

Nilus Mexico S.R.L. de C.V.

Public Information Summary

Host Country(ies)	Mexico
Name(s) of Borrower(s)/Guaranteed Party(ies)	Nilus Mexico S.R.L de C.V.
Project Description	Expansion of a tech company that aims to lower the cost of food for low-income individuals by leveraging disintermediation and group buying.
Proposed DFC Loan	\$5,200,000 senior loan with a 7-year tenor
All-Source Funding Total	\$11,000,000
Policy Review	
Developmental Objectives	<p>Approximately 27% of the population in Mexico was moderately or severely food insecure in 2021. Food prices are a significant factor shaping household food security, narrowing dietary diversity, and creating health disparities, particularly in low-income neighborhoods that do not have access to supermarkets and rely on small shops and convenience stores where prices are higher.</p> <p>In response to this challenge, the Project is expected to provide access to groceries to more than 800,000 low-income customers at prices that are 20 to 25% cheaper than the prices offered at small outlets. The Project's innovative community purchasing model and digital platform enables direct procurement from producers, wholesalers and distributors at low costs. In addition, the Project is expected to reduce food waste, resulting in more than 52,000 metric tons of CO₂e avoided annually. DFC has qualified the Project as 2X based on the leadership and employment criteria. Given the Project's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient (IQ).</p>
Environment and Social Assessment	<p>Screening: 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 the purchase, warehousing, and distribution of food and beverage items are screened as Category B under DFC's environmental and social guidelines because impacts are site-specific and readily mitigated through the application of effective Environmental and Social management practices.</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 environmental due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following International Finance Corporation’s (IFC) 2012 Performance Standards (“PS”):

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts
- PS 2: Labor and Working Conditions
- PS 3: Pollution Prevention and Abatement
- PS 4: Community Health, Safety, and Security

In addition to the Performance Standards listed above, the Project should also follow IFC Environmental, Health, and Safety (EHS) General Guidelines (2007).

Key Environmental and Social Risks and Mitigation: The primary environmental and social issues associated with the Project include the need for a comprehensive Environmental and Social Management System (ESMS) to manage potential environmental and social risks from the operation, organizational capacity and competence to implement the ESMS, occupational health and safety measures, food safety protocols, fire prevention and control measures, proper disposal of solid wastes, the need to develop and/or enhance internal and external grievance mechanisms, develop employee training requirements, plan for workforce expansion and contractor management, sexual harassment and non-discrimination policies and procedures, and a supply chain management system.

Nilus’ current operations involve a single warehouse located in Mexico City. Nilus has an Environmental Sustainability Plan, Code of Conduct and Ethics, Employee Handbook, Occupational Health and Safety Plan, and Emergency Preparedness and Response procedures that are fit for purpose given its current scale and scope. In addition, Nilus currently has in place procedures that meet the intent for proper sanitation, pest control, workplace cleanliness, and staff hygiene practices. If Nilus expands its operations to other parts of Mexico, the Project will be required to develop additional E&S procedures to adequately mitigate E&S risks covering its expansion and hire additional E&S staff as needed to implement and oversee implementation of the procedures.