

Public Information Summary

Host Country	India
Name of Borrowers	Leap Agri Logistics (Malout) Private Limited, Leap Agri Logistics (Alwar) Private Limited, Leap Agri Logistics (Harduaganj) Private Limited, Leap Agri Logistics (Murshidabad) Private Limited
Project Description	Greenfield loan to construct modern grain silos leased to Food Corporation of India to deliver on their food security mission and reduce food loss.
Proposed DFC Loan	\$33,000,000 20-year loan
All-Source Funding Total	\$44,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in India by constructing four modern grain silo's in Malout, Punjab; Alwar, Rajasthan; Harduaganj, Uttar Pradesh; and Murshidabad, West Bengal. Food security remains a significant priority for India. To address this need, the Indian government's Food Corporation of India (FCI), which manages the largest public food distribution network in the world. FCI has historically relied on traditional warehouses where grains are stored in sacks or in open covered and plinth facilities that suffer from high rates of spoilage. The Project's modern siloes, developed under concession for FCI, will significantly reduce spoilage, increasing the amount of food available to lower-income Indians through FCI's distribution scheme. This will reduced post-harvest loss & will also reduce water use and GHG emissions. Finally, the modern silos will support farmers by providing a more efficient and lower-cost procurement system than that associated with current FCI storage facilities.
Environment and Social Assessment	SCREENING: Loans to grain storage facilities are screened as Category B projects under DFC's environmental and social guidelines because impacts are site specific and readily mitigated using good international industrial practices. Environmental 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 facility, fire suppression measures, and occupational health and safety measures including working in confined spaces. Social issues associated with the Project include the need for appropriate labor management during construction and operations.

APPLICABLE STANDARDS: Under DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC's environmental due diligence indicates the Project will have impacts which must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS). For Category B projects, applicable provisions include:

PS 1: Assessment and Management of Environmental and Social Risks and Impacts;

PS 2: Labor and Working Conditions;

PS 3: Resource Efficiency and Pollution Prevention; and

PS 4: Community Health, Safety, and Security.

Based on DFC's desktop review, three of the four sites are located in established FCI property that vacant or used for warehousing. The fourth site, Murshidabad is in formerly agricultural land. Land for the four, new facilities in this Project has been acquired on a willing-buyer, willing-seller basis with sufficient replacement land available for sellers to purchase near the site. No involuntary displacement is involved. The Project is not anticipated to have significant adverse impacts with respect to land acquisition and resettlement, biodiversity, indigenous peoples, or cultural heritage. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.

The Project will be required to meet applicable provisions of the IFC's 2007 General Environmental Health and Safety (EHS) Guidelines.

KEY ENVIRONMENTAL & SOCIAL ISSUES AND MITIGATION:

Leap has developed an Environmental and Social Management System (ESMS) that addresses the key risks of the Project commensurate with the risk and nature of the Project. It includes information on general requirements, policies, identification of risks and impacts, management programs, organizational capacity, training, emergency preparedness and response, monitoring and review, internal ESMS audits, labor risks, stakeholder engagement, external communications and grievance mechanisms, and ongoing reporting to affected communities. The Project represents that the ESMS will be periodically reviewed and updated in response to the changes that will occur in various phases of the Project life cycle. Management plans will include a clear statement of objectives or purpose; brief discussion of the relationship to the overall structure and purpose of the Project ESMS; regulatory or GIIP references, as applicable; roles and responsibilities of key personnel; specific measures, procedures, or practices to prevent or mitigate the environmental or social issues or impacts that are the primary focus of a

given management plan; training requirements; inspection and/or monitoring requirements associated with plan implementation; and any external or internal reporting requirements. The Project also has Standard Operating Procedures (SOPs) that guide workers and contractor personnel in the day-to-day performance of specific field or office activities required by the management plans.

As a result of requirements from DFC's previous investments, the Project has updated its stakeholder engagement procedures, land acquisition policies, and its human resources management system with respect to sexual harassment and contractor management. Through existing management systems and implementation of recommended improvements regarding labor management, the Project is expected to manage risks and impacts in a manner consistent with the requirements of the IFC Performance Standards.

During construction, water is used for curing, dust control, and concrete. The Project shared their Waste Management Plan which promotes an integrated approach for construction waste management and to promote sustainable development, environmental protection, and optimum use of resources through reduce, reuse, and recycle policy, to avoid personal injuries, occupational diseases, and environmental damages. The Project represents that the only waste generated from the site is construction waste (sand and debris) that will be used for backfilling purpose inside the site premises.

Based on DFC's previous involvement with Leap, Leap has a corporate SOP for working in confined spaces. The SOP defines the hazards of confined spaces as suffocation due to oxygen deficiency; fire/explosion due to flammable gases and vapors; poisoning from toxic gases, vapors, or fumes; and toxic atmosphere. Before proceeding to work inside the silo or confined places, oxygen levels are tested and employees are only allowed to enter if the minimum oxygen levels are above 19.5% by volume. It is required that there is also an attendant assigned waiting at the nearest open gate who is in constant contact with the worker inside the silo or confined space.

With respect to climate risk, one of the Project sites, Murshidabad, received a 97 out of 100 from DFC's climate risk screening tool for heat, precipitation, and water stress/drought issues, meaning that the score is greater than 97% of all other populated locations globally. Leap has fire protections in place to mitigate and address this risk.