

Early Warning System

IDBI-12119-01

MABE

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Quick Facts

Countries	Mexico
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	B
Voting Date	2019-04-01
Borrower	Controladora Mabe, S.A. de C.V.
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

The Project with Mabe is an Uncommitted Revolving Payment Services Facility for US$50 million, or its equivalent in Mex$ (the "Facility"), to provide payment services for suppliers of Mabe or its eligible subsidiaries. The Facility will have an initial tenor of 12 months, renewable on a yearly basis at IDB Invest's discretion for up to 6 additional years.

The Facility will provide Mabe's suppliers with an innovative alternative solution to finance its working capital needs, using E-Factor Network platform.

This solution will enable the supplier base (including small and medium size companies, "SME's") to obtain more favorable financing conditions than those they can obtain in the local market on their own. SME Supply Chain Financing through corporates like Mabe is one of the ways IDB Invest will focus in this segment. These kinds of solutions are aligned with IDB Invest's innovative approach with SMEs.

People Affected By This Project

1. Scope of Environmental Review

IDB Invest's review included meetings with Mabe's management teams in their offices in Queretaro, Mexico, at their Technology and Project Center, and included discussions with the heads of Environment, Human Resources (HR), Sustainability and Supply Chain Management. The evaluation included an assessment of the conglomerate's general environmental and social management across its facilities, and approach to supply chain management. A site visit was carried out at one of the group's plants, which produces refrigerator and gas stove parts. The visit took place January 8-10, 2019. The due diligence included a review of supporting information such as environmental management plans, manuals, and procedures, HR policies, occupational health and safety (OHS) programs, waste management, workplace and environmental monitoring data (e.g. air emissions and effluents), emergency procedures, and sustainability strategy plans under discussion.

Given the nature of this facility to provide payment services exclusively to Mabe's network of SME suppliers, the emphasis of this review was focused on environmental and social (E&S) management and labor and working conditions at the producer level (Mabe), and management programs focused on Mabe's suppliers and their compliance with basic environmental and social requirements.

2. Environmental and Social Categorization and Rationale

According to the IDB Invest Environmental and Social Sustainability Policy, the Project has been classified in Category B (medium risk), since its potential environmental and social risks and impacts are limited, are largely reversible, and can be mitigated via measures that are readily available in the context of the operation.

The IFC Performance Standards triggered in this operation are the following:

3. Environmental and Social Context

Grupo Mabe (Mabe) is dedicated to the design, assembly, and sales of household appliances. The company was founded in 1946 and offers a range of domestic products including refrigerators, stoves, microwaves, air conditioners, and washers and dryers, among others. The Group has a total of eight production facilities located in Mexico, Ecuador, Colombia and Argentina. It is in strategic relationships with GE Appliances and Haier.

Its corporate operations are headquartered in Mexico City, with a Technology and Project Center and five production facilities across the country. All facilities are located within industrial parks with no direct impacts on neighboring communities. The conglomerate relies on a network of roughly 800 suppliers, which operate principally in the provision of raw inputs and services including steel, plastics, maintenance, and transport. Its SME suppliers are primarily in the transport, maintenance, and services business.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks and Impacts

a. E&S Assessment and Management System-Mabe has a well-refined model for environmental and social (E&S) management that is thoroughly integrated throughout its operations and production facilities. Mabe has worked extensively to establish a culture of environmental, health and safety awareness, which is executed out of the Human Resources team. While it has not implemented ISO 14001, Mabe is in the process of certifying all plant facilities under Mexico's Cleaner Production standard. To date, four of its six Mexican facilities have received the certification standard, and for which Mabe conducts periodic internal and external audit of its EHS management as part of its continuing certification process. Certification is renewed every two years.

b. Policy. All management actions fall out of the group level Environmental Policy, which Mabe formalized in 2018 and which

Investment Description

- IDB Invest (IDBI)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Mabe SA de CV	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).