

Project _52276 Eastcastle Debt II

Sector: Telecommunications Infrastructure

Country: Democratic Republic of Congo

Environmental and Social Review Summary

This Environmental and Social Review Summary (ESRS) is prepared by IFC to disclose its findings and recommendations related to environmental and social due diligence on a potential investment in Eastcastle Infrastructure Limited. Its purpose is to enhance the transparency of IFC's activities. For any project documentation or data included or attached herein, whether prepared by the project sponsor or otherwise, authorization has been given for public release by the project sponsor. IFC considers that this ESRS is of adequate quality for release to the public but has not necessarily independently verified all of the project information therein. It is distributed in advance of IFC Board of Directors' consideration and may be periodically updated thereafter. Board dates are estimates only and this document should not be construed as presuming the outcome of the Board Directors' decision. The following ESRS is disclosed in accordance with IFC's Access to Information Policy (AIP) that went into effect on January 1, 2012.

Project Description

Eastcastle Infrastructure DRC SARLU (“Eastcastle DRC” or the “Company”) is a subsidiary of Eastcastle Infrastructure Limited (“Eastcastle Infrastructure”), which was established in 2020 as a platform company to own and operate shared telecom tower infrastructure in the Democratic Republic of Congo (“DRC”) and Nigeria. Eastcastle Infrastructure and Eastcastle DRC are existing IFC clients, with environmental and social (E&S) performance assessed as satisfactory. An Environmental and Social Review Summary (ESRS) for IFC’s initial equity investment in Eastcastle Infrastructure was publicly disclosed in 2021 (<https://disclosures.ifc.org/project-detail/SII/44090/eastcastle>). IFC subsequently disclosed an ESRS in connection with a further US\$30 million debt facility provided to Eastcastle DRC in 2023 (<https://disclosures.ifc.org/project-detail/SII/46563/eastcastle-debt>).

IFC is considering a reinstatement of its initial debt commitment of up to US\$30 million and a new blended finance facility of up to \$30 million, as part of a larger financing package, to support the Company’s continued growth in the DRC. The Company operates a geographically dispersed portfolio of telecom tower sites, many of which are located in remote or security-constrained areas.

Overview of E&S scope of review

IFC’s review of the proposed investment built on previous supervision activities, Annual Monitoring Reports (AMR) including the 2025 report, Environmental and Social Management Systems (ESMS) documentation and due diligence conducted on site from the 4-5th February 2026. It was supplemented by a virtual meeting with senior company management on March 9, 2026. The Company’s management was represented by the Company’s Co-Founder, Group Head Finance, Group Head Legal and Group Head Technical. The appraisal focused on identifying risks associated with the new investment and determining whether additional risk mitigation measures were required. It also assessed the continued effectiveness and consistent application of the Company’s ESMS across its operations in DRC.

Key documentation reviewed include: Environmental and Social Action Plan (ESAP) completion documentation; independent E&S due diligence report prepared by a consultant for other partners; the ESMS (specifically the E&S policies and procedures; the Health, Safety and Environment (HSE) management system framework); the Environmental and Social Management Plan (ESMP); HSE organizational capacity and E&S governance; E&S Impact Assessment (ESIA) reports; and Integrated Biodiversity Assessment Tool (IBAT) screening results for the proposed known sites.

Identified Applicable Performance Standards (PSs)

While all Performance Standards (PSs') are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards:

- **PS1:** Assessment and Management of Environmental and Social Risks and Impacts
- **PS2:** Labor and Working Conditions
- **PS3:** Resource Efficiency and Pollution Prevention
- **PS4:** Community Health, Safety, and Security
- **PS6:** Biodiversity Conservation and Sustainable Management of Living Natural Resources

If IFC's investment proceeds, IFC will periodically review the project's ongoing compliance with the Performance Standards.

Environmental and Social Categorization Rationale

This is a Category B project according to IFC's Policy on Environment and Social Sustainability (2012) because it is expected to have limited adverse E&S impacts that are few, site-specific, largely reversible, and readily addressed through mitigation measures and Good International Industry Practices (GIIP). The E&S risk profile associated with the deployment and operation of telecommunication towers under the proposed transaction remains broadly consistent with that of the previous investment, as documented in the earlier disclosure documentation.

Environmental and Social Mitigation Measures

IFC's appraisal considered the environmental and social management planning process and documentation for the Project and gaps, if any, between these and IFC's requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period of time, are summarized in the paragraphs that follow and (if applicable) in an agreed Environmental and Social Action Plan ("ESAP"). Through implementation of these measures, the Project is expected to be designed and operated in accordance with Performance Standards objectives.

PS1 – Assessment and Management of Environmental and Social Risks and Impacts

Eastcastle DRC has adopted and implemented an ESMS which is aligned with IFC PS 1 and commensurate with the level of E&S risks associated with the Company's proposed activities. The ESMS includes relevant E&S policies and procedures, risk identification processes, management and monitoring measures,

emergency response procedures, and stakeholder engagement plans. In addition, Eastcastle DRC is ISO 9001 (Quality), 14001 (Environment), 45001 (Occupational Health & Safety) and 14064 (Green House Gas emission) certified.

Eastcastle DRC has adopted a comprehensive ESMP that covers areas of general operations, site acquisition procedures, design and site construction procedures, and site operation methodology. As a component of the ESMP, the Company has adopted an approach of avoidance and/or minimization of E&S impacts. In accordance with the Site Screening Procedure, each proposed tower location is subject to E&S screening prior to construction, and development does not proceed until all required regulatory permits and internal approvals are secured. Site level risks are identified through the screening process, regulatory permitting, preparation of ESIA's or project reports where applicable, and routine inspections. The screening emphasizes key risks related to land tenure and access, regulatory compliance, occupational health and safety, community interactions, and biodiversity sensitivity. As part of this screening, the Company excludes sites where land tenure or access is contested, including locations with known or suspected squatter presence, adverse possession claims, unresolved disputes, or circumstances that would require the use of eminent domain or result in physical or economic displacement. Only sites assessed as having clear, uncontested access and no displacement risk proceed to permitting and construction. Where screening identifies potential PS5 risks that cannot be avoided—such as restrictions on land use or impacts on informal users—these sites are not advanced unless risks can be demonstrably avoided through site redesign or alternative siting.

Greenfield sites are acquired through a defined site acquisition process, which is based on long terms lease or willing buyer/willing seller agreements, and then are subject to an ESIA where required. Where Eastcastle DRC acquires brownfield tower sites, they are subject to an E&S Due Diligence (ESDD) covering areas relating to land rights and tenure (PS5), environmental impacts, biodiversity sensitivity (PS6), design specifications, security, resource efficiency, waste management, and accessibility. The subsequent section on PS6 examines the methodology for assessing and managing potential risks related to biodiversity.

The E&S organizational structure and management arrangements are largely appropriate for the scale, geographic footprint, and risk profile of its tower-based operations. E&S oversight is embedded within the senior country management structure, with defined responsibility assigned to the SHERQ Manager, who reports to the Group Head of Operations and supported by technical, legal, and operations staff. The SHERQ Manager is responsible for the day-to-day implementation of the ESMS, which defines internal roles, reporting lines, and management review processes, and is supplemented by external consultants for specialized assessments such as ESIA's and biodiversity screening. Eastcastle Infrastructure also has an ESG board committee comprised principally of non-executive board representatives overseeing all E&S aspects of the business .

The nature of these operations exposes workers, contractors, and surrounding communities to a range of emergency scenarios, including working-at-height incidents, fires, fuel and battery spills, medical emergencies, vehicle accidents, security incidents, natural hazards, and site isolation. These issues are managed through the Company's OHS process which is part of the ESMS, additionally the Company manages emergency preparedness and response through its ESMS, with a comprehensive Emergency Preparedness and Response Procedure (EPRP) that has identified material emergency situations

commensurate with the company operations. However, inclusion of communities and other stakeholders (e.g. municipal authorities, law enforcement agencies) is limited also some emergencies like site isolation / access cut off especially for remote DRC tower sites are not included. To address these gaps, the Company will strengthen its emergency preparedness and response framework by identifying all material emergencies and improved coordination with local authorities and communities, proportionate to the risk profile of its operations. **(ESAP #1)**

The Company has adopted a formal stakeholder engagement procedure that defines its engagement approach, roles, and responsibilities across its operations. Engagement activities are primarily focused on site acquisition and permitting processes, regulatory compliance, and ongoing interaction with affected communities and local authorities in the vicinity of tower sites. Stakeholder engagement is integrated into project planning and implementation processes and is undertaken proportionately, considering the scale, location, and potential impacts of each site. As a component of the stakeholder engagement framework, the Company has implemented a grievance mechanism to receive and facilitate the resolution of concerns and complaints related to the project. Additionally, the Company has also adopted a Whistleblowing Policy that enables employees, contractors, and third parties to report breaches of company policies and procedures, including environmental, social, and ethical concerns.

PS2 – Labor and Working Conditions

Eastcastle DRC employs direct workers and relies extensively on contractors for construction, operations and maintenance, refueling, and security services. Eastcastle DRC operates under the existing human resource (HR) policies and procedures as set out by the company, including an employee handbook, grievance management mechanism, and policies on child and forced labor, and retrenchment. The existing HR policy framework also includes an anti-discrimination, sexual harassment, and violence policy that includes gender specific requirements, including gender-based violence that are in compliance with requirements of PS2. HR is managed by an Operational Country level HR manager. Labor and working conditions are defined within the employee handbook and are aligned with local labor laws. This includes key areas of work hours, overtime, benefits, leave, performance management, and freedom of association. Eastcastle DRC has an existing employee grievance mechanism which is aligned with the requirements of IFC PS2.

Eastcastle DRC has an existing OHS management framework that includes a risk identification and evaluation process, incident management and reporting procedure, emergency preparedness and response, and ongoing SHERQ training requirements. Eastcastle DRC has also implemented a Driving at Work policy as well as an in-vehicle monitoring system (IVMS) in all their vehicles.

Eastcastle DRC's OHS performance has remained stable with low incident frequency. In 2025, property damages and near misses were recorded, and only one fatality incident reported relating to road traffic accident of vendor personnel traveling between sites for refuelling. Another fatality was recorded where a body was found on a planned site location which was subsequently confirmed to be non-work related.

All Eastcastle DRC contractors are subject to a pre-qualification process covering labor practices, health and safety, and sustainability. Third party contractors are required to adopt and abide by the Company's ESMP and are monitored via a weekly construction supervision form. Labor standards are cascaded through contractual obligations, joint E&S awareness sessions, and pre-job inductions with contractors and partners,

reinforcing expectations on codes of conduct, OHS, GBV/SEAH, child safeguarding, and emergency preparedness.

Also, the Company maintains workers and affected communities grievance mechanisms accessible to employees, communities & contractors, including anonymous reporting channels. For 2025 the Company didn't record any employee grievance while four have been recorded by communities relating to land and technical issues (cracks in homes from works due to tower construction). Two of the grievances are in the resolution stage while the others are still under internal investigation

PS3 – Resource Efficiency and Pollution Prevention

As assessed under previous IFC investments, the risks relevant to PS3 for the Company remain limited, site-specific, and manageable, reflecting the distributed nature of the tower portfolio and the scale of construction activities. Key PS3 risks relate primarily to energy consumption and associated emissions from diesel generators, construction-phase resource use (including water), and the management of hazardous and non-hazardous waste streams. These risks are mitigated through implementation of measures aligned with IFC's PS3 requirements, IFC EHS Guidelines and EHS Guidelines for telecommunications and the use of licensed waste management service providers, with no material pollution incidents identified to date.

The Company has prioritized the deployment of solar photovoltaic systems, battery storage, and hybrid energy configurations. As a result, 40% of sites are solarized, thus reducing average generator runtime from 10.69 to 9.67 hours per day between 2024 and 2025 (-10% in one year); and emissions intensity has declined relative to the national grid benchmark, notwithstanding continued portfolio growth.

Water consumption occurs mainly during construction activities and is modest at site level. Waste streams include construction debris, scrap metal, packaging, used oils, and spent batteries. These are managed through site-level segregation, spill prevention measures, and disposal by licensed waste handlers, in compliance with DRC regulations. Where applicable, hazardous materials are handled under controlled procedures, with appropriate contractor oversight. These measures are largely aligned with PS3 requirements.

Climate-related physical risks are relevant to PS3 and PS4 and were assessed as medium prior to mitigation and low after mitigation. These risks include heat stress affecting workers, flooding during extreme rainfall events, and localized water stress. As part of the ongoing ESMS measure the client will provide drinking water at worksites and heat-stress adjustments to PPE and work schedules.

Overall, PS3 risks under the project are considered limited, predictable, and manageable, given the small physical footprint of tower infrastructure, declining emissions intensity, and established pollution-prevention controls.

PS4 – Community Health, Safety, and Security

Under the previous investments, the Company managed community health, safety, and security risks that were localized, predictable, and typical of a distributed telecommunications infrastructure portfolio. The primary community health and safety risks associated with Eastcastle DRC's operations occur during construction activities and include exposure to construction vehicles, and exposure to dust, noise and vibrations caused by construction works. Operational phase health and safety risks are limited but may

include tower failures and collapse and unauthorized site access. These risks have been managed through established ESMS based measures, including site fencing and controlled access, warning signage, contractor supervision, EMF compliant antenna design, and engagement with local communities through permitting and grievance mechanisms. Emergency preparedness arrangements are in place however community awareness needs to be strengthened **(ESAP 1)**

Eastcastle DRC conducts a security risk assessment for each site which informs security requirements. Currently, all sites are guarded by a third-party security provider. Eastcastle DRC has adopted the Security Management Plan that includes prescriptions for guard selection, rules of engagement (including minimum force), training, equipment, facilities, working conditions, and grievance management.

Under the new transaction, PS4 risks remain site-specific but increase in complexity as operations expand into new geographic areas with varying community and security contexts. The Company manages community health, safety, and security risks through a risk-based approach that combines controlled site access, and physical security measures. Tower sites are secured through perimeter fencing, access-controlled locks, and enhanced deterrents at higher-risk locations, with security arrangements scaled based on site-specific risk assessments. Current measures are assessed as adequate to mitigate additional risks.

PS6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Company operates a geographically dispersed tower portfolio across DRC, overlapping the following ecoregions: Central Zambebian wet miombo woodlands, Southern Congolian forest-savanna, Central Congolian lowland forests, and Northeast Congolian lowland forests. The majority of existing and proposed sites are located in urban centres, rural settlements, or otherwise-modified habitat. Of the proposed sites for which coordinates are available, 17 are proposed within legally protected or internationally recognised areas, including e.g. Virunga National Park which is also a Key Biodiversity Area (KBA), Ramsar site and a World Heritage site, and Lendu Plateau KBA, which is also an Alliance for Zero Extinction (AZE) site.

Under the previous transaction, the Company was required to define their PS6 compliant biodiversity commitments in a Biodiversity Policy, and update the ESMP to ensure the implementation of appropriate assessment and management of biodiversity risks for any future sites across the business. Under the procedure, new infrastructure is sited in Modified habitat, and the mitigation hierarchy is applied, supported by site-specific ESIA's, consultation and regulatory approvals. The Company will update the procedure to include a biodiversity implementation protocol, to define the steps required when new infrastructure in legally protected and internationally recognised areas are unavoidable, which will include i) consultation with the relevant stakeholders (e.g., legally protected area and internationally recognised areas sponsors) to ensure compatibility with the values of these areas, and ii) measures relevant to the implementation of mitigation measures in line with IFC PS **(ESAP#2)**.

Stakeholder engagement

The extent of Eastcastle DRC's stakeholder engagement activities are commensurate with the nature of their operations and impacts. As a component of the ESMS, the Company has adopted a formal stakeholder engagement procedure defining their engagement approach and roles and responsibilities. Engagement is predominantly focused on site acquisition procedures, regulatory requirements, and grievance management.

As a component of the stakeholder engagement procedure, Eastcastle DRC have implemented a community grievance reporting process to receive and facilitate resolution of communities' concerns and grievances relating to the Company's environmental and social performance. In addition, Eastcastle DRC have also adopted a Whistleblowing Policy to allow for the reporting of breaches in policies and procedures.