

PUBLIC INFORMATION SUMMARY

Host Country:	Georgia
Name of Borrower:	Sante GMT Products LLC, a limited liability company organized and existing under the laws of Georgia (“Sante GMT”)
Project Description:	The project involves the expansion of Sante GMT’s dairy production capacities of butter, cheese, and dairy dessert lines and improvement of the energy efficiency of Sante GMT’s agro-processing facilities in Tbilisi, Georgia (the “Project”).
Proposed OPIC Loan:	\$3,000,000
Total Project Costs:	\$3,500,000
U.S. Sponsors:	Edward & Kay Sturdivant, Jerome T. Jerome, John Carmody, Jerome Baruffi (all U.S. citizens)
Foreign Sponsors:	GMT Group, Inc (Nevis corporation), George Tavadze (Georgian citizen), Kakha Gvelesiani (Georgian citizen)
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	The Project will have a strong developmental impact in Georgia. The Project will invest in energy efficient production equipment while creating local jobs through expansion of its current product lines. The Project will have a significant demonstration effect through the introduction of new products and the utilization of new production technologies. Moreover, the Project is an important source of income for local dairy farmers who supply fresh milk to Sante. The Project will affect the livelihoods of these small family farms by providing a secure, stable market for the milk that they produce. This security will enable those farmers to expand and improve their operations, which will result in higher-quality milk.
Environment:	<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 the

	<p>need for management systems to govern environment and social performance, hygiene, product quality (for consumer safety), effluent discharges, solid waste disposal, air emissions, worker safety, and the adequacy of fire protection.</p> <p><u>Applicable Standards:</u> OPIC’s environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following International Finance Corporation’s (“IFC”) 2012 Performance Standards (“PS”):</p> <p>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.</p> <p>The Project is an expansion of an existing facility that is located in an industrial area in Tbilisi where land ownership is better defined and land titles are available. Since the Project will not acquire land, PS 5—Land Acquisition and Involuntary Resettlement—is not triggered. The facility is located in a highly developed urban area where issues associated with PS 6—Biodiversity Conservation and Sustainable Natural Resource Management—are not triggered. There are no indigenous peoples in the industrial area and there are no cultural heritage issues recorded to date. Thus, PS 7 and PS 8 are also not triggered.</p> <p>In accordance with PS 3, the following IFC Environmental, Health, and Safety Guidelines (“EHS Guidelines”) are applicable to the Project:</p> <ul style="list-style-type: none">(i) The IFC April 30, 2007 EHS Guidelines for Dairies;(ii) The IFC April 30, 2007 EHS Guidelines for Food and Beverage Processing; and(iii) The IFC April 30, 2007 EHS General Guidelines. <p>The Project’s greenhouse gas (carbon dioxide equivalent) emissions are estimated to be 10,810 tons per year.</p> <p><u>Environmental and Social Risks:</u> The Project is being operated under Sante GMT’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</p>
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	<p>Standards Organization (“ISO”) (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 facility.</p> <p>Water, natural gas, and electricity are provided by the local municipality. 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>
<p>Workers Rights:</p>	<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 IFC PS 2 on Labor and Working Conditions.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for the Project on September 9, 2013.</p>