

## Public Information Summary

<b>Host Countries</b>	India and Nigeria
<b>Name of Investment Entity</b>	Husk Power Systems Inc. (“Husk” or the “Company”)
<b>Project Description</b>	Husk is a U.S. domiciled sustainable energy services company operating in India and Nigeria that provides electricity generation, efficient appliances, and EPC services to rural communities. Customers are primarily residential households and micro, small, and medium-sized enterprises (“MSMEs”).
<b>Proposed DFC Investment</b>	Up to \$15 million in Husk’s Series D round
<b>All-Source Funding Total</b>	\$43 million
<b>Policy Review</b>	
<b>Developmental Objectives</b>	The Project is expected to have a positive development impact in Nigeria and India by expanding access to renewable energy via the construction of hybrid solar mini-grids. The Project is expected to foster a reliable supply of electricity benefitting households and micro, small and medium enterprises (MSMEs) via a flexible “pay-as-you-go” energy service using a mobile-enabled smart metering system. The Company also expects to expand the sale of energy-efficient devices and its engineering, procurement and construction service that provides installation of rooftop solar and solar pumps to MSMEs outside a mini-grid radius.
<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. Mini solar power generation facilities that do not require significant physical displacement, are not located in or near sensitive areas, and are unlikely to have significant negative impacts associated with biodiversity are screened as Category B under DFC’s environmental and social guidelines.</p> <p><b>APPLICABLE STANDARDS:</b> Under DFC’s ESPP, the Borrower is required to comply with applicable national laws and regulations related to environmental and social performance. DFC’s environmental due diligence indicates that the investment will have impacts which must be</p>

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

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- P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;
- P.S. 2: Labor and Working Conditions;
- P.S. 3: Resource Efficiency and Pollution Prevention;
- P.S. 4: Community Health, Safety, and Security; and
- P.S. 5: Land Acquisition and Involuntary Resettlement.
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Based on desk review and ESDD documentation, DFC analysts concluded that no protected areas, natural and/or critical habitat or areas of conservation, indigenous peoples, or cultural heritage resources were likely to be affected by the Project; therefore P.S. 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources, P.S. 7 Indigenous Peoples, and P.S. 8 Cultural Heritage are not triggered at this time.

IFC's Guidelines applicable to the Project include: General Environmental, Health, and Safety (EHS) Guidelines (2007) and the IFC Environmental Health and Safety Guidelines for Electric Power Transmission and Distribution lines (2007).

GHG emissions from the Project will come from generators, vehicles, machinery, and purchased electricity. Total Scope 1 and 2 emissions are estimated to be ~ 800 metric tonnes CO<sub>2</sub> per year.

**Key Environmental and Social Risks and Mitigation:**

Among the most significant environmental and social issues associated with the Project include the need for an Environmental and Social Management System ("ESMS") to manage potential environmental and social risks from the Project, organizational capacity and competence to implement the ESMS, occupational health and safety measures, water and wastewater management, and proper disposal of solid wastes. Country level plans and policies specific to Nigeria need to be developed, including an human resources manual that takes into account Nigerian labor law, and all policies needed for compliance with IFC PS 2.

DFC, along with co-investors STOA S.A (STOA), Proparco, Swedfund, and Shell, appointed a qualified external E&S consultant to undertake a high-level Environmental and Social Due Diligence (ESDD) of Husk in November 2022. The ESDD assessed Husk’s operations (at the group level, and India and Nigeria country level) against the IFC Performance Standards and identified gaps focusing mainly on Husk’s core business of mini-grids. An Environmental and Social Action Plan (“ESAP”) was prepared that includes timetables for corrective actions. The ESDD included visits to select sites in India (roof-top, mini-grid, warehousing) and Nigeria (mini-grids with diesel backup and batteries, and warehousing and offices) in November 2022.

The group-level ESMS is in broad alignment with IFC PS1, which has been largely applied to Husk’s operations in India. Separately, Husk Nigeria has a country-specific ESMS that includes relevant policies and procedures for the management of in-country E&S risks. The ESDD found a lack of clarity as to which documentation applies to Nigerian operations and inconsistencies between the Indian and Nigerian ESMS documentation.

Given the large number of sites in India and the current workforce of approximately 500 employees, the organizational capacity at Husk India is considered insufficient to provide proper oversight of ESMS implementation. Husk Nigeria does not yet have a formalized in-country organizational structure for E&S.

Husk has developed Emergency Preparedness and Response Plans (EPRP) for headquarters and Network Operating Centers (NOC) in both India and Nigeria. However, the ESDD did not find evidence that emergency drills were being conducted at the mini-grid sites, nor did they find any site-specific EPRP’s. The ESDD also noted other deficiencies with the EPRP including lack of first aid kit, lack of assembly points, lack of emergency numbers displayed, only one emergency exit at the warehouse, and a fire extinguisher that needed servicing. As part of the ESAP, the Project will be required to develop an EPRP framework that can be modified for site-specific risks, which will include requirements for training and drills.

The ESAP also includes the development of a formal land acquisition policy with a provision for livelihood restoration plans where economic displacement may occur. Though Husk plans to acquire land through lease only and does not plan to trigger any displacement, DFC and the other DFI shareholders are requiring this as a precautionary measure

	given the complexity of land use and tenure arrangements across Nigeria.
<b>Grants Assessment</b>	N/A