

## Public Information Summary

<b>Host Country</b>	South Africa, Mozambique, Democratic Republic of Congo, Togo, Uganda, Sierra Leone, Madagascar, Zambia, and Benin
<b>Name of Borrower</b>	Sustainable Solar Assets 1 (Pty) Ltd
<b>Project Description</b>	The proceeds of the Loan will be used by the Borrower to finance the purchase of containerized solar generation systems and battery energy storage systems (“Containerized Solar Mini-Grids”) designed and assembled in South Africa by Sustainable Solar Systems, a subsidiary of the Sustainable Energy Group. The Borrower will provide short-term vendor financing to decentralized clean energy developers across Sub Saharan Africa to facilitate their purchase of the Containerized Solar Mini-Grids.
<b>Proposed DFC Loan</b>	\$6,108,800 direct loan with a 5-year tenor and 3-year availability period.
<b>All-Source Funding Total</b>	Up to \$12,045,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	The Project is expected to have a positive development impact in Sub-Saharan Africa by expanding access to uninterrupted electricity via the deployment of Containerized Solar Mini-Grids. SustainSolar will construct containerized pre-installed solar mini grids, integrating solar PV equipment and lithium-ion batteries, and provide short-term financing for qualified off-grid project developers that secure a results-based financing (“RBF”) grants from government programs and non-profit organizations. The Project will address critical electrification shortages for off-grid populations in rural communities by providing access to renewable, reliable, and cost-effective electricity.
<b>Environment and Social Assessment</b>	<p><b>SCREENING:</b> The Project has been reviewed against DFC’s 2020 Environmental and Social Policy Procedures (“ESPP”) and has been determined to be categorically eligible. Direct investments in companies that create turnkey containerized solar generation systems that do not require significant physical displacement and are not located in or near sensitive areas and unlikely to have significant negative impacts associated with biodiversity are screened as Category B under DFC’s environmental and social guidelines. The major environmental and social issues associated with this Project include: its capacity to effectively identify and manage environmental and social risks associated with its operations and occupational health and safety.</p> <p>This Project has been reviewed against findings in the 2022 State Department Human Rights Report for South Africa. No risks relevant to this Project were identified.</p> <p><b>APPLICABLE STANDARDS:</b> DFC’s preliminary environmental and social due diligence indicates that the Project will have impacts that</p>

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

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions; and
- PS 3: Resource Efficiency and Pollution Prevention.

The Project assembles containerized power units in a leased space within an existing industrial park near Cape Town and represents that no land acquisition or construction will be required. No Indigenous Peoples are known to live in the Project area, and no adverse impacts to community health and safety, biodiversity or cultural heritage are expected. Therefore, PS 4, 5, 6, 7, and 8 are not triggered by the Project at this time.

In addition to the Performance Standards listed above, the following IFC Environmental, Health and Safety Guidelines are applicable to the Project:

- IFC EHS General Guidelines (April 30, 2007).

#### **KEY ENVIRONMENTAL AND SOCIAL ISSUES AND MITIGATION:**

**Environmental and Social Risks and Mitigation:** The Borrower has components of a newly implemented Environmental and Social Management System (ESMS) but does not have an anonymous grievance mechanism for workers or a stakeholder engagement plan and external grievance mechanism; SustainSolar will be required to supply these. SustainSolar has a supply chain policy which requires screening PV module suppliers for possible forced labor risk and to comply with any international sanctions which may be applied to countries in which it does business or materials which it uses in its business. SustainSolar will be required to prepare a solar supply chain management system which includes more detailed measures for regular supply chain mapping, analysis of risks, description of corrective actions, communication with suppliers, and notification of changes in PV suppliers or identification of non-compliance.

General risks include worker safety, faulty parts or equipment, installation of equipment, and employee safety during the installation process in countries (political unrest, community resistance). Each risk then discusses the impact, how to avoid the risk, and how to minimize the risk. SustainSolar specific risks include workshop entry; cutting hands on cabling; battery and inverter testing resulting in shocks or burns; handling of solar panels; use of power tools; and lifting of inverters, batteries, and solar panels. Management systems are newly in place and the Borrower will be required to submit to DFC an annual E&S report that demonstrates how it is implementing the new systems. Total greenhouse gas emissions for the Project Scope 1 and 2 are estimated to be ~ 150 metric tonnes CO<sub>2</sub> per year.