

### Public Information Summary

<b>Host Country</b>	Lesotho
<b>Name of Borrower</b>	African Hotel Infrastructure Fund Maseru (Pty) Ltd (Lesotho)
<b>Project Description</b>	Construction and operation of a Marriott-branded hotel in Maseru.
<b>Proposed DFC Loan</b>	\$7,300,000 (15 years)
<b>All-Source Funding Total</b>	\$16,215,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>The Project is expected to have a developmental impact on Lesotho, a lower-middle-income country, through job creation and increases in local income stemming from the construction and operation of a Protea brand hotel in Maseru. Lesotho's economy has struggled to recover from the COVID-19 pandemic with GDP contracting by over 9% in 2020. Unemployment, which stands at 24.6%, is a substantial development challenge facing Lesotho, while the Project will create an estimated 75 full-time permanent jobs once operational. The Project will be one of only a handful of facilities in the country that meet international standards for accommodations and will benefit from Marriott brand-recognition.</p>
<b>Environment and Social Assessment</b>	<p><i>Screening:</i> The Project has been reviewed against DFC's categorical prohibitions and has been determined to be categorically eligible. Projects involving investments in hotel developments are generally screened as Category B projects under DFC's environmental and social guidelines because impacts are site-specific and readily mitigated. The Project is subject to Climate Resiliency Screening per Executive Order 13677.</p> <p><i>Applicable Standards:</i> DFC's environmental and social due diligence indicates the Project will have impacts which must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) Performance Standards (PS):</p> <ul style="list-style-type: none"> <li>• PS 1: Assessment and Management of Environmental and Social Risks and Impacts</li> <li>• PS 2: Labor and Working Conditions</li> <li>• PS 3: Resource Efficiency and Pollution Prevention</li> <li>• PS 4: Community Health, Safety, and Security.</li> </ul> <p>A desk-review due diligence assessment indicates the Project site is not located in or near any protected area. There is a wetland adjacent to the property boundary which will be protected through environmental and social management and mitigation measures per PS 1. Therefore,</p>

significant adverse impacts on biodiversity are not anticipated and PS 6 is not triggered at this time. The Borrower represents that the site selected for the Project will be leased on a voluntary basis and that the Project site currently has no residential or economic use, though part of the area has been informally used for off-road motorcycle riding. For this reason, PS 5 is not triggered at this time. A desk review found that no communities meeting the definitions of Indigenous Peoples are present in the Project area, therefore PS 7 is not triggered. A desk review indicates that the Project site is unlikely to contain significant cultural heritage resources, therefore PS 8 is not triggered at this time; however, a chance finds procedure will be required prior to construction.

In addition to the above standards, the Project will be required to comply with the IFC's Environmental Health and Safety (EHS) General Guidelines (2007) and the IFC's EHS Guidelines for Tourism and Hospitality Development (2007).

*Environmental and Social Risks and Mitigation:* In addition to typical impacts from construction activities, the primary environmental and social issues associated with the Project include the need for life and fire safety measures, gender-based violence and harassment (GBVH) prevention and response measures, and a robust environmental and social management system to ensure the Project is developed, implemented, and managed in accordance with the IFC's 2012 Performance Standards and industry-specific best practices.

The Borrower prepared an Environmental Impact Assessment to identify and manage the environmental risks associated with the Project. The design, construction, and operation of the Project will be guided by a set of plans, policies, and programs in accordance with Marriott's 12 design and operational requirements. The Borrower will be required to comply with IFC and Marriott standards for implementing the construction works. The Borrower will be required to submit to DFC site-specific environmental and social management plans for construction and operations. These will include stakeholder engagement plans, labor and contractor management, internal and external grievance mechanisms, as well as measures to prevent and respond to GBVH.

The Project will comply with international life and fire safety standards. The Borrower will be required to develop and implement a certified Life and Fire Master Plan for the Project prior to occupancy.