

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Brazil
Name of Borrower:	Cresco Comercio de Alimentos Ltda.
Project Description:	“St. Marche,” a Brazilian supermarket chain that has operated since 2002, plans to expand from its 11 stores by an additional 9 stores during 2013 and 2014 in the city of São Paulo. St. Marche fulfills a market need for high-quality, low-priced grocery products targeting middle and lower income households.
Proposed OPIC Loan:	\$19,800,000
Total Project Costs:	\$68,939,098
U.S. Sponsor:	Laço Management Ltda.
Foreign Sponsor:	Ominus Participações S.A.
Policy Review	
U.S. Economic Impact:	This project involves the expansion of a retail grocery store chain in the host country, and therefore does not have the potential for a negative impact on the U.S. economy or employment. Initial and operational U.S. procurement of food products, equipment and legal services are expected to have a positive impact on U.S. employment. The investment is expected to have a positive impact on the U.S. balance of payments over the first five years.
Developmental Effects:	This project will have a positive developmental impact on the host country, with the expansion of a retail grocery chain in Brazil. The project creates jobs and provides training for its employees for professional development. The management will introduce new marketing and distribution strategies in the neighborhood supermarket space in Brazil by implementing an enterprise resource program and an innovative software solution to provide up-to-date price information. This project also provides fresh produce and baked goods for the growing urban middle class. By transforming leased brownfield sites the project will bring former industrial and warehouse areas up to new environmental standards.
Environment:	Screening: The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Construction and operation of retail grocery stores are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site-specific and readily mitigated. Environmental and

social issues associated with the St. Marche project include the need for a robust Social and Environmental Management System, proper hygiene and food preparation measures, proper disposal of effluents and wastes and appropriate occupational health and safety measures.

Applicable Standards: OPIC'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.S. 1: Social and Environmental Assessment and Management Systems
- P.S. 2: Labor and Working Conditions
- P.S. 3: Pollution Prevention and Abatement
- P.S. 4: Community Health, Safety and Security
- P.S. 5: Land Acquisition and Involuntary Resettlement
- P.S. 6: Biodiversity Conservation and Sustainable Natural Resource Management
- P.S. 7: Indigenous Peoples
- P.S. 8: Cultural Heritage

In addition, 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 Guidelines are applicable to this project:

- (i) The IFC April 30, 2007 Environmental, Health, and Safety General Guidelines.

Annual greenhouse gas emissions from the Project are estimated to be less than 1,000 tons CO₂eq.

Environmental and Social Risks and Mitigation: The Project involves the construction and operation of nine retail grocery stores in Brazil. Contractors will be hired for the construction of the stores. The Borrower represents that a dedicated health and safety inspector will be on-site during the construction of the stores. However, the Borrower does not have a Social and Environmental Management System (SEMS) in place to manage potential environmental and social risks while stores are undergoing construction. OPIC will require that a SEMS be developed and implemented.

Once operational, stores will be connected to municipal services for electricity, potable water and wastewater. Solid wastes are collected and disposed of by third-party companies. St. Marche's Technical Manager trains and supervises employees in proper hygiene procedures. Each store receives at least two visits each week from the Technical Manager or a member of his staff. Each store has on-site a Perishable Foods Coordinator who is responsible for supervising and inspecting all employees who

	<p>handle fresh foods. All food preparation and storage areas are inspected by ANVISA, (Brazil's food and drug administration) on an annual basis.</p> <p>The Borrower will develop an HACCP plan, which OPIC will require be submitted to OPIC for review. The Borrower will engage a qualified professional to prepare a Life and Fire Safety Master Plan in accordance with international standards for all of its facilities. The professional shall certify that the plan meets the requirements set forth in Section 3.3: Life and Fire Safety in the International Finance Corporation's General Environmental Health and Safety guidelines. A copy of the certification of the Life and Fire Safety Master Plan shall be provided to OPIC, for its review and approval.</p>
Workers Rights:	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, hours of work, the timely payment of wages and hazardous work situations. Standard and supplemental contract language will be applied to all workers engaged by the Project. The Project will be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	<p>OPIC issued a human rights clearance for this Project on August 1, 2012.</p>