

Annex B – Public Information Summary

Host Country	Mozambique
Name of Borrower	Eco Farm Moçambique, Limitada
Project Description	Corporate finance loan to increase harvesting and milling capacity of an organic sugarcane farm, a modern sugar mill, cattle and legume farming, with cogeneration facilities that produce renewable electricity.
Proposed DFC Loan/Guaranty	\$10,000,000 Senior Loan
All-Source Funding Total	\$10,000,000
Policy Review	
U.S. Economic Impact	The Project is not expected to have an impact on the US economy.
Developmental Objectives	This Project is expected to have a highly developmental impact through support for the expansion of operations and facilities of a growing organic sugar processor in Mozambique. The Project is expected to directly provide over 800 high quality jobs and through associated cooperative suppliers support hundreds of indirect jobs supporting roughly 500 families and more than 4,000 family dependents as cooperative members. The Project is the first new integrated sugar development in Mozambique since independence in 1975, and will bring modern and innovative sustainable organic farming, fertilizing and manufacturing processes, including cogeneration facilities that produce renewable electricity. The irrigation infrastructure supplying the Project and cooperatives has been grant-funded by the IRRIGA, a World Bank program, and the commercial farm provides on-going technical assistance, mechanization support, and market access to the cooperatives supplying the company.
Environment and Social Assessment	<p>SCREENING: The Project has been reviewed against DFC’s categorical prohibitions and has been determined to be categorically eligible. Loans to agricultural processing facilities are screened as Category B projects under DFC’s environmental guidelines because impacts are site specific and readily mitigated using good international industrial practices.</p> <p>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 and management of wastes. Social issues associated with the Project include</p>

the need for robust labor management, stakeholder engagement, and the need for supply chain due diligence.

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;
- P.S. 4: Community Health, Safety, and Security; and
- P.S. 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

Based on DFC's desktop review, Based on DFC's desktop review, the Project has taken measures to avoid involuntary resettlement, economic displacement, and areas of cultural significance, mainly gravesites. There no significant impacts on Indigenous Peoples in the Project area. Therefore, PS 5, 7 and 8 are not triggered at this time.

Additionally, the Project will be required to meet applicable provisions of the IFC's April 30, 2007 General Environmental Health and Safety (EHS) Guidelines, IFC's April 30, 2007 EHS Guidelines for Food and Beverage Processing, IFC's March 30, 2016 EHS Guidelines for Perennial Crop Production, IFC's April 30, 2007 EHS Guidelines for Sugar Manufacturing; and IFC's April 30, 2007 EHS Guidelines for Mammalian Livestock Production.

KEY ENVIRONMENTAL AND SOCIAL ISSUES AND MITIGATION:

The social risks associated with this Project include labor management, stakeholder engagement, and supply chain management. The Borrower has developed human resources policies and procedures and utilize employment contracts that largely align with IFC Performance Standard 2. The Borrower will be required to make revisions to its policies and procedures to address gaps regarding overtime and internal grievance mechanism. The Borrower has developed a stakeholder engagement plan that aligns with IFC Performance Standard 1 and has partially implemented it. The Borrower will be required to implement an external grievance register. The Borrower's primary suppliers have engaged with fair trade certification organizations that include compliance with IFC Performance Standard 2. The Borrower will be able to institutionalize and

	<p>formalize the process. The environmental risks 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 and management of wastes. The Borrower will be required to provide evidence that it has developed and implemented Standard Operating Procedures for operating sugar cane machine processing in accordance with Performance Standard 2. The Borrower will need to ensure it improves and implements its waste management systems in accordance with Performance Standard 3.</p>
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