

## Public Information Summary

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**Host Country**

Ukraine

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**Name of Counterparty / Issuer**

Astarta Agro Protein LLC

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**Project Description**

Senior secured corporate loan to finance the development, construction, operation, maintenance, and permanent working capital needs of soy segment and a new soy protein concentrate plant with approximately 100,000 tons of annual processing capacity in the Poltava region of Ukraine.

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**DFC Product Type**

Debt Financing

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**DFC Investment**

Up to \$40,000,000

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**Total Project Costs**

\$93,000,000

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**U.S. Involvement**

N/A

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**Insurance Specific**

N/A

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**Fund Specific**

N/A

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**Equity Specific**

N/A

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**Policy Review****U.S. Economic Impact**

The Project is not expected to have a negative impact on the U.S. economy.

**Developmental Objectives**

Prior to Russia's invasion of Ukraine, the agricultural sector accounted for 20% of GDP,

41% of total exports, and 14% of employment. According to the World Bank, total agriculture damage and losses due to the war were estimated to be \$80.1 billion in 2023. Recovery and reconstruction needs in the agricultural sector are estimated at \$56 billion, and the country's total recovery and reconstruction needs are estimated at \$486 billion in the next decade. In this context, maintaining Ukraine's position as a top global agricultural producer and exporter is critical to generating local income to support rebuilding and protect Ukrainian livelihoods.

The Project is expected to have a positive development impact in Ukraine by providing income to local business and the government, supporting the recovery of agricultural exports, and sustaining jobs. DFC's support will enable Astarta to contribute to the recovery of agricultural production and exports, create employment opportunities, and generate critical economic activity in the Ukrainian agricultural sector while contributing to global food security. Given the Project's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient.

## **Environment and Social Assessment**

### **Screening:**

The Project has been reviewed in light of DFC's categorical prohibitions and was determined to be categorically eligible. The Project is screened as Category B as this investment will have limited adverse environmental and social (E&S) risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

### **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:

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;

PS 4: Community Health, Safety and Security;

PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

PS 5, 7, and 8 are not triggered at this time. Development of the Project does not involve land acquisition or impacts to Indigenous Peoples. The Project will be implemented at Astarta's existing facilities, which are located in an industrial areas or areas where agriculture has been consolidated for several decades. No impacts to cultural heritage are anticipated. Removal of the fertile soil layer is not expected, and there are no applicable requirements for cultural heritage protection. If an archaeological or historical find is discovered during any ground-disturbing activities, a stop-work order would be issued in compliance with the Law of Ukraine On the Protection of Cultural Heritage and within one day would notify the regional

Center for the Protection and Scientific Research of Cultural Heritage Monuments as well as local authorities.

The Project will be required to meet applicable provisions of the International Finance Corporation's (IFC) General Environmental Health and Safety (EHS) Guidelines (30 April 2007) and the IFC EHS Guidelines for Vegetable Oil Processing (12 February 2015).

**Environmental and Social Risk and Mitigation:**

Environmental and social issues of concern for the Project include the need for robust environmental and social management systems to guide project construction and operations, with an emphasis on more detailed planning for the construction phase. Key E&S issues during the construction phase include contractor management and oversight, occupational health and safety, security, and emergency preparedness and response, and stakeholder engagement. Key E&S issues during the operations phase include management of risks in the soy supply chain and internal grievance management. These are mitigated in accordance with the Applicable Standards and the conditions of the Environmental and Social Action Plan. DFC will require the Borrower to update its Environmental and Social Management System (ESMS) to address E&S risks and impacts related to new construction projects, its soy supply chain and stakeholder engagement. DFC will also require the Borrower to prepare Project-specific environmental and social management plans (ESMP) for both Project construction and operations focusing on worker occupational health and safety, pollution controls and waste management procedures in line with good international industry practice, and a hazard and operability study.