

Public Information Summary

Host Country(ies)	Brazil (Upper-Middle Income) ¹
Name(s) of Borrower(s)/Guaranteed Party(ies)	TBI Holdings, Ltd.; Cayman Islands
Project Description	Tembici is a tech-enabled, micro-mobility operator of shared-bicycle networks in Latin America.
Proposed DFC Equity Investment	Up to \$15 million
All-Source Funding Total	Up to \$25 million
Policy Review²	
Developmental Objectives	The Project is expected to have a positive development impact in Latin America by providing improved access to micro-mobility services to an estimated 1.7 million people across 83 cities. More specifically, the Project will deploy bikeshare services, including electric bikes and an ultrafast charging network, offering a sustainable transport option that has the potential to reduce traffic congestion and air pollution. Working through a stakeholder group, the Project will drive innovation in the carbon credit ecosystem by developing a solution to enable Digital Measurement, Reporting and Verification (“D-MRV”) of credits. In addition, the Project will support nearly 500 jobs in its operations and directly enable income-generating activities for more than 100,000 people.
Environment and Social Assessment	<p>SCREENING: The Project has been reviewed against DFC’s July 2020 Environmental and Social Policy Procedures (“ESPP”) and determined to be categorically eligible. Equity investments in companies involving bicycle assembly plants and docking stations are screened as Category B projects under DFC’s environmental and social guidelines because impacts are site-specific and readily mitigated.</p> <p>APPLICABLE STANDARDS: DFC’s preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation’s (IFC) 2012 Performance Standards:</p> <ul style="list-style-type: none"> • P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts. • P.S. 2: Labor and Working Conditions.

¹ Tembici also has operations in Colombia (Upper Middle-Income), Argentina (Upper Middle-Income), and Chile (High-Income). DFC proceeds will be used solely in Brazil.

- P.S. 3: Resource Efficiency and Pollution Prevention.
- P.S. 4: Community Health, Safety, and Security; and

Based on desk-based due diligence, the Company's operations take place in urban built-up areas, and is not expected to acquire any additional land nor impact sensitive ecosystems or biodiversity, indigenous people, and cultural heritage. PS 5, 6, 7, and 8 are not triggered at this time. In accordance with PS3, IFC's Environmental, Health, and Safety (EHS) General Guidelines are also applicable to the Project.

GHG Scope 1 and 2 emissions are estimated to be less than 1,000 tons of CO_{2e} per year.

Environmental and Social Risks and Mitigation Measures: Key environmental and social risks associated with the Project include solid and hazardous waste management and disposal, occupational health and safety risks, labor and contractor management, and supply chain risks.

The Company has a developed corporate procedure which includes a code of conduct, OHS procedures, risk management procedures for warehouse operations (e.g., battery storage), waste management procedures, and an E&S policy. Because IFC is also an equity investor in the Company, Tembici has developed and implemented an environmental and social management system (ESMS) in 2022 in line with IFC PS requirements. The ESMS includes the requirement to conduct emergency drills at all of Tembici's locations in Brazil. The Project Company has a dedicated ESG specialist, a human resource (HR), safety, procurement, and strategy specialist to oversee the implementation of the ESMS.

The Project Company has a stakeholder engagement plan that is commensurate with the project's risks and adverse impacts. The plan includes processes for mapping and engaging businesses and community members immediately surrounding proposed bicycle stations. The Project Company has multiple channels for stakeholders to submit grievances. The Project will be required to provide written procedures describing how complaints are processed, resolved, communicated to complainants and documented, including target timelines are being developed.

Regarding labor management, the Project Company updated its Human Resources Policy in 2022 to be consistent with PS 2 and provided a series of related trainings to staff. The Project Company's Third-Party Management Policy specifies rules, guidelines and procedures that are consistent with PS 2 for outsourced companies and employees who

provide services to Tembici. The Project Company has a Reporting Channel for worker grievances that is managed by a specialized independent company which ensures that all records are treated impartially and confidentially and in a manner that protects against non-retaliation. Employees have an option to report anonymously. Similar to the above, the Project Company will be required to provide written procedures describing how worker grievances are handled, addressed and communicated.

The Project Company represents that there have been no recent strikes or relevant labor actions. However, the Project Company has several ongoing labor lawsuits, including indemnities related to working hours and claims of unhealthy working conditions. Use of the labor courts in Brazil is a common practice and the number of cases involving the Project Company is low compared to other companies in the sector. The Project Company described various steps taken or planned to mitigate issues related to these claims. It also reports annually to IFC on status of labor claims; DFC will also receive the same reporting moving forward.

There were 34 accidents with no fatalities, resulting in 303 lost days and lost time in 2022. LTIs were largely related to logistics operations in the field as repaired/new bikes were being transported to and from the docking stations. The Project Company has developed a health and safety manual and hired a specialized safety team to conduct audits to promote accident reduction. In addition, the Project Company will implement corrective measures and awareness campaigns directed at vehicle drivers.