

Information Summary for the Public

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| Host Country | Brazil |
| Name of Borrowers | Star Participações S.A., a Brazilian corporation (sociedade por ações) (“Star”) |
| Project Description | Finance the operations and expansion and of food & beverage stores in Brazil by Star. |
| Proposed OPIC Guaranty | \$19,500,000 |
| Total Project Costs | \$76,000,000 |
| U.S. Sponsor | SouthRock Capital Ltda. (“SRC Brazil”), a Brazilian limited liability company (sociedade limitada) established under the laws of the Federative Republic of Brazil and SouthStone Capital LLC (“SSC”), a U.S. limited liability corporation established under the laws of the State of Texas. |
| Foreign Sponsor | N/A |
| Policy Review | |
| U.S. Economic Impact | The Project is not expected to have a negative impact on the U.S. economy. The Project is expected to have a small, but positive, impact on U.S. employment. The Project is expected to have a positive five-year U.S. balance of payments impact. |
| Developmental Effects | This Project is expected to have a highly developmental impact on Brazil with the expectation of creating over 575 jobs, over \$100 million in local procurement, and extensive knowledge transfer benefits. The Project Company expects to hire a large number of youth for professional and technical positions. Youth unemployment is estimated at over 20 percent in Brazil, well above the current national unemployment rate of 13 percent. Benefits offered to workers are expected to be above and beyond local requirements, including financial and technical support for education. The Project also expects to procure an extensive amount from local businesses, which will support local food, paper and restaurant suppliers, and businesses in restaurant service-related industries. In addition to procurement, the Project Company expects to provide technical assistance through knowledge transfer to promote quality control programs for local suppliers. The Project aligns with UN Sustainable Development Goal #8 (Decent Work and Economic Growth). |

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| Environment | <p>SCREENING: The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Construction and operation of retail food chains are screened as Category B projects under OPIC's environmental and social guidelines because impacts are site-specific and readily mitigated. Environmental and social issues associated with the Project include the need for a robust Environmental and Social Management System to manage potential environmental and social risks from construction and operation of the restaurants, appropriate hygiene and food preparation measures, proper disposal of effluents and wastes and occupational health and safety measures.</p> <p>Applicable Standards: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (P.S.):</p> <ul style="list-style-type: none">• P.S. 1: Social and Environmental Assessment and Management Systems• P.S. 2: Labor and Working Conditions• P.S. 3: Pollution Prevention and Abatement• P.S. 4: Community Health, Safety and Security <p>In addition, consistent with the requirements of PS 3 (Resource Efficiency and Pollution Prevention), the following International Finance Corporation (IFC) Environmental Guidelines are applicable to this project: (i) The IFC April 30, 2007 Environmental, Health, and Safety General Guidelines.</p> <p>The Project is expected to have minimal greenhouse gas emissions.</p> <p>Environmental and Social Risks and Mitigation: The Project involves the development of 45 new food & beverage stores in Brazil. SouthRock has an environmental, health and safety policy. SouthRock's development/construction manager will oversee environmental, health and safety aspects during construction. Once in operation, the Borrower represents that there will an onsite manager at each store responsible for ensuring compliance with local, national and international safety and hygiene laws and standards. Stores will be visited weekly by an inspector to check for compliance.</p> |
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| | <p>While SRC has broad environmental and social policies in place to guide the Project in environmental and social performance, specific plans and procedures have not yet been developed. The Borrower represents that SRC will have plans and procedures in place to ensure that the Project adheres to the IFC 2012 Performance Standards. The Borrower will have a formal SEMS for the construction phase of the Project and develop and implement it in accordance with P.S. 1.</p> <p>Once operational, restaurants will be connected to municipal services for electricity, potable water, wastewater and solid waste disposal. The Borrower represents that all employees are required to complete the SouthRock HACCP procedures and full training programs for each role in the stores.</p> <p>The Borrower represents that all stores will be compliant with local, state and federal requirements for life and fire safety. Life and Fire Safety plans will be designed by qualified and certified professionals. The Project will develop emergency response procedures for addressing fire or other emergency and a training program for employees. The stores will have appropriate life and fire safety measures in place.</p> |
| Social Assessment | <p>The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standards, OPIC's Environmental and Social Policy Statement and applicable local laws.</p> <p>OPIC's statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>The Project will be required to develop and implement a Social and Environmental Management System (SEMS) that addresses social risk, including labor, commensurate with the risks associated with the Fund's anticipated Portfolio. Furthermore, the Project will be required to deliver to OPIC a public grievance mechanism accessible to external stakeholders.</p> <p>This review covers the commensurate human rights risks associated with accommodation and food services in Brazil.</p> |