



IFC-34759

Soufflet 2

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	SOUFFLET FINANCES



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Project Description

PROJECT DESCRIPTION

IFC investment (the "Project") involves providing a multi-country A-Loan of up to EUR60 million to finance Soufflet's operations in six countries of the Europe and Central Asia (ECA) region, namely Kazakhstan, Ukraine, Russia, Serbia, Romania, and Poland. Soufflet will use the proceeds of the new IFC corporate loan to (i) originate malting barley and other crops, (ii) increase in-kind pre-financing to farmers, and (iii) process grain into malt. The new IFC loan will be committed as a 5-year A-Loan with a revolving feature. Established in France in 1900, Soufflet (the "Group" or the "Company") is a mid-size global agribusiness group. The Group started to expand into the ECA region in 1998, as a strategy to follow its customers. Today, the Company operates in nine countries in the ECA region, including the six that will be financed by the new IFC loan. Soufflet has 9 silos and 6 malting plants in these six countries and their share represents about 15% of the grain originated by the Group, and 27% of its malt production. Core businesses of Soufflet operations under the Project include grain procurement, malt production, grain storage and trading and distribution of agricultural inputs including crop protection products. Soufflet is an existing IFC client. In 2009, IFC invested US\$12.5 million in an annual renewable loan to support Soufflet working capital needs for its Ukraine trading division (Project # 27510). In January 2011, IFC extended a corporate A-Loan facility to Soufflet amounting to EUR60 million (Project#30067 and Project#30588). Environmental, health and safety (EHS) performance for the existing investment is satisfactory and ESAP's action items have been effectively completed. Information on the EHS aspects of the Projects can be found at the IFC website.

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's environmental and social review comprised visits to Soufflet offices and facilities in France, Poland and Serbia; meetings with senior management and key specialists at Soufflet headquarters in Nogent, France; meetings with site management and observation of operations of malting plant and silo located near the town of Poznan, Poland; malting plant in Nogent, France; and malting plant in Backa Palanka, Serbia. Appraisal included as well a review of technical documentation provided at each site, including responses to IFC's Environmental and Social (E&S) E&S Questionnaire, plant's operational permits, internal and external environmental and occupational health and safety audits/ inspections, review of the human resources regulations, life and fire safety, resource efficiency (water, energy), emergency preparedness and response, and social performance. Also, available information about the Company's Environmental, health and safety (EHS) performance was sourced from the previous IFC investment and taken into account during this appraisal. Soufflet demonstrated its commitment to continuous improvement of E&S performance and completed the Environmental and Social Action Plan (ESAP) of the existing investment. IFC's appraisal considered environmental and social management plans for the Project described below and gaps if any between these plans and IFC requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period of time, are summarized in the paragraphs that follow and in the agreed Environmental and Social Action Plan (ESAP) disclosed in this review summary. Through implementation of these management plans and the ESAP the Project is expected to be designed and operated in accordance with Performance Standards objectives.

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS**

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards. PS 1 - Assessment and Management of Environmental and Social Risks and Impacts PS 2 - Labor and working



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Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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Other Related Projects

- IFC-50643 Ukraine Farmers