

Public Information Summary
Daystar Power Group

Host Country(ies)	Nigeria, Ghana, Senegal, and Togo
Name(s) of Borrower(s)/Guaranteed Party(ies)	Daystar Power Group
Project Description	Founded in 2017, Daystar Power Group is a Lagos, Nigeria-based provider of distributed generation power solutions in West Africa. Daystar has 26 megawatts (“MW”) of installed power capacity currently serving 32 clients with 232 installations in the region. Daystar offers solar power and hybrid solutions to commercial and industrial client companies to reduce their cost of power, increase reliability of supply, reduce pollution, and outsource power management responsibilities. Typical services include the installation of solar power and hybrid generation solutions (solar, battery storage, and backup generators), operation of the assets, monitoring of the services provided, and additional client support. Depending on the market of operation and the needs of the client, Daystar offers standalone power solutions or those that complement the existing supply from the grid.
Proposed DFC Investment	\$5,000,000
All-Source Funding Total	\$43,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact in Nigeria, Ghana, Togo, and Senegal through the provision of innovative solar and hybrid power solutions to commercial and industrial clients. These economies suffer from a serious shortage of electricity production and inefficient transmission and distribution of electricity to downstream consumers. The four countries’ electric grids leak on average over 30% of the electricity that is generated, and their citizens’ electrical needs are largely unmet by national grids. As a result, consumers have turned to fossil fuel generators as a primary source of electricity for businesses and homes. Daystar anticipates adding 100 megawatts solar and hybrid power solutions to commercial and industrial clients.
Environment and Social Assessment	<u>Screening:</u> The Project has been reviewed against DFC’s 2020 Environmental and Social Policy and Procedures (“ESPP”) and has been determined to be categorically eligible. Projects involving the installation of solar, hybrid energy, and energy storage are expected to have limited adverse environmental and social risks and are screened as

Category B under DFC's environmental and social guidelines. Its impacts are site-specific and readily mitigated.

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

- 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.

A desk-review due diligence assessment indicates that the Project's infrastructure will be installed on secured buildings or open land legally owned by individuals or companies, based on termed contracts. Since the installations will be located in modified urban environments, no impacts related to Biodiversity Conservation and Sustainable Management of Living Natural Resources are expected. Land Acquisition and Involuntary Resettlement issues are not foreseen as the project will not involve expropriation or compulsory land acquisition that may lead to the involuntary displacement (physical or economic) of people. Based on a desk review, no Indigenous Peoples or Cultural Heritage issues are anticipated in the Project. For these reasons, P.S. 5, 6, 7 and 8 are not applicable. The Project will be required to meet applicable provisions of the IFC Environmental Health and Safety General Guidelines.

Environmental and Social Risks and Mitigation: The major environmental and social issues associated with this project include the adequacy of Daystar's environmental and social management system, including relevant risk management policies and procedures that cover direct workers, key contractors, and sub-contractors; capacity to effectively identify and manage environmental and social risks associated with its operations; occupational health and safety, especially working on heights; measures undertaken by Daystar and contractors in terms of job protection and health risk protection in response to COVID-19 pandemic; pollution prevention of oil spills during generator installation and waste recycling management of polyvinyl chloride solar panels and batteries; and stakeholder engagement. The Project is subject

	<p>to an assessment of climate resiliency according to Executive Order 13677.</p> <p>Daystar has a corporate environmental management system that complies with ISO 14001:2015, and an occupational health and safety management system that complies with ISO 45001:2018. Daystar will be required to provide a waste management plan for the construction and operations of its projects aligned with P.S. 3 and with the IFC's Environmental, Health and Safety General Guidelines. Daystar will also be required to provide an updated stakeholder engagement plan, human resources manual, security management plan, and supply chain management system.</p>
Grants Assessment	N/A