

Sante GMT Products, LLC
Public Information Summary

Host Country:	Georgia
Name of Borrower:	Sante GMT Products, LLC (Georgia)
Project Description:	This is an expansion project of an existing OPIC borrower. Sante GMT is the largest dairy manufacturer in Georgia. The loan purpose is to add cheese processing capacity to its existing facilities.
Proposed OPIC Loan:	\$625,000; eight and a half years
Total Project Costs:	\$1,600,000
U.S. Sponsor:	Edward & Kay Sturdivant, Jerome T. Jerome, John Carmody, Jerome Baruffi
Foreign Sponsor:	GMT Group, Inc (Nevis corporation), George Tavadze (Georgian citizen), Kakha Gvelesiani (Georgian citizen)
Policy Review	
U.S. Economic Impact:	This project is not expected to have a negative impact on the U.S. economy because the U.S. does not export cheese products to Georgia. There is no U.S. procurement associated with this project. The project is expected to have a neutral impact on U.S. employment and a negative impact on the U.S. balance of payments over the next five years.
Developmental Effects:	This project will have a positive developmental impact in Georgia and Georgia's dairy product manufacturing sector. This project will introduce new technologies used to manufacture the company's cheese products. The project will have a positive human capacity impact and will provide training for all workers.
Environment:	<p><u>Screening:</u> Operations associated with the expansion of a dairy and beverage processing are screened as Category B projects under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The primary environmental and social concerns related to this Project are: siting, wastewater discharges, solid waste disposal, air emissions, hygiene, worker safety, and the adequacy of fire protection.</p> <p><u>Applicable Standards:</u> OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner</p>

consistent with the following Performance Standards:

PS1: Social and Environmental Assessment and Management Systems;

PS2: Labor and Working Conditions;

PS3: Pollution Prevention and Abatement; and

PS4: Community Health, Safety and Security.

Consistent with the requirements of PS 3 (Pollution Prevention and Abatement), in addition to the Performance Standards listed above, the following International Finance Corporation (IFC) Environmental, Health, and Safety (EHS) Guidelines are applicable to this project:

The IFC April 30, 2007 EHS Guidelines for Dairies;

The IFC April 30, 2007 EHS Guidelines for Food and Beverage Processing; and

The IFC April 30, 2007 EHS General Guidelines.

Since the Project is located in an industrial area and no additional land will be acquired, PS 5 (Land Acquisition and Involuntary Resettlement) is not triggered. The Project Facility is located in a highly developed area; therefore PS 6 (Biodiversity Conservation and Sustainable Natural Resource Management) is not triggered. There are no Indigenous Peoples at the industrial area and there are no Cultural Heritage issues recorded to date. Thus, PS 7 and PS 8 are also not triggered.

The Project's greenhouse gas (carbon dioxide equivalent) emissions are estimated to be 11,000 tons per year.

Environmental and Social Risks: The Project is being operated under Sante's Corporate Policies (including its Hazard Analysis and Critical Control Points ("HACCP") Plan which complies with the internationally recognized Good Management Practices including those recommended by International Standards Organization ISO 9001:2008 and ISO 22000:2005 for quality control) and in accordance with the local regulations. Thus, the Project has adopted detailed procedures relating to consumer product safety and worker safety. All solid wastes are stored in containers until transported off site and disposed at municipal landfills. Hygiene is regularly monitored all across the Project Facility.

Water, natural gas, and electricity are provided by the local municipality.

	<p>Wastewaters are discharged to a centralized wastewater treatment plant operated by the local municipality. The Project does not use chlorofluorocarbons in its refrigeration systems. The Project uses natural gas as a fuel in its small combustion units (with a total capacity of less than 3 MW thermal) whose air emissions comply with the local regulations. In addition, employees also receive extensive orientation training as well as annual refresher training specific to their jobs. Training is provided on-site by trained personnel.</p> <p><u>Risk Mitigation:</u> The Project will be required to implement its overarching policy statement of environmental and social objectives and principles that will be used to guide the Project’s environmental and social performance. The Project will also implement its grievance mechanism. In addition, the Project will be required to comply with IFC’s EHS General Guidelines and EHS Guidelines for Dairies and Food and Beverage Processing.</p>
Workers Rights:	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age for employment, hours of work, the timely payment of wages and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on August 10, 2011.</p>