

Public Information Summary

Host Country	Ukraine
Name of Borrower	CFI VIP-Rent
Project Description	Long-term financing to support the purchases of new vehicles in order to expand an existing rental and leasing business in Ukraine.
Proposed DFC Loan	10-year, \$50,000,000 direct loan.
All-Source Funding Total	\$62,300,000
Policy Review	
Developmental Objectives	<p>Since Russia’s invasion of Ukraine in February 2022, there have been significant negative impacts on the vehicle leasing market, which has in turn added strain on local enterprises, notably small and medium sized enterprises (“SMEs”) and essential service providers that depend on leased vehicles for their operations. Vehicle inventories have been damaged and/or abandoned due to the conflict and restoring them has been prohibitively expensive with the lack of affordable long-term financing in a country at war.</p> <p>In response to this challenge, the Project is expected to have a positive development impact in Ukraine by addressing growing private sector demand for leased vehicles. In addition to standard internal combustion and electric vehicles, the Project will procure specialized vehicles including ambulances, minibuses, and light commercial trucks, all for civilian use. Most of project proceeds will go towards local procurement which is important for an economy under duress. SMEs are expected to lease an estimated 30% of the vehicles procured. Given these characteristics, the Project is categorized as “Impactful” per DFC’s Impact Quotient (“IQ”).</p>
Environment and Social Assessment	<p>Screening: The Project has been reviewed against DFC’s 2020 Environmental and Social Policy and Procedures (“ESPP”) and has been determined to be categorically eligible. The Project was screened as a Category B under DFC’s ESPP because impacts are limited (mostly related to worker safety and community safety), site specific, and can be readily mitigated.</p> <p>Environmental and social issues associated with the Project include the need for appropriate occupational health and safety measures for workers; solid waste and effluent disposal; and life and fire safety measures. Other issues include the need for robust community safety management systems, improved worker and stakeholder grievance mechanisms, and monitoring environmental and social performance, including suppliers.</p> <p>Applicable Standards: DFC’s environmental and social due diligence indicates that the Project will have impacts that must be</p>

managed in a manner consistent with the following 2012 International Finance Corporation's ("IFC") Performance Standards ("PS"):

PS1: Assessment and Management of Environmental and Social Risks and Impacts;

PS2: Labor and Working Conditions;

PS3: Resource Efficiency and Pollution Prevention; and

PS4: Community Health, Safety, and Security.

The Project does not involve physical or economic displacement. The buildings are commercial in nature and there are no residents. There will be no impacts to indigenous peoples, biodiversity, or cultural heritage. Therefore, Performance Standards 5, 6, 7, and 8 are not triggered by this Project at this time.

In accordance with the PS3, IFC's Environmental, Health, and Safety ("EHS") General Guidelines are also applicable to the Project.

Environmental and Social Risks and Mitigation:

The Borrower has appropriate systems to identify, mitigate, and manage the limited environmental and social risks associated with the Project, including worker and community safety. The Borrower's management staff will supervise the Project and ensure compliance with local law, the ESPP, the IFC 2012 Performance Standards and EHS Guidelines, and other relevant standards. The Borrower and its contractors are expected to follow Ukrainian laws for the safe operation of the Project. The Borrower has developed an Environmental and Social Management Plan which incorporates adequate sustainability measures and adequately addresses worker and community safety. The Project has an Occupational Safety Procedure for managing and mitigating worker health and safety risks. The Project also has the required fire safety permits. The Borrower will be required to update its external and internal grievance mechanisms as well as its policy and procedures for managing and monitoring supplier and partner compliance with applicable labor regulations, including prohibitions against child and forced labor.