

Environmental and Social Review Summary (ESRS)

Project Name:	CLICAMPO: reducing food waste and empowering small and medium scale farmers through technology
Project Number:	BR-Q0030 BR-Q0031
Project Location:	Brazil
Executing Agency:	Clicampo Holding Limited
Type of Operation:	Equity
ESRS Issuance Date:	April, 2023

1. General Information of the Project and Overview of Scope of IDB Lab's Review

The transaction consists of an equity investment in Clicampo Holding Limited ("Clicampo" or the "Company") to support the consolidation and expansion of the Company, in digitizing, optimizing, and disintermediating the relationships between small fruits and vegetables farmers with the food service industry while decreasing food waste and accomplishing a more inclusive value distribution in the supply chain.

The environmental and social ("E&S") review of the proposed transaction consisted of a desk review of documentation provided by Clicampo as well as interviews with its senior management.

1. Environmental and Social Categorization and Rationale

In accordance with the IDB's Environmental and Social Policy Framework, the Transaction has been classified in Category B because it could have moderate and mitigatable environmental and social impacts, which include: i) labor and working conditions of workers; ii) supplier E&S sustainability; iii) electricity and water consumption; and iii) waste generation.

The Environmental and Social Performance Standards (PS) triggered by the transaction are i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and working conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and v) PS10: Stakeholder Engagement and Information Disclosure.

1. Environmental and Social Context

Founded in 2021, Clicampo is a Brazilian supply chain tech platform that digitizes, optimizes, and disintermediates the relationships between small-to-mid-scale fruit and vegetable (F&V) producers and food services/retailers. The Company's value proposition includes removing expensive intermediaries from the supply chain sourcing directly from producers, optimizing logistics routes, and lowering food loss/waste. Clicampo purchases fruits and vegetables from farmers and non-farmer suppliers. Non-Farmer suppliers account for most purchases and are represented by over 100 distributors and wholesalers. The Company buys crops from over 360 farmers, most of which (74%) are small farmers (less than two commercialization channels and harvesting less than 1,000 products per week).

Clicampo operates seven warehouses located in Carandaí, Brumadinho, Pouso Alegre, Belo Horizonte, São Paulo, Campinas, and Rio de Janeiro. The Company subcontracts third party logistics operator to distribute the products to its clients.

1. Environmental and Social Risks and Impacts and Proposed Mitigation Measures

E&S Assessment and Management System (PS 1):

As part of this transaction, Clicampo will develop and implement an Environmental and Social Management System ("ESMS") aligned with IDB PS 1.

Policy. Clicampo will establish an overarching policy defining the E&S objectives and principles that guide its activities. Furthermore, as part of the supply chain component of the ESMS, Clicampo will develop a policy to promote sustainable procurement practices. The Supply Chain Policy will promote compliance with national environmental legislation (for example, illegal land clearing) and the IDB Performance Standards, including, among others, avoidance of child labor, forced labor, occupational health and safety issues, significant land conversion, deforestation, biodiversity protection and impact on critical habitats.

Identification of Risks and Impacts. The Company will develop a procedure to systematically identify the Environmental, Social, Health, and Safety risks and impacts of its activities.

Management Programs. Clicampo will develop a supply chain procedure to ensure procurement from farmers not involved in child or slave labor, invasion of indigenous lands and protected areas, or ranches included in the embargo list of the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA). Under the Supply Chain Procedure, the Company will monitor key E&S information. It will classify suppliers in categories based on E&S risk, depending on their compliance with Performance Standards, national legislation, and the reliability of the information on their traceability and compliance.

Organizational Capacity. Clicampo has designated staff to manage its human resource, but it is yet to assign a person responsible to manage environmental risks and supply chain sustainability aspects.

Emergency Preparedness and Response. The Company will develop an emergency preparedness and response plan (EPRP) for each warehouse aligned with IDB PS1 requirements, including the identification and response to site-specific emergency scenarios (fire, floods, earthquakes, etc.).

Monitoring and Review. Clicampo will develop and implement a procedure to monitor and measure the effectiveness of its management programs, as well as compliance with any related legal and/ or contractual obligations and regulatory requirements. The Company will establish, track, and measure specific key performance indicators ("KPI") to gauge the effectiveness of its management programs, including the functioning of its grievance mechanisms, accidents incidence and severity rates, electricity and water consumption, waste generation, and Greenhouse Gas ("GHG") emissions (Scope 1 and 2).

Labor and Working Conditions (ESPS 2):

Clicampo currently has a workforce of 149 employees, out of which 31% are women.

Employment offered by Clicampo include competitive salary and all required by labor legislation in Brazil in addition to other employee's benefits such as health insurance, luncheon, transportation, and mobility vouchers. Clicampo will develop a Human Resource (HR) Policy and procedures aligned with the principles of IDB PS 2. In Brazil, the minimum age for employment is 14. Clicampo's HR policy and procedures will ensure compliance with national employment and labor laws. It will also prevent child labor and forced labor in its direct workforce and along its supply chain.

The Company will also develop a grievance mechanism for workers to raise workplace concerns and provisions for special protection for reports of sexual and gender-based violence. The mechanism will involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without retribution. The mechanism will also allow for anonymous and confidential complaints to be raised and addressed.

Occupational Health and Safety programs have been designed to comply with Brazilian law, which requires Clicampo to develop a risk management program ("PGR" for its Portuguese acronym) to prevent accidents

and an occupational health medical control program (“PCMSO” for its Portuguese acronym) to avoid occupational diseases.

Resource Efficiency and Pollution Prevention (ESPS 3):

Resource Efficiency. Electricity demand reaches approximately 279,000 KWh per year. The Company consumes annually about 1,944 m3 of municipal water in the cleaning of products and general warehouse maintenance. Clicampo will establish and monitor SMART goals for electricity and water consumption under its Monitoring and Review Procedure.

Greenhouse Gas Emissions. R22 (also known as HCFC-22), a cooling compound being phased out under the Montreal Protocol, is currently used in Clicampo’s refrigerated chambers. Clicampo will develop a strategy to replace its equipment containing R-22 with systems that use alternative refrigerants that do not harm the ozone layer. Furthermore, the Company will implement an Emissions Inventory of Greenhouse Gases (Scope 1 and 2) procedure.

Waste. The activities of Clicampo generate recyclable (plastic crates, wood boxes) and organic waste. Clicampo minimizes the generation of organic waste by keeping its inventory positions tightly controlled and by adequately managing its cold chain. The Company, however, has yet to develop a Waste Management Plan (“WMP”) stating the actions to minimize, segregate, store, and dispose of waste generated at its warehouses. Under the WMP, Clicampo will set recycling and Food Loss and Waste (FLW) reduction targets and track its performance utilizing a global accounting and reporting standard, such as the one developed by the FLW Protocol.

Stakeholder Engagement and Information Disclosure (ESPS 10):

Although Clicampo does not have a formal external grievance mechanism, in their distribution centers, operating managers are responsible to keep in touch with external stakeholders and manage with any potential grievances. The Company will develop an external grievance mechanism aligned with IDB PS 1 and 10.

1. Environmental and Social Action Plan (ESAP)

	Activity	Deliverables	Deliverable Date
PS 1: E&S Assessment and Management System			
1.1	Develop an overarching policy defining the E&S objectives and principles that guide its activities	Overarching Policy	June 30, 2024
1.2	Develop a Supply Chain Policy to promote sustainable procurement practices.	Supply Chain Policy	March 30, 2024
1.3	Develop a procedure to systematically identify the Environmental, Social, Health, and Safety (ESHS) risks and impacts of its activities.	a. Procedure to Identify ESHS Risks and Impacts b. ESHS Risk Matrix	March 30, 2024
1.4	Develop a supply chain procedure to ensure procurement from farmers not involved in child or slave labor, invasion of indigenous lands and protected	Supply Chain Procedure	June 30, 2024

	areas, or ranches included in the IBAMA embargo list.		
1.5	Assign a dedicated person to manage environmental risks and supply chain sustainability aspects.	Notice of designation	March 30, 2024
1.6	Develop an emergency preparedness and response plan (EPRP) for each warehouse.	EPRP for the warehouses	March 30, 2024
1.7	Develop and implement a Monitor and Review Procedure aligned with IDB PS1 and as established on this ESRS.	a. Monitor and Review Procedure. b. Evidence of Implementation	a. June 30, 2024 b. Annually as part of the annual reporting to IDB Lab.
PS 2: Labor and Working Conditions			
2.1	Develop a Human Resource Policy and procedures aligned with IDB PS 2.	Human Resource Policy and procedures	December 30, 2023
2.2	Develop a grievance mechanism for workers aligned with IDB PS2 and as established on this ESRS.	Internal Grievance Mechanism	June 30, 2023
PS 3: Resource Efficiency and Pollution Prevention			
3.1	Develop a strategy to replace its equipment containing R-22 with systems that use alternative refrigerants that do not harm the ozone layer.	Refrigeration equipment strategy	Before the first Disbursement.
	Implement the Refrigeration Equipment Strategy.	Evidence of implementation	As per the dates of the said document.
3.2	Implement an Emissions Inventory of Greenhouse Gases (Scope 1 and 2) procedure.	GHG Inventory	September 30, 2024
3.3	Develop a Waste Management Plan aligned with PS 3 and as established on this ESRS.	Waste Management Plan	December 30, 2023
PS 10: Stakeholder Engagement and Information Disclosure			
10.1	Develop an external grievance mechanism aligned with IDB PS 1 and 10.	External Grievance Mechanism	September 30, 2023