



# ESG & IMPACT Report

2020



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Laurent Zylberg



Charles-Henri Malécot

*"We will increase our focus on the impact of our investments after the crisis"*

By **Laurent Zylberg**, *Chairman of the Board of Directors of STOA*,  
and **Charles-Henri Malécot**, *Chief Executive Officer of STOA*

In 2019, Africa was the focus of most of the STOA team's efforts. By investing in infrastructure in Gabon and South Africa, we are pursuing our efforts to meet the "burning need" for Africa's development. And at this time when disparities are becoming increasingly flagrant, nothing is more important than this renewed link with Africa. The global health crisis is currently striking all countries hard, grinding their economies to a halt and leading to tragic consequences for the poorest countries. In response, STOA's action and its impact on the economic development of the countries of the Global South are all the more needed.

*"And at this time when disparities are becoming increasingly flagrant, nothing is more important than this renewed link with Africa."*

Since its creation, STOA has set ambitious goals. The framework supporting them was made stronger in 2019, when we became one of the first signatories to the Operating Principles for Impact Management of the International Finance Corporation (IFC). And by positioning itself as an impact fund, STOA has reaffirmed its ambition: that of building long-term partnerships in strategic sectors to meet people's needs for essential infrastructure in emerging markets, thereby promoting sustainable and resilient economies.

Meanwhile, sustainable cities are a key issue in the background of the grave health crisis we are experiencing. That is why many of the challenges

Besides delivering impact on development, fighting the climate emergency in both the South and the North remains crucial. For both emerging and developing countries, fighting climate change presents new challenges requiring us to pool our means of action. We believe that STOA and its shareholders can be pioneers in this area. By supporting energy transition in India, Cameroon, and elsewhere in the world, STOA is making its contribution and is putting into action the means and expertise needed to meet the challenges of this "great transformation".

to which STOA can make a useful contribution are concentrated in dense urban spaces. And because STOA has a duty to be highly vigilant and to implement rigorous management of environmental and social risks, the STOA teams will focus their action on the sustainable and intelligent cities of tomorrow during the coming year.

# Who **we are**

STOA, an impact fund established in 2017, finances infrastructure in emerging and developing countries. It is a subsidiary of Caisse des Dépôts et Consignations (CDC), and Agence Française de Développement (AFD).

CDC is a French public-sector financial institution, and AFD is France's national development bank and agency. STOA was created in 2017 as an impact fund, as part of the growing relationship between the two institutions. STOA's ambition is to establish long-term partnerships in strategic sectors in order to meet people's needs in critical infrastructure in emerging markets. By doing so, we promote the development of sustainable and resilient economies.

## Investment in infrastructure

After investing in renewable energy projects in India and Cameroon during our first year of operation, we expanded our scope of action to include the telecommunications and transport sectors. By signing four new projects in 2019, we demonstrated our expertise and ability to fund high-impact initiatives in emerging and developing countries - particularly in Africa, which was the focus of most of our investments during the year.

## Rigorous ESG risk management

For STOA, assessment of environmental, social, and governance (ESG) risks has the same importance as analysis of the financial performance of an investment opportunity. We believe it is crucial to take these issues into account in order to contribute to balanced and sustainable development in the countries in which we invest.

## Around 100 eligible countries and territories

The projects we finance are implemented in countries that are open to foreign investment and to public-private partnerships, and that are listed as recipients of official development assistance by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

**€600 M**  
of committed capital...

Our shareholders



## Our values



Responsibility and sustainability



Flexibility and openness



Trust and transparency



Boldness and pragmatism

# STOA is...

## ...investments in strategic sectors...



### Energy

- Renewable energy
- Electricity networks
- Gas transport and distribution networks
- LNG terminals, energy storage
- Mini-grids / Off-grid solutions



### Transport

- Highways and roads (with or without tolls)
- Bridges, tunnels
- Urban or rail transportation
- Rail transport, logistics
- Ports
- Airports



### Telecom

- Optical fiber networks
- Local loop infrastructure
- TowerCo and energy efficiency
- Submarine cables
- Satellites
- Data centers



### Environment

- Sanitation and water distribution
- Waste management and treatment



### Social

- Public buildings
- Hospitals, clinics
- Universities, schools
- University student housing

## ...in emerging and developing countries...

- Eligible countries
- Projects currently being implemented

...half of which are in **Africa**



# Our team

The staff at STOA come from different backgrounds and origins. Our multicultural approach enables us to adapt to different environments.

## Management



**Charles-Henri Malécot**  
Chief Executive Officer



**Marie-Laure Mazaud**  
Deputy Chief Executive Officer



**Matthew Saville**  
Managing Director

## Investment team



**André Mounif**  
Investment Director



**Ange-Kevin Silue**  
Investment Manager



**Antoine Durand**  
Investment Manager



**William Le Bec**  
Investment Manager



**Romain Vélon**  
Investment Analyst



**Amine Masnaoui**  
Investment Analyst



**Ayoub Sami**  
Investment Analyst

## Support team



**Caroline Berthier**  
Chief Financial Officer



**Laurence Marle**  
Legal Head



**Berivan Adlig**  
Head of Internal Control and Compliance



**Virginie Vitiello**  
Environment & Social Head

# Our governance

STOA benefits from a strong governance and management structure. Its two shareholders enjoy full independence in administering the STOA funds.

## Board of Directors

Our Board of Directors is made up of representatives of our two shareholders, Caisse des Dépôts et Consignations (CDC) and Agence Française de Développement (AFD). The Board monitors our activity continually.

- It approves STOA's annual budget and medium-term development plan.
- It regularly reviews STOA's strategy, the financing and possible restructuring of its portfolio projects, and its human resources policy.
- It decides on the investments, acquisitions, or sales to be made.

## Three specialized committees

The Board of Directors is backed up by three specialized committees.

The **Investment Advisory Committee** is formed by representatives from CDC and AFD. Its main task is to issue a prior opinion on investment or disinvestment before their submission to the Board of Directors. It validates the appropriateness of the projects in terms of the investment policy, climate commitments (see page 9) and the environmental and social risk management system as defined by STOA (see pages 10-11). The committee can be consulted at various key stages of project analysis or evaluation.

The main task of the **Audit and Risk Committee** is to monitor the financial reporting process. It is also responsible for reviewing and monitoring the implementation of internal audit procedures.

The **Appointments and Remuneration Committee** reviews and makes recommendations regarding the hiring and remuneration of STOA's management.



**8 representatives**  
from CDC and AFD  
Group on the Board of Directors

## Members of the Board of Directors

### BOARD MEMBERS

#### Chairman

► **Laurent Zylberberg** (CDC)

#### Members

► **Françoise Tauzinat** (CDC)

► **Jean-Pierre Barral** (AFD)

► **Fabienne Moreau** (CDC)

► **Djalal Khimdjee** (Proparco)

► **Regis Pélissier** (CDC)

► **Wael Rizk** (CDC)

► **David Willecomme** (CDC)

### OBSERVERS

► **Paul Teboul**

(French Ministry of Economy and Finance)

► **Julien Lecas**

(French Ministry for Europe and Foreign Affairs)

# “Accessible, functional and **clean** infrastructure”

## Interview



**Virginie Vitiello**,  
Environment & Social  
Head at STOA



**Silvia Binet**,  
Consultant at  
Steward Redqueen

As an impact fund, STOA makes achieving the Sustainable Development Goals (SDGs) a key component of its activity. Its impact framework, developed in 2019, covers the entire investment cycle.

### How did STOA's impact framework start out?

**Virginie Vitiello** - In April 2019, STOA was one of the first signatories to the Operating Principles for Impact Management of the International Finance Corporation (IFC). By becoming a signatory, we sought to strengthen our commitment as a long-term investor.

After a targeted call for proposals, we selected Steward Redqueen, a consulting firm specializing in impact and sustainability, to help us build our impact framework and an impact measurement tool specific to our asset categories (see opposite). This tool allows us to select the projects with the greatest impact and to ensure they are monitored throughout the investment cycle.

### How were these tools developed?

**V. V.** - We wanted our impact framework both to meet the requirements of the IFC Operating Principles and to match our reason for being. We therefore brought together our investment and management teams to jointly work out our ultimate mission and the impact we wanted to make.

That's the path that led to our impact statement: “STOA builds long-term partnerships in strategic sectors to meet people's needs for essential infrastructure in emerging markets, thereby promoting sustainable and resilient economies.”

We then defined three impact criteria to help guide us in our investments. The infrastructure we finance must be accessible, functional, and clean. In other words, that infrastructure must provide service that is available or affordable, reliable, and safe.



**STOA forges long-term partnerships...**

- Partnerships with **PRIVATE COMPANIES**
- Investments lasting **15 TO 25 YEARS**
- Investment amounts of **€10 M TO €50 M** per operation



**...to meet people's needs in essential infrastructure in emerging markets...**

#### → ACCESSIBLE

Services that are **available** or **affordable**

#### → FUNCTIONAL

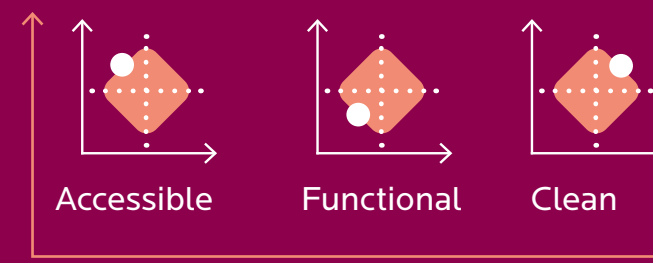
Services that are **reliable** and **safe**

#### → CLEAN

Services with a **low-carbon footprint** or that use resources efficiently

### OUR IMPACT EVALUATION GRID

The country's needs in essential infrastructure



The project's potential contribution to development

## Our impact framework



**...in strategic sectors...**

**Energy** **Transport** **Telecom**  
**Social** **Environment**



**...that in this way promote sustainable and resilient economies**

**SUSTAINABLE DEVELOPMENT GOALS**



Furthermore, it must have a low-carbon footprint or allow users to reduce their greenhouse gas emissions.

**Silvia Binet** - STOA's impact framework is based on three key tools: an ex-ante screening system, a set of measurement indicators, and an impact modeling tool. The first tool generates an impact score by measuring the three criteria of how accessible, functional, and clean the project is. The second helps measure the progress made, using 65 indicators selected from standard catalogs (HIPSO, IRIS). The third makes it possible to model STOA impacts on a macroeconomic scale.

### How do you use those criteria on a daily basis?

**V. V.** - We select a project only if at least one of the three criteria is met. Next, we assess to what extent it meets the country's development needs. A score system is then established to evaluate it compared to the rest of our portfolio (see previous page). When the project is financed by STOA, we collect its key impact indicators and regularly assess its progress.

**S. B.** - To monitor the progress of its projects in terms of activity level, STOA quantifies the financing provided or the climate efforts made. At the project level, the fund measures direct results such as the renewable energy capacity established. But it also measures intermediate outcomes, that's to say the

concrete benefits that the infrastructure provides to local populations. On a more macroeconomic scale, STOA quantifies the socio-economic and environmental impact of the project, such as job creation, reduction of greenhouse gas emissions, and others (see below).

### How is STOA's impact quantified?

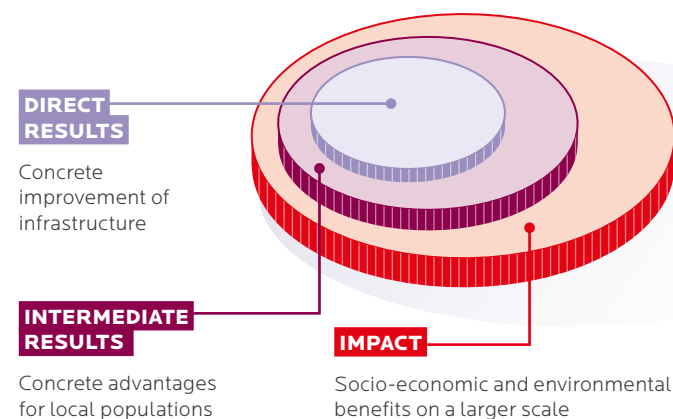
**V. V.** - Data on most measurement indicators can be collected easily, but that isn't the case for impact. Yet, it's crucial to understand and model how a project enables economic development in the country where it is carried out.

**S. B.** - That's why STOA uses a modeling tool to quantify the socio-economic and environmental impact of its financing.

## The IFC Principles

The Operating Principles for Impact Management are guidelines for investment funds. They were developed by IFC and adopted by STOA in April 2019. These nine principles act as a roadmap for effective impact investment. They apply to the entire investment cycle, including *Strategic Intent, Origination & Structuring, Portfolio Management, and Impact at Exit*.

## From results to impact



# An ambitious climate strategy

Mitigation of the effects of climate change and adaptation to its impacts are an essential part of our strategy. All our investment opportunities are examined in light of the Paris Agreement commitments made by the countries where our projects are implemented. We also rely on AFD climate tools and the Sustainable Development Scenario (SDS) of the International Energy Agency (IEA). This analysis framework makes it possible to eliminate, from the examination phase, the projects deemed inconsistent with the Paris Agreement.

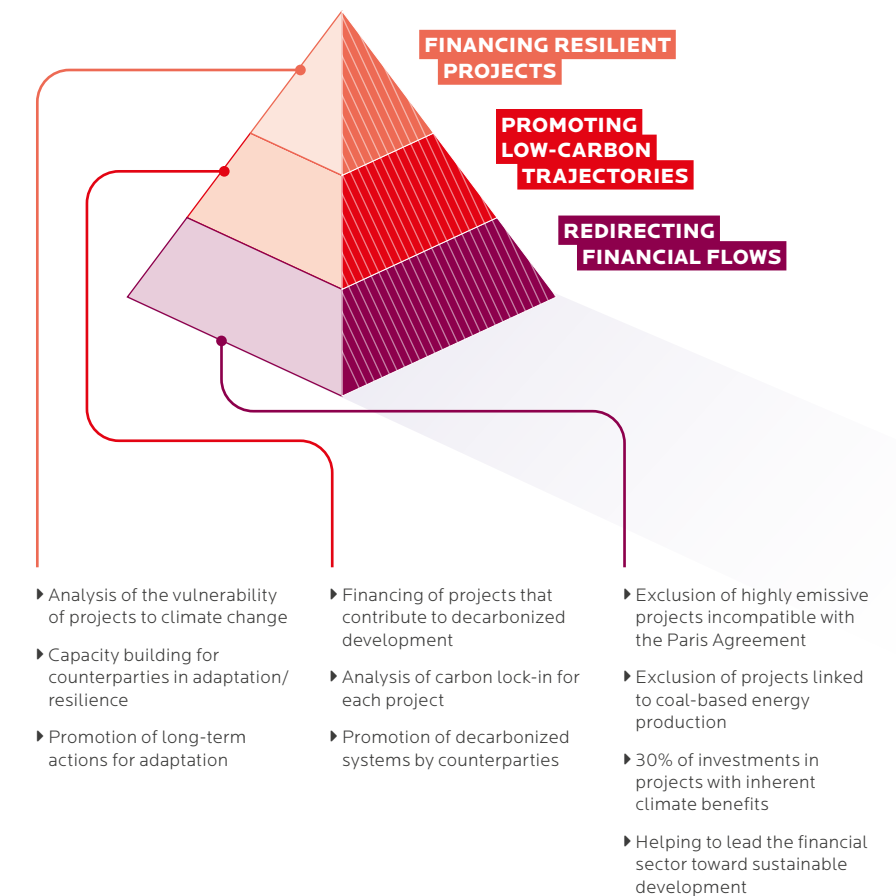
## A third of our projects have to have inherent climate benefits

Our climate strategy is based on three pillars:

- ▶ Promoting low-carbon trajectories: we are committed to dedicating 30% of our investments to projects with inherent climate benefits and positive impacts on climate-change mitigation or adaptation.
- ▶ Financing climate-resilient projects.
- ▶ Redirecting financial flows to catalyze investment in projects with inherent climate benefits in developing countries.

In its first two years of existence, STOA surpassed its targets: it dedicated 60% of its commitments to renewable energy projects.

In line with the strategy of its shareholders, STOA makes dealing with climate change a priority. Its entire portfolio is compatible with the Paris Agreement.



# Our commitments to responsible investment

The management of environmental and social (E&S) risks is a fundamental aspect in STOA project examination. It is based on the highest standards in the field.

## An ambitious exclusion policy

In accordance with the principles of the Caisse des Dépôts et Consignations (CDC) Group, STOA strives to avoid investments in the jurisdictions and sectors at risk from the point of view of the international treaties ratified by France. Our exclusion policy is also aligned with that of the Agence Française de Développement (AFD)

Group. Regarding the environment, for example, we refuse to invest in activities involving the destruction (i.e. elimination or severe reduction) of critical habitat for biodiversity.

## Risk assessment and strict monitoring

STOA incorporates the principles of its shareholders into its operations and investment process. We systematically assess the environmental and social risks when identifying a project opportunity. A rating is given to the project according to those risks: A, B+, B, or C, modeled on the European Development Finance Institutions (EDFI) Association's criteria. Depending on the quality of the studies and any discrepancies found, we ask our partner group to incorporate specific E&S requirements so that the project complies with the IFC standards for the riskiest projects.

To control project risks throughout the business relationship, we then follow up on each investment. We also promote good practices through dialog with our counterparties. STOA is also committed to reporting to the CDC and the United Nations Principles for Responsible

Investment (UNPRI). Each investment is made in accordance with our environmental and social management system, which has been validated by our two shareholders.

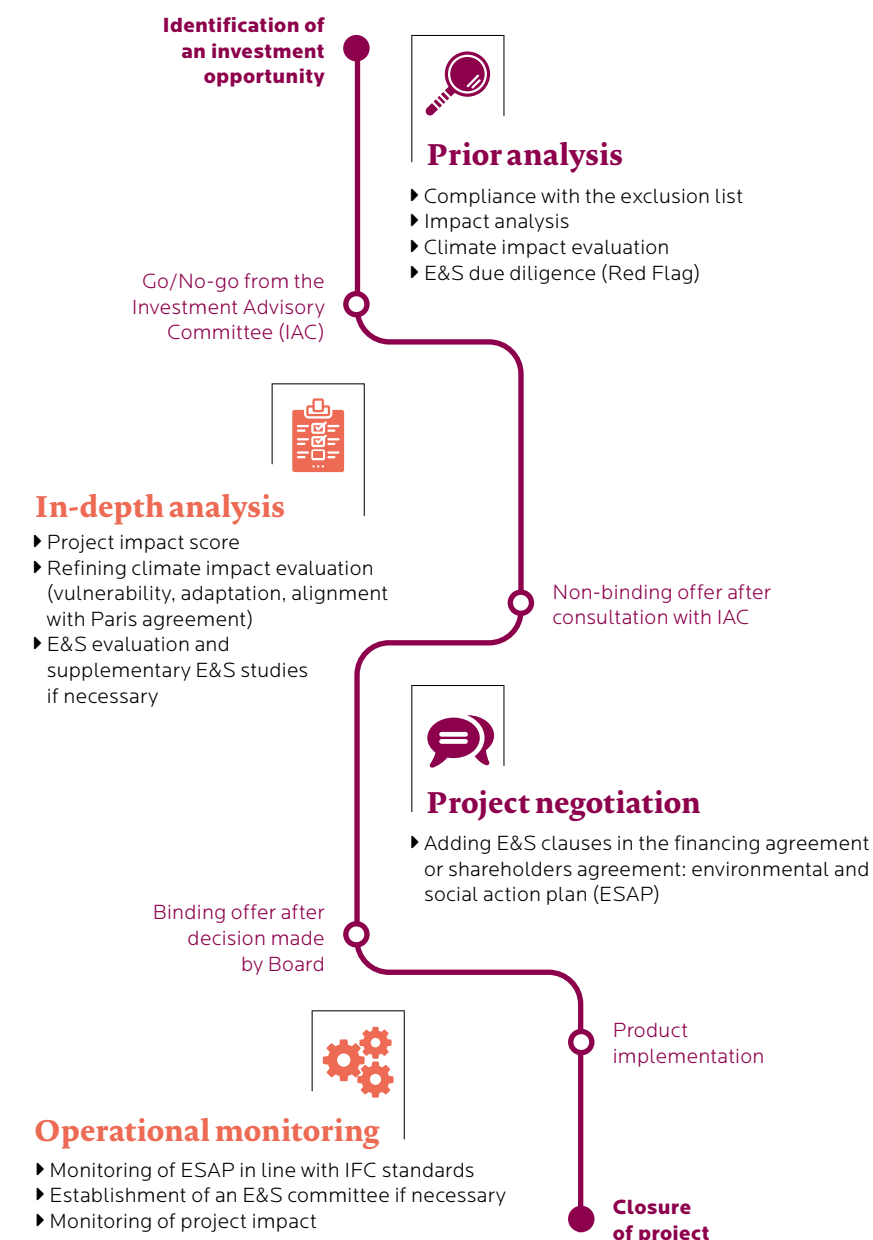
## Prevent and manage compliance risks

STOA has a duty to be exemplary in compliance issues. We have therefore established solid and responsible internal governance based on the highest standards and guidelines. Its principles are as follows:

- Collegiality and independence in our decision-making processes;
- Systematic referral for a second opinion before any investment decision;
- Transparency, especially in our reporting to the CDC Group and in our various procedures.

We also have a strict and exemplary compliance policy. In particular, we have set up a control system for related risks, which incorporates the Financial Action Task Force (FATF) anti-money laundering (AML) and counter-terrorist financing (CTF) standards. STOA has also adopted a code of ethics based on ten key principles, such as the prevention and management of conflicts of interest. This document has been provided to each member of our governance bodies and to all our staff. A summary version is available on our website.

## E&S risks and impacts are taken into account throughout the project life-cycle



## IFC Performance Standards

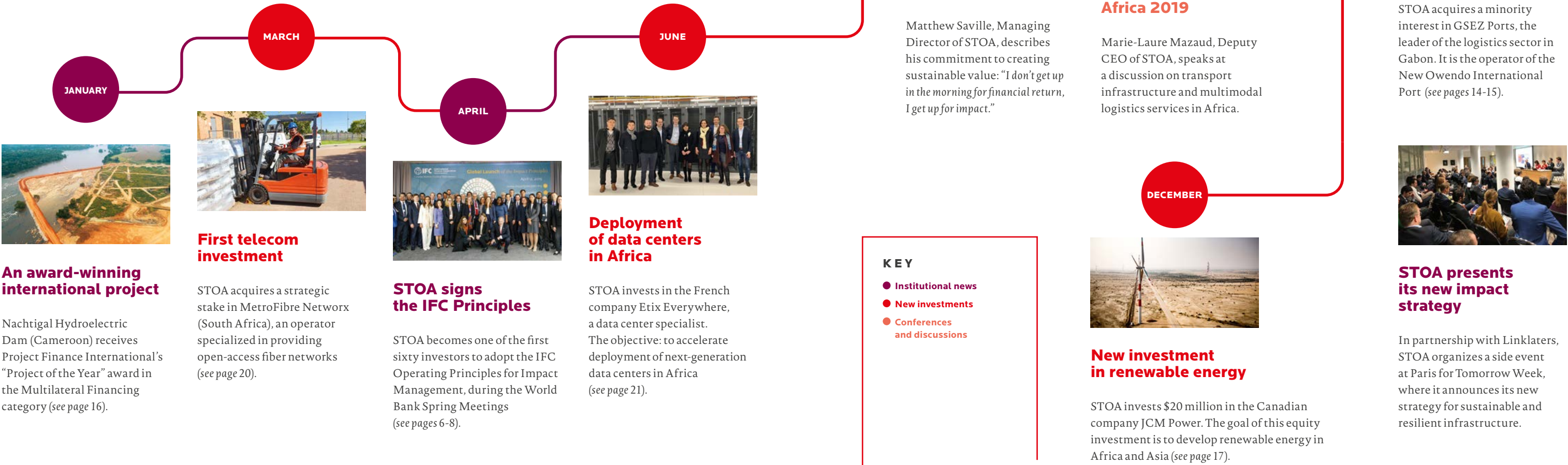
At STOA, E&S risk management is based on the International Finance Corporation (IFC) Performance Standards. These eight standards determine the minimum requirements that must be met by a project.

- 1 - Assessment and Management of Environmental and Social Risks and Impacts
- 2 - Labor and Working Conditions
- 3 - Resource Efficiency and Pollution Prevention
- 4 - Community Health, Safety, and Security
- 5 - Land Acquisition and Involuntary Resettlement
- 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources
- 7 - Indigenous Peoples
- 8 - Cultural Heritage



# Our highlights in 2019

2019 was a decisive year in STOA's history. Highlights were STOA's four new investments and the signing of the Operating Principles for Impact Management of the International Finance Corporation (IFC).





# Investing in the diversification of the economy in Gabon

**TRANSPORT** Since 2019, STOA has been a shareholder of the company **GSEZ Ports**, the operator of the port of Owendo. This major port infrastructure helps to boost the national economy and make it less dependent on the oil industry.

In October 2019, STOA acquired 10% of the capital of GSEZ Ports, the holding and operating company of New Owendo International Port (NOIP). This was STOA's first investment in the port industry and in the transport sector in general.

## An ambitious partnership

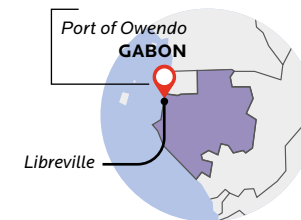
The Gabon Special Economic Zone (GSEZ) is the result of a strong public-private partnership among the Singaporean company Olam International, the Republic of Gabon, and the pan-African investor Africa Finance Corporation. GSEZ is a key player in the Gabonese industrial sector. Since its creation in 2010, it has been developing a new generation of large-scale infrastructure projects.

By investing in NIOP, STOA is helping to boost maritime transport in Gabon. It is also working to improve the quality of the service offered to ships making a port of call in Gabon.

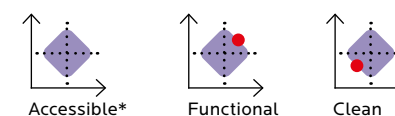
## A port to meet national needs

Located 27 kilometers south of Libreville, the Gabonese capital, the port of Owendo is a multi-purpose bulk port with a nominal capacity of 4 million tons. It mainly handles the export of finished and semi-finished goods, including liquids, fishery products and products from the country's dynamic wood industry: veneers, plywood, wooden furniture, etc.

The port consists of a 690-meter loading/unloading dock, five liquid storage tanks with a capacity of 10,500 tons each, two grain silos with a capacity of 10,000 tons each, and a state-of-the-art storage and logistical processing zone including warehouses and refrigerated areas. With its multimodal platform enjoying privileged sea, road, and rail access, it can offer a logistics solution integrated into the Gabonese industrial fabric.



### IMPACT SCORE



## Reducing the country's oil dependency

Through STOA's investment in the capital of GSEZ Ports, it is providing support in the operating of a major port infrastructure while working alongside a large-scale investor. "We are eager to build a long-term alliance with GSEZ," says Charles-Henri Malécot, CEO of STOA. "We have shared ambitions for Gabon: creating lasting jobs, promoting sustainable development, and reducing the country's dependency on the oil industry." According to the International Monetary Fund, the petroleum sector represented 22% of Gabon's gross domestic product in 2017.



**667,000**  
metric tons of goods  
transported in 2019

(\*) Our "Accessible" criterion is not applicable to the project because the port handles materials, not people. Its representative criterion is "Functional".

### INTERVIEW

**"A major economic breakthrough"**



**Gagan Gupta,**  
CEO of Olam Gabon

## What impact has the extension of Owendo's port had so far?

This extension represents a major economic breakthrough. Gabon can now increase the value of its products derived not only from wood processing, but also from fishing. Additionally, 400 jobs were created at the port. However, if you count all the people who work with the port and pass through the Nkok special economic zone, the infrastructure now benefits 6,000 people.

## And the social aspect?

We created a fire station to serve the local communities. In collaboration with the Ministry of Health, we also invested in a mobile ophthalmology project that, to date, has treated more than 75,000 people.

## How do you manage the project's inherent risks?

Risk management is a topic we take very seriously. Our management system especially takes safety to heart. For example, we have developed training in defensive driving for all

*"Risk management is a topic we take very seriously. Our management system especially takes safety to heart."*

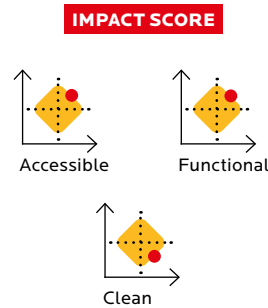
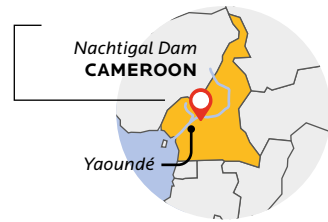
our drivers. But our strategy goes above and beyond that: we dialog with the communities, see that there is inclusion of women, etc. Additionally, every six months we measure our environmental progress.

## What added value do you think STOA provides?

STOA is a financial player that goes beyond

just financing. It supports projects that are profitable but that also have a positive impact on communities and the economy. We are fully committed to this vision and would like STOA to become a long-term partner.

The port of Owendo is spread over 164 hectares. It enables Gabon to export finished and semi-finished goods, especially from the wood industry.



# Toward **low-carbon development** in Cameroon

**ENERGY** Since 2018, STOA has been investing in the construction of a large-scale hydroelectric dam in Cameroon. The project, led by **Nachtigal Hydro Power Company** of Cameroon, will help expand electricity supply in the country.

In December 2018, STOA acquired a 10% stake in Nachtigal Hydro Power Company (NHPC) of Cameroon, alongside Electricité de France (EDF), the Cameroonian State, the International Finance Corporation (IFC) and Africa 50. The project's objective is to design, build and operate a 420-megawatt hydroelectric dam in Nachtigal, a village located 65 kilometers from the capital Yaoundé.

## An unprecedented project in Africa

In February 2019, the project won Project Finance International's "Project of the Year" award in the Multilateral Financing category. When the Nachtigal dam starts operating as planned in 2023, it will in fact be the largest Public-Private Partnership (PPP) ever developed in Africa in the energy sector. It will help meet the growing demand for electricity in Cameroon while generating energy at a competitive cost. This low-carbon solution will also play a decisive role in the country's energy transition. Eventually, 850 kilotons

of CO<sub>2</sub> emissions will be saved annually on a national scale.

## Ambitious risk management

The environmental and social risks of the project are managed through an ambitious management system. This includes a local economic development action plan and measures dedicated to biodiversity in accordance with IFC Performance Standards: these are to protect against – but also to avoid, reduce, and offset – the negative impacts of the project during the construction and operation phases.

With the support of IFC and specialized NGOs, NHPC has trained its staff in the prevention of gender-based violence. In 2019, 29% of the company's employees were women, making it a landmark project in the infrastructure world.

**30 %**  
of national  
electricity  
production  
ensured



# Reducing the **energy gap** in emerging countries

**ENERGY** In 2019, STOA acquired equity interest in the Canadian company **JCM Power**. This investment is now enabling STOA to participate in the development and operation of renewable energy infrastructure in Malawi and Pakistan.

In December 2019, STOA acquired a \$20-million share in JCM Power's first equity offering. JCM Power is a Canada-based independent company specialized in the development and operation of renewable energy projects in emerging and developing countries. The \$76 million in capital raised will enable JCM Power to carry out six high-impact projects in Africa, Latin America, and Asia.

## Six projects in Africa, Asia, and Latin America

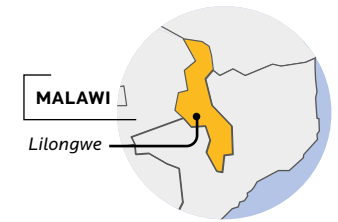
Two projects are currently underway in Malawi and Pakistan. Four more projects are being developed, in Mexico and Honduras in particular. By investing in this platform, STOA is helping to reduce the energy gap in emerging and developing countries, and to consolidate their energy sectors.

JCM Power projects will also improve the capacity of countries to meet the challenges of energy transition: decarbonization of their energy mix, development of the renewable energy market, etc. In the least developed

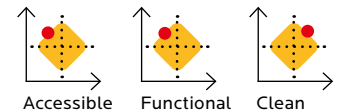
countries of the platform, JCM Power's actions will also strengthen existing electrical capacity.

## Rigorous ESG management

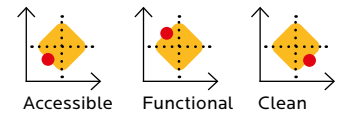
JCM Power's investment philosophy is in line with that of STOA. Registered in Canada, JCM Power already follows Know Your Customer (KYC) procedures similar to those of STOA. The quality of its governance and the strictness of its diligences ensure its careful management of environmental and social (E&S) risks. Further, the solidity of its E&S risk management system is guaranteed by involvement in the project by development finance institutions such as FMO in the Netherlands, Swedfund in Sweden, FinDev Canada, and IFU.



### IMPACT SCORE, MALAWI



### IMPACT SCORE, PAKISTAN



**500 MW**  
capacity to be  
established



# Supporting the energy transition in India

**ENERGY** In 2018, STOA and the French group **Engie** started a partnership to create a platform for wind turbine projects in India. This project, called “Calabria”, offers a competitive and decarbonized solution to reduce the average energy price in the country.

Since July 2018, STOA and the French group Engie have been building a platform for wind turbine projects in India. Developed as part of a 50-50 joint venture between STOA and Engie, this platform hosts onshore projects carried out through regional and national bids.

## Increasing wind-power capacity

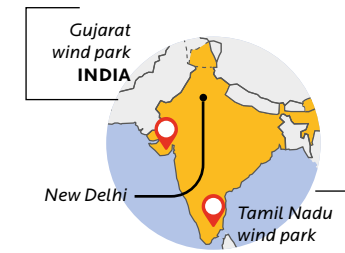
Three projects have already won tenders issued by the state of Gujarat and the Solar Energy Corporation of India (SECI), a state-owned company held by the Indian Ministry of New and Renewable Energy. These projects represent a total power of 280 megawatts. By the end of 2019, 80 megawatts of capacity had already been established: 30 MW in Gujarat and 50 MW in Tamil Nadu. Eventually, a capacity of 700 megawatts should be established in the country.

Through this project, STOA is helping to reduce the average price of electricity in India, and it is bolstering India’s energy independence. In short, this is a key investment in a context of

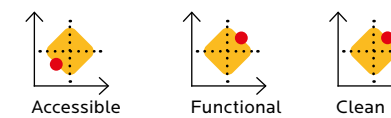
soaring energy demand. “India’s renewable energy sector is growing rapidly, and electricity demand will continue to rise,” comments Matthew Saville, Managing Director of STOA. “Today, wind energy offers a competitive solution for reducing the average price of energy.” Eventually, the Calabria project will help meet the needs of nearly 2.3 million people each year.

## Supporting the low-carbon transition

India currently relies heavily on coal to meet its energy needs, but STOA’s investment alongside Engie will pursue the decarbonization of India’s electricity mix and will help the country meet its Paris Agreement commitments. Furthermore, by saving 2 million tons of CO<sub>2</sub> emissions each year, this project is helping STOA meet its objective of allocating 30% of its funds to projects with climate co-benefits and of promoting sustainable development in the emerging countries of Asia.



### IMPACT SCORE



## Managing environmental and social risks

By implementing an ambitious environmental and social action plan compliant with the standards of the International Finance Corporation (IFC), STOA and its counterparties are ensuring that project development will be harmonious and respect biodiversity, labor conditions, and local communities. Rigorous monitoring, based on specific performance indicators, is guiding decision-making and enabling long-term management of the environmental and social risks.

**2 Mt  
CO<sub>2</sub>-eq.  
saved  
each year**

### INTERVIEW

**“Risk management throughout all operations”**

**Satish Chaturvedi**, Hygiene, Safety & Environment (HSE) Manager, Engie India

## What is a project like Calabria for?

The wind farms we are building with STOA in India are providing neutral energy in terms of CO<sub>2</sub> emissions. That way they help the country reduce its climate change impact. At the same time, the project is creating direct and indirect jobs, thereby boosting the economies of local communities.

## How does Engie India manage its environmental and social risks?

We endeavor to control risks throughout our operations. Upstream, we call on a specialized consultant to assess environmental and social risks in accordance with IFC standards. Depending on the context, a specific study may be carried out to assess the risks to the most vulnerable bird

and bat species and to implement mitigation measures.

## What monitoring tools do you then use?

We monitor our HSE key performance indicators on a weekly and monthly basis. This allows us to verify that

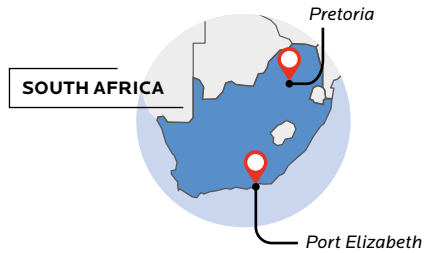
**“We organize training sessions with real-life simulation to raise awareness among workers and to check the effectiveness of our procedures.”**

all standards are met on-site, in accordance with Engie standards and the country’s laws. We also regularly organize training sessions with real-life simulation to raise awareness among workers and to check the effectiveness of our procedures. We also reward staff who demonstrate exemplary behavior. At the same

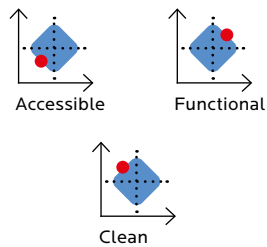
time, we have set up a grievance mechanism for both labor and the local communities. This allows us to have a good social dialog.

**The first wind turbines** of the Gujarat wind park, with a capacity of 30 MW, began operating in the second half of 2019.





## IMPACT SCORE



Implementation of MFN's network created nearly 1,900 jobs in 2019.

# Aiming for **fast and affordable internet** in South Africa

**TELECOM** In 2019, STOA acquired part of **MetroFibre Networkx**, a South African company specialized in the supply of fiber optic networks. This investment in a key sector is helping to boost the country's economy.

In March 2019, STOA acquired a strategic equity interest of 23% in MetroFibre Networkx (MFN), a South African operator specializing in providing open-access fiber networks. This investment in a company with high growth potential is STOA's first in the telecommunications sector. It will allow MFN to invest more than 2 billion South African rands in its core network, in order to improve its offer to individuals and businesses.

## Fiber optics for growth

The project is of crucial importance to South Africa. In his 2019 State of the Nation address, South African President Cyril Ramaphosa noted that "the telecommunications sector has considerable potential to boost economic growth." STOA's investment will enable MFN customers to benefit from improved access to web infrastructure and reliable, good-quality products. By contributing

to the development of society, it will also help create job opportunities in a country with one of the highest unemployment rates in the world. Indeed, according to the World Bank, 28% of the labor force was unemployed in South Africa in 2019.



**+  
90,000  
residential  
units  
connected  
in 2019**

## A strong societal component

STOA participates regularly in the committees in charge of the social aspects of the project, thereby enabling rigorous monitoring of these aspects. Particular attention is paid to inclusion (in terms of diversity and gender) in view of the "black empowerment" promotion. The 2019 results indicate good performance regarding gender

matters, with values approaching those of the best practices in the sector. MFN also carries out many CSR actions.

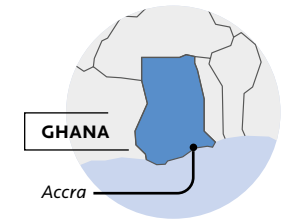
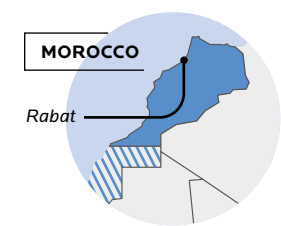
# Helping to reduce the **digital divide** in Africa

**TELECOM** For Africa, the development of data centers is critical, both economically and politically. In 2019, STOA took up this continent-wide challenge by investing in the French company **Etix Everywhere**.

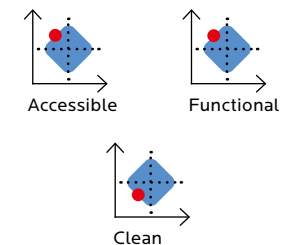
In June 2019, STOA acquired equity interest in Etix Everywhere, a global data center developer and operator. This French company owns twelve data centers worldwide, providing a total of more than 50 megawatts of colocation capacity. STOA's support, alongside that of other international investors, enabled it to target emerging markets.

## Independence through data centers

STOA's investment made it possible to deploy next-generation data centers in Morocco and Ghana. In this way, STOA has helped improve access to information, strengthen sovereignty in African countries, and reduce the digital divide there. Indeed, the spread of the Etix network to Africa lessens the need to use expensive international bandwidth there, stimulates the development of local digital services, supports the digital transition of administrations (e-governance, e-ID cards, etc.), and makes it possible to host international companies.



## IMPACT SCORE



## For sustainable digital technology

The Etix investment is an illustration of STOA's determination to promote the use of cleaner digital technology. For example, Etix is initiating projects for more energy-efficient data centers, some of which are even powered by their own solar farms. Etix's application of the most stringent technical and environmental standards is also proof of commitment that shows STOA's goal of working with the most efficient counterparties on these issues.\*



**Marie-Laure Mazaud**, Deputy CEO of STOA

“Data centers are one of the pillars of digital development in emerging markets.”

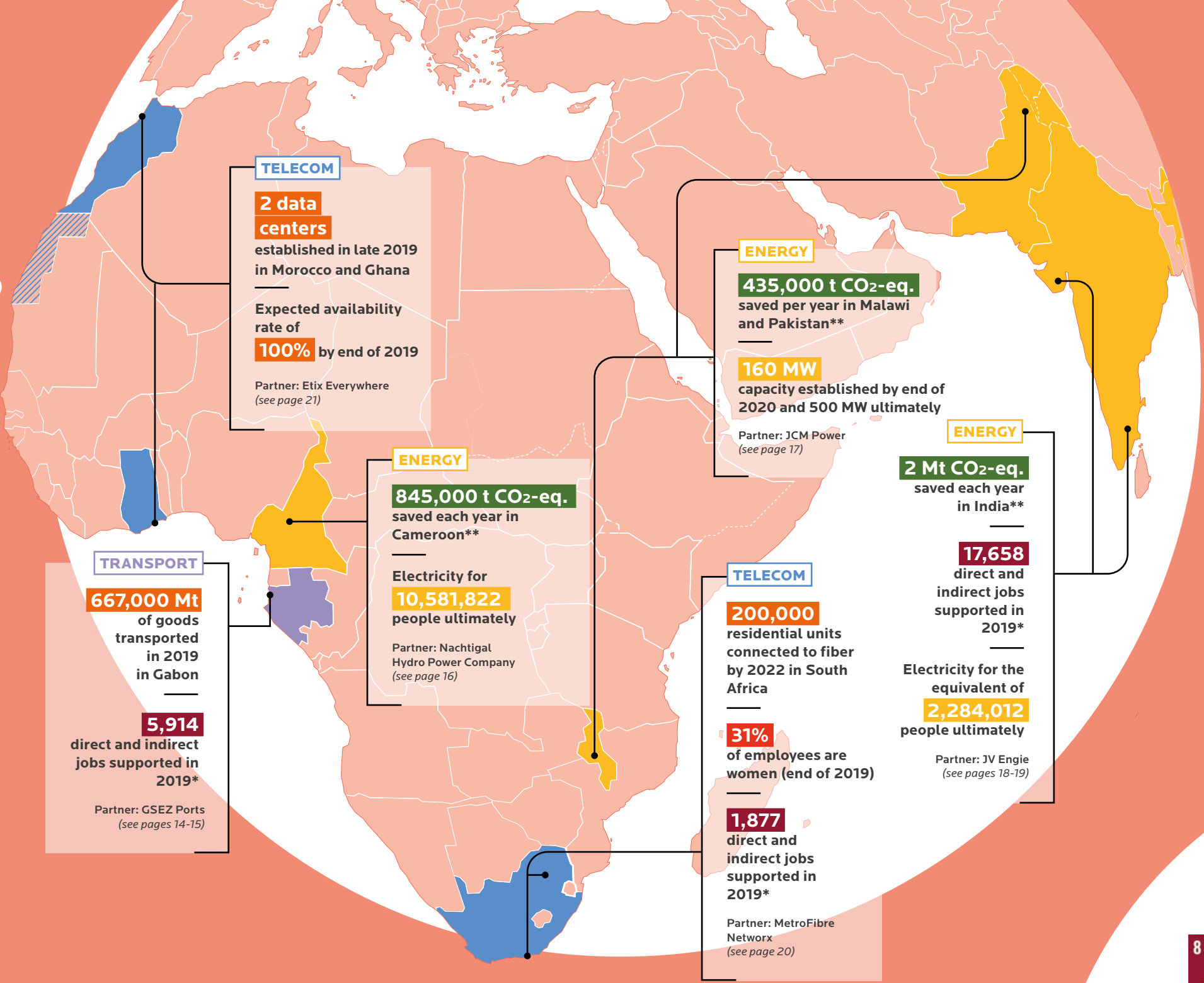
(\*) Etix was sold in February 2020.

# Where are we making a difference?

Since 2017, we have committed 210 million euros to infrastructure projects. The companies we support operate in various sectors, such as energy, transport, and telecommunication. All contribute to the achievement of our target Sustainable Development Goals (SDGs).

\* Impact model (see page 8).  
Consult our disclosure statement:  
[www.impactprinciples.org/signatories-reporting](http://www.impactprinciples.org/signatories-reporting)

\*\* Emissions calculated on the basis of the AFD's carbon footprint tool, based on total power capacity established and projected lifetime estimates.



## OUR COMMITMENTS

€600 M

committed by Caisse des Dépôts et Consignations (CDC) and Agence Française de Développement (AFD)

## OUR AGGREGATED RESULTS

€210 M and 6 projects

signed since STOA's creation in 2017 (including €101 M and 4 projects signed in 2019)

60% of our projects have a climate co-benefit

60% of our projects are in Africa

## OUR IMPACT IN THE ENERGY SECTOR

1.6 GW in capacity ultimately	3.3 Mt CO <sub>2</sub> saved each year
Electricity for more than 13,000,000 people ultimately	20,780 direct or indirect jobs supported in 2019*

## OUR SDG TARGETS



# Our commitments to **society**



**To offset its carbon emissions,** STOA supported refurbishment of sanitation systems in Ethiopia in 2019.

STOA's commitment to sustainable development also means concrete actions at the corporate level.

## Promoting inclusion and the environment

We feel very strongly about the impact of our activities. When possible, we call on companies that help individuals re-enter the workforce. For example, we work systematically with the solidarity caterer “Un Monde Gourmand” for our weekly working lunches, to support such reintegration.

We also carry out responsible environmental actions. We have set up a selective sorting system that enables our staff to separate plastic waste, cardboard, ink cartridges and used coffee grounds: this system has allowed us to sort 483 kilograms of waste so far. We also decided to replace single-use plastic cups with reusable cups.

## Carbon-offset projects

As progress builders aiming for a low-carbon world, we offset all CO<sub>2</sub> emissions from our air travel by financing carbon-offset projects. All the carbon credits thus obtained are Gold Standard certified.

In 2019, in partnership with the French company EcoAct, we supported a project to refurbish sanitation systems in Ethiopia to offset our CO<sub>2</sub> emissions generated in 2018 and 2019. The project consists of repairing collapsed drilling wells, to provide clean water to communities. It also aims to establish funding mechanisms to ensure their long-term maintenance. Because the beneficiary families no longer need to boil their water, they no longer need firewood: this makes it possible to avoid carbon emissions and to reduce indoor smoke pollution. The project is managed, moreover, by women-led Water, Sanitation and Hygiene (WASH) committees. These committees oversee access to drilling wells and provide work for women in the area.



## A management system aligned with the IFC Principles

STOA adopted the Operating Principles for Impact Management of the International Finance Corporation (IFC) in April 2019. As a signatory, STOA had an independent qualified company verify its compliance with the nine reference principles.

Our disclosure statement is available at:

<https://www.impactprinciples.org/signatories-reporting>

The third-party verification report is available at:

<https://www.stoainfraenergy.com/en>



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*The maps in this report are used for illustrative purposes. The borders and names indicated and the designations used do not imply any official approval or acceptance by STOA.*

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INFRA & ENERGY

## **Progress Builder**

**[www.stoainfraenergy.com/en](http://www.stoainfraenergy.com/en)**

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