

## Public Information Summary

<b>Host Country</b>	India
<b>Name of Guaranteed Party</b>	HSBC India
<b>Name of Borrowers</b>	Punjab Renewable Energy Systems Private Limited Pres Oorja Private Limited
<b>Project Description</b>	Guaranty of a loan to Punjab Renewable Energy Systems Limited and a loan to its wholly-owned subsidiary, Pres Oorja Private Limited, a biomass supply chain management company in India, to construct seven biomass briquetting plants and finance working capital needs of the companies (the “Project”).
<b>Proposed DFC Guaranty</b>	\$10,000,000
<b>All-Source Funding Total</b>	\$13,330,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	The Project is anticipated to have a highly developmental impact through support of a biomass power production in India. Specifically, this Project will support the Borrowers’ the construction of seven biomass briquette plants, the output of which is utilized to both power biomass power plants operated by the Borrowers as well as other facilities in the country. India has an increasing demand for energy stemming from its growing population and expanding economy. This increased energy demand is mostly being supplied by fossil fuels with only 15% of supplied energy coming from renewable energy sources. India must develop greener alternatives to help meet the growing demand and to reduce its greenhouse gas emissions. The Project is expected to increase the production of biomass fuel, a fossil fuel alternative from 250,000 MT to over 1,950,000 MT within the next five years. In addition, the Project will source its biomass materials from smallholder farmers and create jobs in states with high rates of poverty, unemployment, and informal employment.
<b>Environment and Social Assessment</b>	<b>Screening:</b> In accordance with DFC’s Environmental and Social Policy and Procedures (“ESPP”), the Project has been determined to be categorically eligible. Small scale manufacturing facilities are screened as a Category B for the purpose of environmental and social assessment because impacts are site specific and readily mitigated. The major environmental and social issues associated with the Project are air emissions (particulate matter), appropriate worker health and safety measures, discrimination and harassment targeting members of minority

groups including women, child and forced labor, and life and fire safety. The Project is subject to an assessment of climate resiliency pursuant to E.O. 13677.

**Applicable Standards:** DFC's environmental and social due diligence indicates that the Project will have impacts that 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; and

PS4: Community Health, Safety and Security.

The Project is also required to meet applicable provisions of the IFC Environmental Health and Safety (EHS) General Guidelines (April 30, 2007).

A desktop review based due diligence assessment indicates the Project will acquire land via lease agreements negotiated voluntarily and will not have significant impacts with respect to land acquisition and resettlement, biodiversity, indigenous peoples and cultural heritage. Therefore, impacts related to PS 5 through 8 are not anticipated.

**Key Environmental and Social Issues and Mitigation:** The Borrowers have an Environmental and Social Management System (ESMS) which adequately identifies environmental and social risks of the Project. Environmental health, safety, and labor requirements are appropriately included in construction contracts. Each of the facilities will have an EHS supervisor which together with the plant manager are responsible for environmental management and worker health and safety.

The Borrowers have policies in place prohibiting forced and child labor as well as written agreements with suppliers addressing environmental and social performance in order to limit the risk of child and forced labor in its supply chain. The Borrowers have formal human resources policies and procedures addressing terms and conditions of work, discrimination, and harassment. The Borrowers are required to enhance their internal and external grievance mechanisms with recording procedures and to implement formal procedures for monitoring their supply chain.

The Project facilities will be located in areas with access to the electrical grid. GHG emissions for the Project is estimated at < 5,000 CO<sub>2e</sub> short tons per annum based on energy consumption for the combined facilities. Water supply (used mainly for the workers and for dust suppression) is sourced from third-party providers in tankers or from wells. Wastewater

	<p>treatment is provided by septic tank. The Project does not generate nor store hazardous waste. Domestic waste is promptly removed from the site by authorized contractors. The Project will be required to have an appropriate workers accommodation plan for migrant workers.</p> <p>The Project has life and fire safety standard operating procedures including prohibition of smoking onsite, inspection of vehicles prior to entering and during onloading and offloading operations, main electrical cutoff switches, alarm system, muster points, fire extinguishers, activating the local fire brigade, monitoring moisture content in feedstock storage areas, and twice a month fire drills. The Project will be required to install a fire-safe emergency backup system to provide lighting and to activate emergency alarm in the event of an electrical power outage in the municipal grid.</p>
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