# IFRIA

# Ifria Cold Chain Development Company

ESMS Disclosure – June 2023

# 1   Introduction

This document presents the Environmental and Social Management System (ESMS) for Ifria Cold Chain Development Company, (referred to as "the Company" or "Ifria"). The ESMS comprises a set of policies and procedures aimed at identifying, managing, and mitigating environmental and social (E&S) risks and impacts associated with the company's warehouses in Morocco and Senegal.

The ESMS of the Company encompasses the following components:

- Policy;
- Identification of risks and impacts;
- Management programs;
- Occupational health and safety;
- Traffic management;
- Contractors management;
- Grievance mechanism and stakeholder engagement; and
- Monitoring and review.

The purpose of this document is to establish an Environmental and Social Management System that ensures the Company's activities:

- Maintain environmental and social sustainability;
- Align with low carbon economic development;
- Uphold human rights, promoting inclusivity and non-discrimination;
- Avoid adverse environmental and social impacts, and if such impacts are unavoidable, work towards their mitigation.

In its environmental and social review process, the ESMS adopts the IFC Performance Standards, applicable World Bank Group Environmental, Health and Safety (EHS) Guidelines, and relevant environmental and social laws, regulations, and permits of the host countries where the company operates, mainly Morocco and Senegal. In cases where the host country standards differ from the IFC Performance Standards, Industry Sector Guidelines, or international Labor Rights, Ifria will adhere to the more rigorous standard.

Finally, Ifria is dedicated to taking all necessary measures to preserve the environment and is aware of some potential Environmental and Social (E&S) risks that could arise from its work.

Therefore, Ifria plans several mitigation measures to reduce potential harmful impact and evaluates the social impact of its work, including workforce safety, health, and education.

# 2   Environment and Social Policy Statement

Ifria is dedicated to the attainment of robust environmental and social objectives and principles, as reflected in its vision and mission statements: "provide modern 3PL temperature-controlled logistics (TCL) services via *climate smart infrastructure* to agribusinesses, food processors, pharmaceutical companies, farmer groups, food retailers and hotels, restaurants and caterers/institutional (HORECA/HRI) clients in North, West, and sub-Saharan Africa".

We recognize the profound global implications of our activities and approach the management and governance of our company with utmost seriousness to realize our goals. Our operations are guided by a set of core values that drive the strategic pillars of our organization.

Ifria is committed to identifying and evaluating environmental and social risks associated with human resource management, environmental management, occupational health and safety, and community impacts and relationships. We prioritize ongoing engagement and dialogue with

both internal and external stakeholders to ensure a comprehensive understanding and address their concerns effectively.

## 3  Identification of Key Environmental and Social Risks and Impacts

Ifria is a Category B project according to IFC's 2012 Environmental and Social Sustainability Policy, considering the associated environmental and social risks. However, Ifria though its E&S guide presents the risks associated with the project along with their mitigation measures.

Key issues and impacts that have been identified include the environmental and social risks as well as their management and their monitoring indicators, labor and working conditions including occupational health and safety, community health and safety, as well as the need for stakeholder engagement and a grievance mechanism to address potential concerns raised by stakeholders.

While all of the Performance Standards are relevant to this investment, the Company is expected to manage its impacts in accordance with the following IFC Performance Standards:

- 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
- PS 4 - Community Health, Safety, and Security

Considering the specific nature of the project, issues related to PS5: Land Acquisition and Involuntary Resettlement, PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, PS7: Indigenous Peoples, and PS8: Cultural Heritage are not expected with this investment. The land acquisition process for the new warehouses in Morocco and Senegal will not require any physical resettlement or economic displacement. The plots are on modified urban environments.

Furthermore, Ifria will identify site-specific E&S risks and impacts through an environmental and social impact assessment (ESIA) process for construction and operation of the proposed greenfield facilities. Ifria will ensure that social aspects are included in the risk and impact identification and assessment to be carried out in compliance with IFC Performance Standards and applicable national requirements. Disclosure and consultation will be carried out per local requirements and in line with the requirements of PS1. The site-specific ESIA and mitigation measures for all greenfield projects will be disclosed on Ifria and Pegasus' website.

In addition, Ifria will conduct E&S assessments against IFC PS to identify any potential legacy E&S issues from brownfield operations to be acquired. Given that the brownfield assets have limited adverse environmental and social risks and/or impacts, a full-scale environmental and social impact assessment is not required by the host country's environmental assessment laws and regulations. For these assets, Ifria will conduct limited or focused environmental and social assessments that are narrower in scope than a full-scale ESIA and focus on potential legacy E&S issues from the existing facility that are specific to potential environmental and social (including labor, health, safety, and security) risks and/or impacts identified as associated with the project.

## 4  Management of Environmental and Social Risk

To implement the Environment and Social Policy Statement mentioned above, Ifria has developed specific internal policies and procedures that address key areas. These include:

- **Effectiveness and Management of Environmental and Social Risks and Impacts:** Ifria is dedicated to taking all necessary measures to preserve the environment and is

aware of some potential Environmental and Social (E&S) risks that could arise from its work. Therefore, Ifria plans several mitigation measures to reduce potential harmful impact and evaluates the social impact of its work, including workforce safety, health, and education.

- – Each Ifria warehouse will implement an annual analysis report to track and measure the warehouse impact on the environment. In addition, Ifria will conduct annual studies and assessments concerning laws that prohibit gases and other materials.
- – Each Ifria warehouse will implement an annual analysis report to monitor the warehouse social indicators as well as track and measure the warehouses impact on employees.

- **Renewable Energy, Energy Efficiency, and Pollution Prevention:** As a cold chain company, Ifria will have to deal with different types of resources and will need an important amount of energy to provide its services both day and night without any problem. Ifria developed a strategy to manage pollution, renewable energy, and energy efficiency. The strategy also covers the benefits that Ifria will provide to reduce greenhouse gas emissions. Ifria will also use clean energy, such as solar technology, to generate electricity that will be utilized to refrigerate and provide power to Ifria's warehouses.

- **Community Health, Safety and Security:** The concepts of community health, safety, and security have become an integral part of doing business in emerging markets. These dimensions of a company's social and environmental strategy can be achieved with effective stakeholder engagement through active participation and feedback from groups directly impacted by company operations. As an essential pillar of the stakeholder engagement process, Ifria has developed a grievance mechanism that addresses its community concerns and complaints.

- **Human resources Management:** The human resources guide introduces Ifria's human resources policy and employee management. In addition, Ifria must provide workers with clear and understandable documentation about their rights under federal employment laws for each country where Ifria has operations, including their rights concerning hours of work, wages, overtime, compensation, and benefits. The guide, accessible to all employees and covers employees' rights, code of business conduct and ethics, as well as HR grievance management.

- Occupational Safety and Health: Occupational safety and health are integrated into the overall labor and working conditions guide. The guide presents safety and security procedures, operational risk measures, operations safety procedures, warehouse security and safety management systems, and employee trainings. As a part of its OHS strategy, Ifria will strive to provide a safe and healthy work environment for all its employees. Ifria will take steps to prevent accidents, injuries, and work-related illnesses and will remain vigilant against threats to worker safety, including physical, chemical, biological, and radiological hazards.

- **Contractor Management:** Ifria contractors' management guide introduces Ifria's selection process of its contractors, its management system in dealing with them as well as its auditing process. The purpose of this guide is to identify and mitigate contract risks, improve contract management, and identify a business relationship that is not operating as expected under the contract and regularly overcharges Ifria to end that financial burden and build a healthier business relationship. Contractors management ensures that Ifria is receiving the benefits it contractually bargained for in its business relationships.

- **Warehouse Operations Guide During Covid-19 Pandemic:** Covid-19 has affected the economy of every country, bringing the business activities to a standstill. Rising cases of the pandemic and lockdown imposed by the authorities made it difficult for the organizations to continue with their business activities and forcing them to adapt to the new normal. Because presence is mandatory for workers in Ifria warehouses and remote work is not an option, Ifria has developed a procedure that should be used not only during Covid-19 crisis but also for every day circumstances to avoid contamination of any kind of viruses and ensure the good hygiene practices of the workers and employees.
- **Warehouse Management System:** Warehouse management systems (WMS) are an integral part of the integrated supply chain for refrigerated foods and serve the primary function of maximizing the effective movement and storage of materials within a warehouse. In addition to this most basic function of tracking inventory from receiving to shipping, WMS can facilitate additional services such as put away, order picking, and tracking of lots, dates, weights, or case numbers. Effective WMS direct and optimize inventory based on real-time information and location within the warehouse. Furthermore, effective use of WMS will not only maximize the use of space, employees, and equipment but will enhance customer relations and exceed expectations.

These policies and procedures demonstrate Ifria's commitment to environmental and social responsibility throughout its operations.

## 5    Organizational Capacity and Competency for Implementation

Ifria is dedicated to establishing, maintaining, and, when needed, strengthening an organizational structure that clearly defines roles, responsibilities, and authority to effectively implement the elements of the ESMS. While the General Counsel and EVP hold ultimate responsibility for the ESMS, a team of key senior managers at Ifria, including personnel from Manufacturing, Engineering, Legal, Supply Chain, Global Field and Service, the Chief Revenue Officer, and the Brand President, play vital roles in its implementation. This collaborative approach ensures a comprehensive integration of the ESMS throughout the organization.

Ifria acknowledges that its ESMS policies and processes are continuously evolving and dynamic. The company is committed to the ongoing improvement of its ESG (Environmental, Social, and Governance) performance and will actively seek opportunities for enhancement and innovation within its operations and practices. This commitment demonstrates Ifria's dedication to staying at the forefront of environmental and social responsibility in its industry.

## 6    Emergency Preparedness and Response

Ifria is committed to promptly and effectively responding to accidental and emergency situations that may arise from its activities. The company recognizes the importance of preventing and mitigating any harm to people and the environment in such situations. As part of its emergency response process, Ifria identifies potential risks and evaluates the communities and individuals that may be affected. It establishes appropriate response procedures, allocates necessary resources, and assigns responsibilities to ensure an effective emergency response.

The company understands that emergency preparedness procedures and response activities need to be continually evaluated and adjusted to align with changing conditions. Therefore, Ifria periodically reviews and revises its emergency preparedness measures to maintain their effectiveness.

In the event of a material adverse environmental or social incident, Ifria will utilize the Incident Notification Template, as outlined in Annex A. This reporting mechanism ensures that any

significant incidents are promptly communicated, and appropriate actions can be taken to address the incident's impacts.

By having robust emergency response procedures and incident reporting mechanisms in place, Ifria demonstrates its commitment to safeguarding the well-being of individuals and the environment in the face of unexpected events.

# 7 External Communications, Grievance Mechanism, and Ongoing Reporting to Affected Communities

Ifria has several grievance channels for both employees and community stakeholders such as customers, contractors, and people living around Ifria warehouses.

Employees have the right to use Ifria's grievance mechanism for registering a formal complaint against the firm or their colleagues. This mechanism has the following stages:

- Stage 1 – Informal grievance
- Stage 2 – Written grievance
- Stage 3 - Appeals

In addition, Ifria is committed to learning about and responding quickly to concerns and complaints in order to facilitate the resolution of issues and complaints from individuals or groups affected by its activities. Thus, Ifria will implement the following grievance management process in each warehouse to respond to community stakeholders' complaints:

- Step 1: publicize grievance management procedures
- Step 2: receive and track grievances
- Step 3: review and investigate grievances
- Step 4: develop resolution options and prepare a response
- Step 5: monitor, report, and evaluate a grievance mechanism

Furthermore, Ifria conducts quarterly surveys of its staff on an anonymous basis. Ifria has a formal complaint procedure to investigate workplace complaints related to harassment, discrimination, retaliation by a co-worker, supervisor, agent, client, vendor or customer of Ifria.

The grievance mechanism is communicated to employees at the time of hire through the HR Guide.

# 8 Stakeholder Engagement

Ifria has implemented a comprehensive stakeholder engagement process that is applicable to each of its warehouses. This process ensures the identification and involvement of key stakeholders, which may include customers, councils, municipalities, business owners, and other relevant parties. The company follows a formal procedure to engage with these stakeholders, promoting collaboration and understanding of localized factors. This approach involves working closely with local partners such as government permitting offices, regulatory agencies, community organizing groups, government officials, and community members to incorporate their perspectives into project planning.

Throughout the implementation of the projects, Ifria conducts consultations with all identified stakeholders, addresses regulatory compliance requirements, and facilitates information sharing. These engagements foster discussions on topics such as land use, community engagement, and water resources, ensuring that local perspectives and concerns are taken into account.

To document the community consultation process, Ifria maintains records at each review stage, which serves as a critical aspect of its business processes. In addition, Ifria provides multiple grievance channels for employees and community stakeholders, including customers and residents living near the warehouses. Formal procedures are in place for follow-up and record-keeping to ensure timely resolution of grievances.

In order to make company-related disclosures accessible to stakeholders without internet access or technological resources, Ifria offers physical access to information in each warehouse available upon request.

# 9 Monitoring and Review

Ifria has established an internal monitoring system to track and assess any on-site incidents or accidents that may have significant environmental, occupational health and safety, public health and safety, or social impacts. The purpose of this monitoring is to promptly identify and address any events that could result in material adverse effects, attract negative attention from external stakeholders, or create potential liabilities for the company.

The information related to incident reporting is treated as sensitive business information and will be handled with confidentiality. The reporting process includes capturing details about the nature of the incident, its impact and effects, the actions taken in response, and the plans for remediation and prevention of future occurrences.

Ifria recognizes that environmental and social risks are dynamic and subject to change.

Therefore, the company is committed to ongoing improvement by regularly reviewing, correcting, and enhancing its Environmental and Social Management System (ESMS). This iterative process ensures that the ESMS remains effective and aligned with evolving best practices and industry standards.

# 10 Confidentiality

The internal policies and procedures associated with Ifria's Environmental and Social Management System (ESMS) are treated as business confidential due to the sensitive financial and proprietary nature of the information. The Company recognizes that disclosure of this information could potentially harm its commercial and competitive position in the market.

For more information or specific inquiries regarding the ESMS and its related policies and procedures, you can reach out to Ifria through their contact page at: https://www.ifriacold.com/#contactUs.They will provide the necessary information and assistance based on your request.