

Public Information Summary

Milk Mantra

Host Country	India
Name of Borrower	Milk Mantra Dairy Private Limited (the “Borrower”)
Project Description	Expansion of a dairy processing company operating in East India (the “Project”).
Proposed DFC Loan	\$10,000,000
All-Source Funding Total	\$19,280,000
Policy Review	
U.S. Economic Impact	No Analysis Required.
Developmental Objectives	<p>This Project is expected to have a highly developmental impact through supporting the expansion of operations and facilities of a growing milk processor in India. India is the largest milk producer and consumer in the world. The production of milk is largely undertaken by smallholder farmers many of whom are women. The Project is expected to have significant developmental impacts through its inclusive and innovative business plan, which sources milk primarily from over 60000 low-income smallholder farmers in underdeveloped rural areas of India. Major challenges affecting the smallholder-farmer milk production include low genetic potential of Indian bovines, lack of nutritious and balanced feed composition, and inadequate veterinary services. The Project aims to overcome these challenges by supporting smallholder farmers with a technical assistance facility offering field extension agents, animal husbandry trainings, and a digital financial inclusion campaign.</p>
Environment and Social Assessment	<p>ENV Assessment: SCREENING: The Project has been reviewed against DFC’s categorical prohibitions and has been determined to be categorically eligible. Loans to dairy processing facilities are screened as Category B projects under DFC’s environmental guidelines because impacts are site specific and readily mitigated using standard industry practices. Environmental issues associated with the Project include the need for a robust environmental and social management system to manage potential environmental and social risks from the operation of the processing facility, occupational health and safety measures, food safety protocols, fire prevention and control measures, and proper disposal of small quantities of effluents and wastes generated.</p>

APPLICABLE STANDARDS : Under DFC's Environmental and Social Policies, 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 Project will have impacts which must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS):

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; and

P.S. 4: Community Health, Safety, and Security.

Additionally, the Project will be required to meet applicable provisions of the IFC's April 30, 2007 Environmental Health and Safety (EHS) General Guidelines and IFC's April 30, 2007 EHS Guidelines for Dairy Processing.

KEY ENVIRONMENTAL & SOCIAL ISSUES AND MITIGATION:

Milk Mantra has developed an ESMS Policy and Framework and within this they represent that they will form an ESMS Plan based upon environmental and social risk assessments and change corporate governance policies and key business strategies in line with the social or environmental implications in changing regulatory and/or social environments, by continuous evaluation of the ESMS. Milk Mantra has a Food Safety Manual that has been developed per HACCP based on the international standard Food Safety System Certification (FSSC) FSSC 22000:2010. It provides a framework for effectively managing food safety responsibilities and is fully recognized by the Global Food Safety Initiative (GFSI) and is based on existing ISO Standards. Milk Mantra has received their manufacturing license from the Food Safety Standard of India (FSSAI). Milk Mantra meets the wastewater effluent levels per the IFC's April 30, 2007 EHS Guidelines for Dairy Processing Effluent Levels and India's Bureau of Indian Standards limits.

Social Assessment:

The Project will have impacts that must be mitigated in a manner consistent with the IFC PS referenced above, DFC's Environmental and Social Policies and Procedures (ESPP) and applicable local laws. DFC's statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of

	<p>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 the construction of additional infrastructure within the perimeter of its existing milk processing plants in order to expand their operations. Since the expansion will take place within the bounds of the existing location, the social impacts will be limited, and readily mitigated using standard industry practice. The Borrower does not currently have a robust Environmental and Social Management System, though they represent that both an ESMS and a Contractor Management Plan are in process of development for implementation prior to construction. DFC will require these plans prior to construction.</p> <p>This review covers the commensurate human rights risks associated with dairy processing in India.</p>
Grants Assessment	<p>ODP is considering Technical Assistance that will (i) expand the agricultural extension program that the Borrower provides for its suppliers and (ii) develop a digital financial services program for the Borrower and its suppliers</p>