

Public Information Summary

Host Country	India
Name(s) of Borrower(s)	Panacea Biotec Limited (“Panacea” and the “Borrower”)
Project Description	Expand manufacturing capacity by 50 million doses annually of Panacea’s EasySix, the first fully liquid whole-cell Pertussis based Hexavalent vaccine, providing protection against six deadly diseases.
Proposed DFC Loan	\$20,000,000 senior, secured loan for up to 11 years.
All-Source Funding Total	\$27,000,000 pharmaceutical project for expanding manufacturing facilities of the hexavalent vaccine.
Policy Review	
Developmental Objectives	<p>According to the World Health Organization (“WHO”), approximately 1.5 million children die every year from vaccine-preventable diseases. In the 73 low-income and lower middle-income countries supported by the Global Vaccine Alliance (“GAVI”), 71% of children under 12 months miss one or more of the vaccines recommended by the WHO for all infants by their first birthday.¹</p> <p>The Project is expected to have a positive development impact in India and other low- and lower middle-income countries by increasing the manufacturing capacity of hexavalent, a new 6-in-1 vaccine that protects against diphtheria, tetanus, pertussis, haemophilus influenza B, hepatitis B, and polio. The new vaccine will improve access to vaccination for children in GAVI countries by reducing the number of doses required, increasing the likelihood that children will receive all the recommended doses, and potentially reducing delivery costs. The Project will also contribute to economic growth in India by supporting job creation. Given the Project’s characteristics, it is categorized as Exceptionally Impactful per DFC’s Impact Quotient (“IQ”).</p>
Environment and Social Assessment	<p>SCREENING: This Project has been reviewed against DFC’s categorical prohibitions and determined to be categorically eligible. The Project was screened as a Category B under DFC’s Environmental and Social Policy and Procedures (“ESPP”) because impacts are site specific and readily mitigated.</p> <p>APPLICABLE STANDARDS: Under DFC’s ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC’s</p>

¹ Global Vaccine Alliance. [Facts and Figures](#). 2023.

	<p>environmental and social due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following International Finance Corporation (“IFC”) 2012 Performance Standards (“PS”):</p> <ul style="list-style-type: none">• PS 1: Assessment and Management of Environmental and Social Risks and Impacts;• PS 2: Labor and Working Conditions;• PS 3: Resource Efficiency and Pollution Prevention; and• PS 4: Community Health, Safety, and Security. <p>The Project involves expanding manufacturing capacity at existing facilities managed by the Borrower, and therefore the Project does not involve land acquisition. A desktop review and due diligence site visit indicate that significant adverse impacts with respect to land acquisition and resettlement, biodiversity, indigenous peoples, and cultural heritage are not anticipated. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.</p> <p>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 Pharmaceuticals and Biotechnology Manufacturing. The Project is expected to apply for WHO pre-qualification in late 2024.</p> <p><i>Environmental and Social Issues and Mitigation:</i> The major environmental and social concerns include the need for effective implementation and sufficient oversight and monitoring of quality control aspects of the manufacturing process, as well as environmental, labor, health and safety aspects, in particular, labor and working conditions, contractor management, occupational health and safety, waste management, fire life and safety, emergency preparedness and response, and grievance redress mechanisms.</p> <p>The Borrower has a Business Responsibility Policy, a set of Human Resources Policies, and an Environmental, Occupational Health and Safety (“EOHS”) Management System that collectively represent the Environmental and Social Management System. The Company is in the process of becoming certified under ISO 14001:2015 (environmental management) and ISO 45001:2018 (occupational health and safety), and the first audit of the Lalru facility was conducted in May 2023.</p> <p>The Borrower has an external grievance mechanism for receiving and handling complaints from the public, and it publicly discloses information about its environmental and social performance through an annual sustainability report. The Borrower will be required to develop</p>
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	<p>and implement a documented workplace grievance mechanism, which allows for anonymous complaints, prohibits retaliation against complainants, and is overall in alignment with IFC PS 2.</p> <p>The Borrower also has in place a human resources management system that includes written contracts for all employees and human resources policies that address hours of work, leave, pay, anti-harassment, and non-discrimination, among other topics. The Borrower also has a Standard Operating Procedure for Contractor Management and for grievance redressal for contracted workers. The Borrower will be required to develop a freedom of association policy.</p> <p><i>DFC Site Visit:</i> DFC's environmental and social specialist conducted a site visit in March 2023 to Panacea's office in New Delhi and production facilities in Baddi and Lalru. The site visits included interviews with Panacea's staff responsible for EHS, social, and contractor management, along with interviews with workers.</p>
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