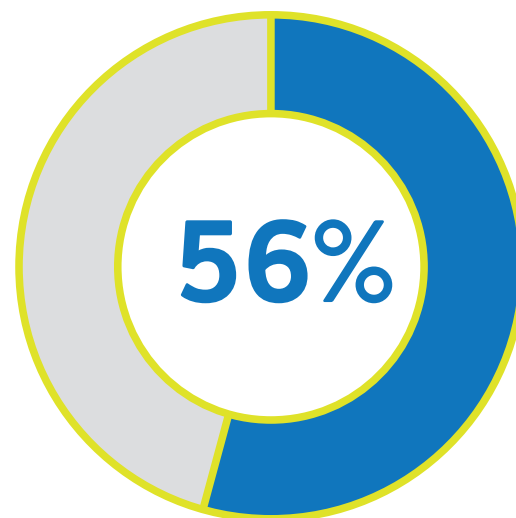


\$348,800
Expenditure on local goods
and services at Salima

Percentage of direct and indirect staff employed from local communities



HAWA



SALIMA

HAWA

Prior to the development of the Hawa Project, social assessments of the area noted that there were few employment opportunities, that the communities were struggling to meet their nutritional needs and, that housing infrastructure mostly consisted of single room houses built from mud and vegetation.

Local employment accounts for 36% of the staff contingent. In 2019, during operation of the Hawa Project, 30 people were employed from these local communities in security roles and one as a gardener. The Project also stimulates local employment through the outsourcing of the water distribution project where blackwater is disposed from the site and clean water supplied to the local communities.

The Hawa Project has therefore brought job and business opportunities to the area and raised the living standard of local people. Further, employment has attracted temporary settlements to the area and one community leader commented that he is now able to provide three full meals per day to his family as opposed to only being able to provide one prior to the establishment of the Project.



\$41,256
Wages received by Hawa employees
from local communities

SALIMA

Development of the Salima Project and the required land acquisition triggered economic displacement of land users under a customary land tenure system for which the Traditional Authority is the custodian. The lack of employment and poor literacy rates amongst communities in the Project area create low income levels and high levels of poverty. In combination, affected communities primarily rely on subsistence farming and petty trading as their main livelihoods and for food.

A Livelihood Restoration Plan (LRP) was developed to provide a comprehensive approach to managing impacts related to economic displacement as a result of the land acquisition for the Project. In order to avoid impoverishment resulting from the process, and to enhance positive impacts that could be achieved as a result of the Project being established. The LRP was developed to firstly meet requirements outlined in Malawian legislation but also to meet international best practice, particularly in relation to the IFC Performance Standards and the World Bank (WB) Environmental and Social Framework (ESF) (2018).

“Providing the food packs to the most vulnerable PAPs and seeing the progress on other farms has been the most fulfilling part of my work. When you are able to see the real impact of your work on the ground, you are motivated to do even more.”



Itayi Nkhono,
Salima Community Liaison Officer

The initiatives of the LRP focus on capacity development in agriculture and sustainable agricultural practices to enhance food security as well as development of small and micro business initiatives to diversify livelihoods of affected persons.

Through JCM’s monitoring of the land acquisition process and the livelihoods of the PAPs, 35 vulnerable PAPs were identified as requiring food security support during the four lean months (November 2019 – February 2020). JCM worked together with the Salima District Council, Agriculture Office to support the distribution of food parcels which comprised of 40 kgs grain or maize meal, three kgs of legumes, five packets of soya pieces, two litres of cooking oil, five kgs of porridge meal and two kgs of salt to these households for the lean months.

JCM aims to discourage dependence on the Project for food security and is keen to promote self reliance in the community and so in addition, farm input starter packs consisting of 5 kgs of early maturing hybrid maize seed and 50 kgs of fertilizer (basal and top dressing) were also given. The seed would enable the PAP to farm a 35m² piece of land with minimum care and harvest 20 to 30, 50 kg bags of maize.

The agreement was that the PAP would not sell their labour to other farm families but instead with the food JCM had given, they would use their labour to farm on their own pieces of land to ensure they have enough food for future lean months in the coming year. JCM facilitated a farm demonstration by the District Council Agriculture Extension Officer to show the PAPs the particular method encouraged for using the packs. The Extension Officer has also provided continued support to the PAPs including training farmers on field hygiene, pest control, and post harvest management.



Distribution of food security packages, Salima, Malawi

Case Study: From trees to triumph



Maria Zefania is a PAP who was compensated during the Salima Project land acquisition process for her land and assets (namely trees). With the cash compensation, Maria bought a water pump and accessories to help her irrigate the farm on which she grows tomatoes. The proceeds from the tomato business were used to purchase a further 1.5 acres of land so that her horticulture opportunities could expand. Maria now has additional cash crops, including rice and sugarcane, and is food secure.

PROTECTION OF HUMAN RIGHTS

JCM's approach to Human Rights is based on the values of respecting the dignity of every human being and recognises our responsibility to contribute to the well-being of local communities and other stakeholders. JCM is committed to adherence with the 2011 UN Guiding Principles on Business and Human Rights, International Labour Organisation (ILO) conventions and the IFC Performance Standards. JCM has translated the pillars of the UN Guiding Principles into how we do business at the Corporate level through ensuring human rights is a focus of our E&S due diligences for potential investments, providing our employees and stakeholders a means for reporting on business-related human rights abuse through the various grievance mechanisms and committing to providing a productive, non-discriminatory, exploitation-free, decent, safe and healthy working environment for our employees.

Respecting the rights of the people working for JCM, our PAPs and the greater communities which we operate in is fundamental to building mutually beneficial and lasting relationships. The goal is to ensure continuous compliance with IFC Performance Standards and to avoid any practice harmful to our stakeholders' rights.

SALIMA

According to the Malawi Human Rights Country Report (2016), the main human rights issues prevalent in the country are corruption, child labour, gender discrimination, HIV/AIDS stigmatism, child abuse and early marriage. The protection of human rights is being managed and monitored through various plans and policies including the Environmental and Social Management Plan (ESMP), the EPC's Construction ESMP, the Gender Equality Management Plan and the worker Code of Conduct. Respect for the community and the Traditional Leadership structures is a key focus of these plans and policies.

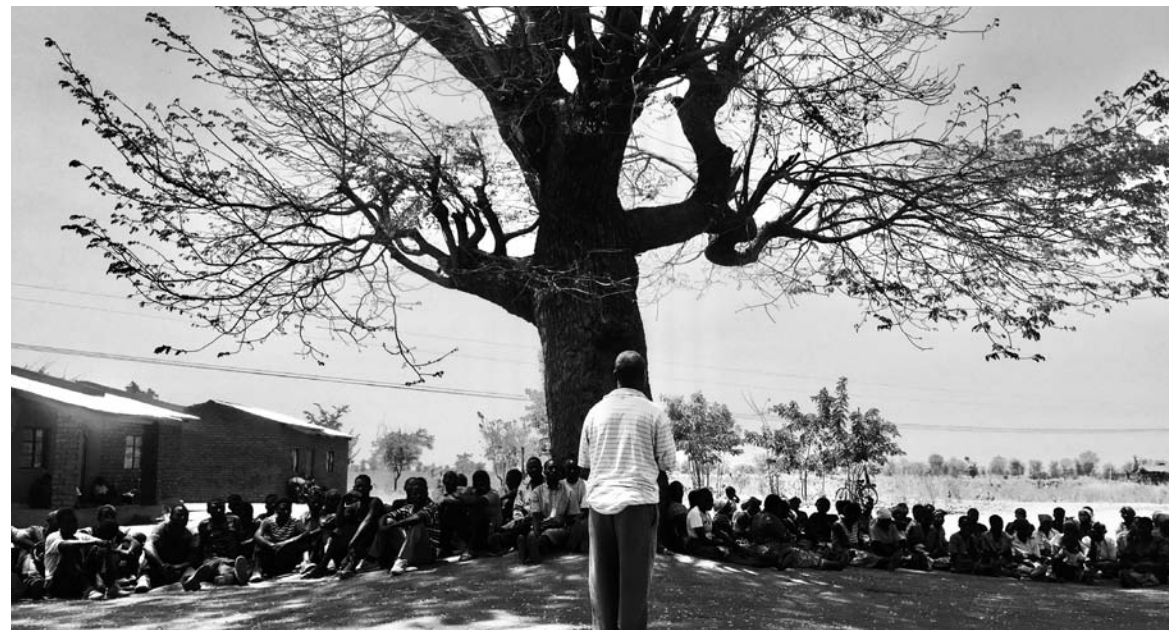
HAWA

Various mechanisms for the management of human rights exist at the Hawa Project including the Social Policy, Stakeholder Engagement Plan, grievance mechanisms and ESMP. Monthly meetings with the community are conducted to ascertain whether any human rights have been infringed upon by the Project.



Land and asset compensation disclosure, Golomiti, Dedza, Malawi

PERFORMANCE RESULTS



FINANCIAL

JCM aims to craft long-term financial arrangements with our partners that are beneficial for all. We take a collaborative approach to the development, construction and ownership of projects, joining forces with best-in-class energy leaders.

JCM encourages its employees to be conscious of the impact of the company's decisions on investors, Project stakeholders, and community members. Where possible, our team mitigates risk through strategic planning, and through remaining up to date on current issues and market trends. Our financial team monitors our capital closely, and prudently allocates capital to our various projects as is required.

ECONOMIC AND FINANCIAL VALUE CREATION

JCM aims to create maximum value for all its stakeholders by delivering our purpose and ensuring the relevance and sustainability of our business. We recognise that there is a broad range of stakeholders with an interest in our activities and initiatives and on whom our business has an impact. We continue to invest in our employees, supplier relationships, and operations.

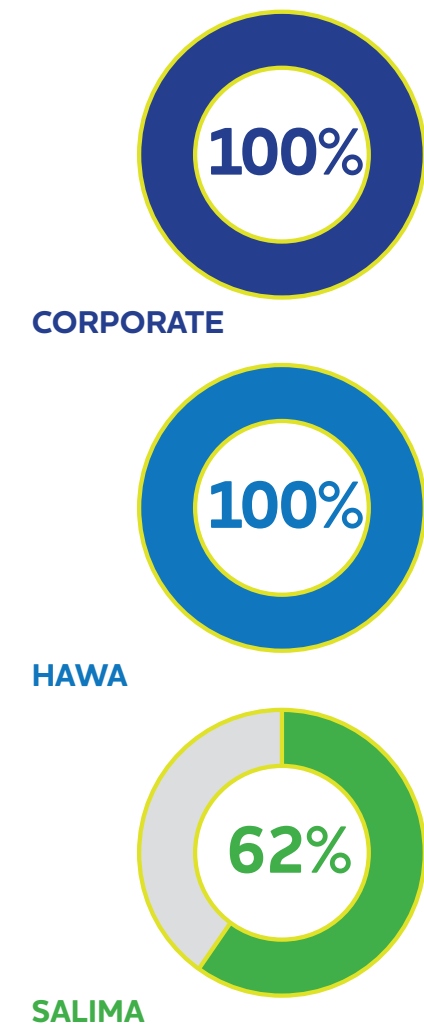
It is the dedication, talent, and knowledge of our employees, along with efficient value-creating strategies and operations, that allow us to meet the needs of our stakeholders and contribute materially towards the communities in which we operate.

COMPLIANCE WITH INVESTOR REPORTING REQUIREMENTS

For all our projects we conduct ESAs and due diligence assessments to identify potential environmental and social impacts from our activities. The next step once these assessments have taken place is the establishment of Environmental and Social Action Plans (ESAPs). The ESAPs are often developed in close dialogue with Project and financing partners and usually include a list of environmental and social measures to reduce impacts identified through the ESA.

All our projects have regular E&S monitoring and reporting procedures in place. A total of 48 ESAP items have been raised. JCM Corporate and Hawa have met all ESAP deadlines, while the Salima Project is still in the process of meeting ESAP deadlines as the construction activities take place.

Percentage of ESAP deadlines met:



2019 EMPLOYEE WAGES AND BENEFITS (USD)



ANNEX A: GRI CONTENT INDEX

Annex A: GRI Content Index

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE/ ANSWER
GENERAL DISCLOSURES		
GRI 102-1	Name of the organization	JCM Power
GRI 102-2	Activities, brands, products, and services	Page 9
GRI 102-3	Location of headquarters	Page 19
GRI 102-4	Location of operations	Pages 17-18
GRI 102-6	Markets served	Page 19
GRI 102-7	Scale of the organization	Pages 17-18
GRI 102-8	Information on employees and other workers	Pages 48-50
GRI 102-12	External initiatives	UN Sustainable Development Goals Global Reporting Initiative (GRI) UN Women's Empowerment Principles Integrated Pathways for Improving Maternal, Newborn and Child Health (InPATH)
GRI 102-14	Statement from senior decision-maker	Page 2
GRI 102-16	Values, principles, standards, and norms of behavior	Page 12
GRI 102-18	Governance structure	Page 27
GRI 102-43	Approach to stakeholder engagement	Page 62
GRI 102-44	Key topics and concerns raised	Pages 62
GRI 102-46	Defining report content and topic Boundaries	Page 8
GRI 102-47	List of material topics	Page 42
GRI 102-50	Reporting period	Page 8
GRI 102-53	Contact point for questions regarding the report	Back Page
GRI 102-54	Claims of reporting in accordance with the GRI Standards	The GRI Standards forms the basis of our reporting framework and selected Standards have been used to report specific information
GRI 102-55	GRI content index	Pages 100-101
MANAGEMENT APPROACH		
GRI 103-1	Explanation of the material topic and its Boundary	People: Page 47 Partners: Page 61 Environment: Page 65 Social: Page 81 Financial: Page 97
GRI 103-2	The management approach and its components	People: Pages 22-38
ECONOMIC PERFORMANCE		
GRI 201-1	Direct economic value generated and distributed	Page 97-98
INDIRECT ECONOMIC IMPACTS		
GRI 203-2	Significant indirect economic impacts	Page 82-94
PROCUREMENT PRACTICES		
GRI 204-1	Proportion of spending on local suppliers	Page 91
ANTI-CORRUPTION		
GRI 205-1	Operations assessed for risks related to corruption	Page 63
GRI 205-2	Communication and training about anti-corruption policies and procedures	Page 64
GRI 205-3	Confirmed incidents of corruption and actions taken	Page 64

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE/ ANSWER
WATER		
GRI 303-3	Water withdrawal	Pages 73-74
BIODIVERSITY		
GRI 304-2	Significant impacts of activities, products, and services on biodiversity Habitats protected or restored	Pages 75-76
GRI 304-3		Pages 75-78
EMISSIONS		
GRI 305-1	Direct (Scope 1) GHG emissions	Pages 70-72
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Pages 70-72
GRI 305-3	Other indirect (Scope 3) GHG emissions	Pages 70-72
GRI 305-5	Reduction of GHG emissions	Page 66
EFFLUENTS AND WASTE		
GRI 306-2	Waste by type and disposal method	Page 75
ENVIRONMENTAL COMPLIANCE		
GRI 307-1	Non-compliance with environmental laws and regulations	Page 79
EMPLOYMENT		
GRI 401-1	New employee hires and employee turnover	Page 48
OCCUPATIONAL HEALTH AND SAFETY		
GRI 403-5	Worker training on occupational health and safety	Page 57
GRI 403-6	Promotion of worker health	Pages 59-60
GRI 403-9	Work-related injuries	Pages 58-59
GRI 403-10	Work-related ill health	Pages 59-60
TRAINING AND EDUCATION		
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Pages 55-57
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Page 57
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 405-1	Diversity of governance bodies and employees	Pages 49-50
HUMAN RIGHTS ASSESSMENT		
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Page 96
GRI 412-2	Employee training on human rights policies or procedures	Pages 95-96
LOCAL COMMUNITIES		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Pages 61-62
SUPPLIER SOCIAL ASSESSMENT		
GRI 414-1	New suppliers that were screened using social criteria	Page 64



CONTACT DETAILS

For any further information, please use the contact details below and ensure that **“Sustainability Report”** is included in the subject heading.

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