

Public Information Summary

Host Country	India
Name of Borrower	TP Solar Limited
Project Description	An up to \$425 million direct loan for the construction and operation of a 4 gigawatt (GW) solar photovoltaic (PV) cell and 4 GW solar PV module manufacturing facility in Tamil Nadu, India.
Proposed DFC Loan/Guaranty	Up to \$425,000,000 12.5-year loan
All-Source Funding Total	Up to \$567,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive developmental impact in India by increasing its renewable energy generation capacity and supporting local job creation. Almost 80% of India's energy needs are met by coal, oil, and solid biomass, leading to India's ranking as the third-largest global emitter of CO ₂ . As part of India's goal to address air pollution challenges and offset the use of coal-fired power, the government has a target that 50% of its electricity requirements will come from renewable sources by 2030. India currently relies heavily on imports of solar PV modules to expand its solar power generation initiatives. DFC's loan is expected to support the construction and operation of a solar PV manufacturing facility that will contribute to India's domestic production of solar panels. The facility is expected support up to approximately 2,400 full time, local jobs with an emphasis on employing women.
Environment and Social Assessment	<p>Screening: In accordance with DFC's Environmental and Social Policy and Procedures ("ESPP"), the Project has been determined to be categorically eligible. Manufacturing facilities are screened as a Category B for the purposes of environmental and social assessment because impacts are site specific and readily mitigated. The Project is subject to an assessment of climate resiliency pursuant to E.O. 13677.</p> <p>Applicable Standards: DFC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:</p> <ul style="list-style-type: none"> • PS1: Assessment and Management of Environmental and Social Risks and Impacts; • PS2: Labor and Working Conditions; • PS3: Resource Efficiency and Pollution Prevention;

- PS4: Community Health, Safety and Security; and
- PS6: Biodiversity Conservation and Living Natural Resources.

The Project is also required to meet applicable provisions of the IFC Environmental Health and Safety (EHS) General Guidelines (April 30, 2007)

DFC's desktop review and the findings of an Independent Environmental and Social Consultant (IESC) onsite due diligence visit indicates the Project is leasing vacant land within an existing industrial park complex and will not have significant impacts with respect to land acquisition, Indigenous Peoples, or cultural heritage. Therefore, impacts related to PS 5, 7, and 8 are not anticipated.

Key Environmental and Social Issues and Mitigation: The Borrower prepared an Environment and Social Impact Assessment (ESIA) and Environmental Management Plan (EMP) for the construction and operation of an integrated solar PV cell and module manufacturing facility. The Project is currently in the construction phase and the Borrower is implementing environmental and health and safety controls based on the EMP. Environmental and social risks associated with the Project are expected to involve worker health and safety, process safety, hazardous waste management, road safety related to increased vehicle traffic, biodiversity due to its close proximity to a protected area, working and labor conditions of employees, contractors, and workers within the supply chain.

The Borrower has a corporate-level Environmental and Social Management System (ESMS); however, the Project is required to establish its own Project-specific ESMS and associated environmental and social management plans tailored to the specific site conditions and expected impacts during both the construction and operation phases. The Project will commission an initial manufacturing line while still under construction for remaining lines. The Project will also establish manufacturing lines based on new technology which will eventually lead to conversion of existing lines. As a condition of the DFC Agreement, the Borrower will be required to provide an IFC-compliant ESMS, that includes a health and safety management system, grievance mechanism, and formalized policies and procedures for security management for the entire Project life cycle.

The Borrower has a corporate-level EHS Policy and Sustainability Policy representing its commitment to provide a safe work environment for all associates, contractors, and site visitors and to reduce the environmental impact of its activities through a commitment to continuous improvement. The Project established an Environment Management Cell (EMC) to oversee environmental matters for the construction phase, and has

obtained the necessary clearances and permits from relevant authorities. As a condition of the DFC Agreement, the Project will be required to establish an EMC for the operations phase of the Project.

Based on the Project's operational requirements, the power demand is projected to be around 63 MVA which will be procured from a neighboring substation. To ensure efficient power distribution within the plant premises, a dedicated substation is being proposed at the site. As part of the backup power strategy, the Project intends to install eight DG sets. The Borrower estimates GHG emissions for the Project (Scope 1 and Scope 2) to be 266,557 tCO_{2e}/year. The major contributor of total GHG are Scope 2 emissions.

The total water requirement for the operational phase of the Project is projected to be 6 million liters per day (MLD) sourced from the industrial park water supply network. The Project will have a Zero Liquid Discharge (ZLD) system with an Effluent Treatment Plant (ETP). Between 70-75% of the discharge water is planned to be recycled in the plant. Sludge from the plant is permitted by local law to be given to a cement factory as an input.

The Project area is situated outside the designated Eco Sensitive Zone of Gangaikondan Spotted Deer Sanctuary and Gangaikondan Reserve Forest. The IESC onsite observations, along with consultations and site analysis, indicate no faunal movements within the fenced industrial park area. The Project will be required to identify and manage risks related to increased vehicle traffic in close proximity to the protected area.

The Borrower represents all hazardous waste materials will be properly managed by authorized pre-processing and disposal contractors through its agreement with the industrial park operators. As a condition of the DFC Agreement, the Project will be required to develop an End of Useful Life Management Plan for the solar panels it manufactures.

The Borrower has a human resources management plan that generally aligns with IFC Performance Standard 2. In order to further align, the Borrower will be required to ensure that all Project workers (during construction and operations) receive and understand the terms and conditions of employment, to incorporate labor and working conditions in its contractor management system, formalize its internal grievance mechanisms, and develop a supply chain management system.