

| INFORMATION SUMMARY FOR THE PUBLIC | |
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| Host Country | South Africa |
| Name of Borrower | Calgro M3 Developments Ltd, a South African company. |
| Project Description | The Project will enable the Borrower, a real estate developer, to address the acute shortage of affordable housing in various South African cities, with construction funding that matches the long-term development cycle of Borrower's large, environmentally friendly, mixed-income, real estate developments in South Africa. |
| Proposed OPIC Loan | \$20 million |
| Total Project Costs | \$28.6 million |
| U.S. Sponsor | Riskowitz Capital Management LLC |
| Policy Review | <p>OPIC's social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards (PS):</p> <ul style="list-style-type: none"> • PS 1: Assessment and Management of Environmental and Social Risks and Impacts; and • PS 2: Labor and Working Conditions. Under OPIC's ESPS, the Project is required to comply with applicable national laws and regulations related to social performance. <p>A desk-review based due diligence assessment indicates that, as this Project involves establishing a loan facility, significant adverse impacts with respect to security, land acquisition and resettlement, cultural heritage, and indigenous peoples are not anticipated. As such, PS 4, 5, 7 and 8 are not triggered at this time.</p> |
| U.S. Economic Impact | This clearance concerns the establishment of the overall Facility. Therefore, there is no potential for an adverse impact on the U.S. economy. Each of the Facility's eligible projects will be analyzed separately for its potential impacts on the U.S. economy. |
| Developmental Effects | This Facility is expected to have a positive developmental impact in South Africa through the construction of eighteen largescale, mixed-use residential housing projects, which integrate fully-subsidized housing, social housing, and middle-income market segments. In total, the Facility is expected to support the construction of an estimated 65,000 residential units. The Facility will support the Government of South Africa's efforts to ensure that all residents of South Africa have access to adequate housing. According to the Government of South Africa, an estimated 13 percent of the population lived in informal dwellings in 2016. The Facility is also expected to help create additional formal jobs in |

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| | <p>South Africa, a country with an unemployment rate of 25 percent. Each of the developments are expected to incorporate energy efficient design features, including energy efficient water heaters, architectural designs that maximize the use of solar energy, water efficient fittings and energy efficient appliances. The Project is expected to support Sustainable Development Goal Number 11, Sustainable Cities and Communities. Each of the Facility’s eligible projects will be analyzed separately for its potential developmental impacts.</p> |
| <p>Environment</p> | <p>Establishment of a loan facility is screened as a Category D project for the purpose of environmental and social assessment. In accordance with OPIC’s 2017 Environmental and Social Policy Statement (“ESPS”), each downstream loan originated under the Facility will be screened and subject to the full scope of OPIC’s environment and social assessment process, including Climate Change Resiliency Assessment (per Executive Order 13677), public disclosure of the borrower’s environmental and social impact assessment for Category A projects, conditionality, and monitoring, as is warranted by the nature and scope of the downstream borrowers.</p> <p>Calgro has developed an overarching Environmental and Social Policy and Occupational Health and Safety Policy. Calgro will submit relevant information regarding the identification of the environmental risks and impacts relating to each development at the time each development is submitted to OPIC for review. Calgro will be required to develop and implement an integrated and comprehensive Environmental and Social Management System and hire and maintain a qualified environmental, social, health and safety specialist who will be responsible for overseeing environmental, social, health and safety matters at all developments that are part of the Project.</p> |
| <p>Social Assessment</p> | <p>Calgro will be required to operate the Project in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws.</p> <p>OPIC’s statutorily required language will be supplemented with provisions concerning non-discrimination, hourly or quota based work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>The Project involves establishing a loan facility for housing construction in South Africa. Calgro has developed and</p> |

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| | <p>implemented policies and procedures that addresses social risk, including labor, commensurate with the Project activities. Calgro will be required to provide its updated stakeholder engagement and land acquisition policies and procedures, revised security management policy, chance finds procedure, anonymous worker grievance mechanism, and contractor management procedures. This review covers the commensurate human rights risks associated with establishing a loan facility in South Africa.</p> |
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