Early Warning System

FMO-65792

Nafoods Southern Joint Stock Company

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Quick Facts

Countries	Vietnam
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-08-15
Borrower	NaFoods Group Joint Stock Company (NAF)
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 2.50 million
Project Cost (USD)	$ 15.00 million

Project Description

According to the Bank’s website, the project consists of a USD 15mln senior secured loan, with USD 10mln capex (USD 7.5mln Building Prospects and USD 2.5mln FMO-A) and USD 5mln WC (FMO-A) to NaFoods Southern Joint Stock Company (Borrower) - a subsidiary of NAF, to finance the group's new capex expansions between FY25 and FY27, which includes expansion of its freezing and cold storage systems.

NAF fits well into FMO's strategy through its focus on local value creation, local employment creation and supporting economic growth. Currently NAF employs over 850 FTEs. An additional 50-100 FTEs are expected to be added with the expansion of new processing lines. NAF supports local value creation by exporting processed goods to food manufacturers and retailers, creating employment, generating local tax revenue and hard currency income for Vietnam.

The transaction has a 100% Reducing Inequalities label. NAF's inclusive business model involves close collaboration with farmers in some supply chains, improving livelihoods of participants. NAF directly sources from 1100 passion fruit farmers and 120 dragon fruit farmers, providing seedlings, technical support, quality control and guaranteeing offtake. In addition, the transaction has a 67% Green label. USD 10mln will be used to upgrade and/or retrofit the R22 and R404 gas technology equipment, which directly contributes to Climate Action. In addition, all the new capex financed by FMO will use Ammonia coolant technology which is both more environmentally friendly and efficient.

Early Warning System Project Analysis

NAF's E&S risk category is B+. The Company buys and processes (i.e., sorting, cleaning, grading, cooling, chopping, packing) fruits and nuts to transform into edible food products and trade them using labor, energy, and water resources, and generating waste. The company also has passion fruit seedling production. Such activities have potential adverse environmental or social risks and/or impacts that are within and beyond the site boundaries, largely irreversible, and can be addressed through FMO's proposed Environmental and Social Action Plan.

No land acquisition is in relation to the investment; in the operational areas of NAF, there are ethnic minorities that fit the definition of IPs, but no impacts are expected due to NAF operations and no cultural heritage sites were identified. Based on that PS 5 (Land Acquisition and Involuntary Resettlement), PS 7 (Indigenous Peoples), and PS 8 (Cultural heritage) are regarded as not relevant.

Investment Description

- Netherlands Development Finance Company (FMO)

A USD 15mln senior secured loan, with USD 10mln capex (USD 7.5mln Building Prospects and USD 2.5mln FMO-A) and USD 5mln WC (FMO-A) to the client.
Funding: FMO NV

Private Actors Description

NaFoods Group Joint Stock Company (NAF), listed on Ho Chi Minh Stock Exchange, is the leading processor and exporter of tropical fruit products in Vietnam. It is the #1 exporter of passion fruit products in Asia, exporting to more than 70 countries. NAF offers a diversified product portfolio which includes fruit juice, concentrate, puree, Individual Quick Freezing (IQF) products, fresh fruits, dried fruits and nuts from various tropical fruits produced in the region.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	NAFOODS GROUP JOINT STOCK COMPANY	Client	-

Contact Information

https://www.nafoods.com/

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism