Public Information Summary

Host Country	India
Name of Borrower	Nepra Resource Management Pvt Ltd ("Nepra")
Project Description	Nepra is one of India's largest dry waste management companies collecting, segregating, processing, and recycling municipal dry waste, including plastics. Nepra collects waste from informal waste collectors and institutional clients, sorts and processes the inputs at its Material Recovery Facilities (MRFs) and supplies high-quality recyclables to recyclers and manufacturers for reuse in the circular economy.
Proposed DFC Loan	$10,000,000 loan with an eight (8)-year tenor and 36-month grace period
All-Source Funding Total	$13,452,080
Policy Review	
Developmental Objectives	As the world's third-largest producer of solid waste, India faces pressing environmental challenges including significant GHG emissions, air pollution, and water contamination. The waste sector is also dominated by informal labor, which comprises over 80% of India's labor force and is characterized by job insecurity and unsafe working conditions. In response to these challenges, the Project will support the construction of three Material Recovery Facilities (MRFs) that will increase waste diversion, reduce pollution, and avoid GHG emissions. The Project will also support expanded livelihood opportunities, particularly for low-income communities and women. Given the Project's characteristics, it is characterized as Highly Impactful per DFC's Impact Quotient (IQ).
Environment and Social Assessment	The Project has been reviewed against DFC's 2020 Environmental and Social Policy Procedures ("ESPP") and has been determined to be categorically eligible. Projects involving construction and operation of factories in existing industrial parks or commercial zones are screened as Category B under DFC's environmental and social guidelines as the impacts are anticipated to be limited, site-specific, and readily mitigated. In accordance with DFC's ESPP, this Project has been classified as Special Consideration due to the company's reliance to a large degree on large pools of unskilled, sub-contracted workers (IWPs), and the potential risk of child labor in the plastic waste supply chain. This Project has been reviewed against findings in the 2022 State Department Human Rights Report for India, which identifies elevated risks of child labor in construction and in the informal economy. Nepra has appropriate systems in place to address these risks, as described in detail in this clearance. This Project has been screened for Gender-Based

	Violence and Harrassment (GBVH) risks. The contextual GBVH risk level in India is 4 out of 4. Project risk factors include the potential for sexual harassment in the workplace. As discussed below, the Borrower has implemented policies to address this. *Climate Change Resiliency:* The Project is subject to climate change resiliency screening per EO 13677. Physical climate risks were analyzed using the Jupiter Intelligence Climate Score Global tool ("Jupiter tool"), which models how specific metrics related to hazardous environmental events or perils may change in the future under different scenarios of how greenhouse gas emissions increase or decrease over time. **India ND Gain Index ranking: 105/185.** The ND-GAIN Country Index summarizes a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience. The ND Gain Index also uses a matrix to visualize a country's vulnerability relative to its readiness for climate impacts. Lower scores are better. Represents ranking by country. For India, water scarcity, extreme heat, wildfires, drought, flooding, landslides and cyclones are the primary climate change related risks for the regions of the Project based on past, current, and future trends. The Project has minimal use of water and other resources. The Project facilities will be designed to minimize its freshwater intake, which is predominantly used for potable purposes. Nepra's Environmental and Social Management System (ESMS) has been designed to adapt to climate change impacts. **MATERIAL PHYSICAL CLIMATE RISKS** **The Nepra project** has some material climate perils. These include: **Location 1** • **Water Scarcity.** Water scarcity is classified as high for this location according to the information that is currently available in ThinkHazard. This means that droughts are expected to occur on average every 5 years. • **Extreme Heat.** Extreme heat hazard is classified as high based on modeled heat information currently available in ThinkHazard. This means that prolonged exposure to extreme heat, resulting in heat stress, is expected to occur at least once in the next five years. • **Wildfire.** The wildfire hazard is classified as high for this location according to the information that is currently available in ThinkHazard. This means that there is greater than a 50% chance of encountering weather that could support a significant

	wildfire that is likely to result in both life and property loss in any given year. **Location 2** • **Water Scarcity.** Water scarcity is classified as high for this location according to the information that is currently available in ThinkHazard. This means that droughts are expected to occur on average every 5 years. • **Extreme Heat.** Extreme heat hazard is classified as high based on modeled heat information currently available in ThinkHazard. This means that prolonged exposure to extreme heat, resulting in heat stress, is expected to occur at least once in the next five years. • **Landslide.** Landslide susceptibility for this location is classified as high according to the information that is currently available in ThinkHazard. This means that this area has rainfall patterns, terrain slope, geology, soil, land cover and (potentially) earthquakes that make localized landslides a frequent hazard phenomenon. **Location 3** • **Tropical Cyclone.** Cyclone (also known as hurricane or typhoon) hazard is classified as high in this location according to the information that is currently available. • **Extreme Heat.** Extreme heat hazard is classified as high based on modeled heat information currently available in ThinkHazard. This means that prolonged exposure to extreme heat, resulting in heat stress, is expected to occur at least once in the next five years. • **Wildfire.** The wildfire hazard is classified as high for this location according to the information that is currently available in ThinkHazard. This means that there is greater than a 50% chance of encountering weather that could support a significant wildfire that is likely to result in both life and property loss in any given year. • **Fluvial Flood.** In this location, river flood hazard is classified as medium based on modeled flood information currently available in ThinkHazard. This means that there is a chance of more than 20% that potentially damaging and life-threatening river floods occur in the coming 10 years. **IMPACT** • **General Impacts** Climate-related risks to the Nepra project could include:

	1. **Extreme Temperatures**: High temperatures can affect recycling operations. Extreme heat can cause equipment to overheat and fail. 2. **Heavy Rainfall and Flooding**: Excessive rain can cause flooding, which not only damages the recycling plant infrastructure but can also contaminate recyclable materials, making them unusable. Floodwaters can also displace and mix materials, complicating the sorting process. 3. **Tropical Cyclones**: High winds can damage facilities, scatter lightweight recyclables, and interrupt power supply. These severe weather events can also cause extensive damage through high winds, heavy rain, and storm surges. They can lead to prolonged downtime and costly repairs. 4. **Drought**: Drought conditions can lead to water shortages, which can affect recycling processes that require water, such as the washing of certain recyclables. The plants could implement risk management strategies to mitigate these weather-related risks, such as reinforcing structures, ensuring proper drainage, and maintaining backup systems. These strategies are expected to help in minimizing downtime and financial losses when severe weather strikes. DFC will provide recommendations regarding climate related risks and mitigation measures to Nepra for their consideration. *Generalized System of Preferences (GSP) OR DFC Petitions:* India lost its eligibility for GSP in 2019 based on a failure to provide equitable and reasonable market access. India is not currently subject to petitions challenging its DFC eligibility on worker rights grounds and has ratified six of ten International Labor Organization (ILO) core labor conventions; it has not ratified Conventions 87 (freedom of association), 98 (collective bargaining), 155 (occupational health and safety), and 187 (occupational health and safety).