

Public Information Summary

Host Country	Morocco
Name of Borrower	Ifria Cold Chain Development Company Agadir SAS
Project Description	Term loan to finance the construction of a cold chain warehouse facility in Oulad Teima, Morocco
Proposed DFC Loan	\$9,300,000 loan with a 10-year tenor
All-Source Funding Total	\$18,552,052
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Morocco by increasing the availability of temperature-controlled cold chain storage in Morocco. More specifically, the Project will result in a modern cold storage facility that will extend the shelf life of food products and pharmaceuticals, reduce food waste, and improve market linkages in the target value chains. To that end, the Project will provide access to a cold chain storage facility to small and medium enterprises and downstream smallholder farmers, linking them to a cold chain logistics network that extends across North and West Africa.
Environment and Social Assessment	<i>SCREENING:</i> The Project has been reviewed against DFC’s 2020 Environmental and Social Policy and Procedures (“DFC ESPP”) and has been determined to be categorically eligible. Projects involving investments in cold chain companies are screened as Category B projects under DFC’s ESPP because impacts are site-specific and readily mitigated. The Project is subject to Climate Resiliency Screening per Executive Order 13677. Social issues associated with the Project include the need for a strong labor management system and adequate oversight and management of contractors. The Projects have also been reviewed against the findings of the 2022 U.S. Department of State Human Rights Reports for Morocco and Senegal. In Morocco, risks relevant to the Project include discrimination in employment and violations of regulations on conditions of work, including protections against excessive overtime. In Senegal, risks relevant to the Project include discrimination in employment, particularly on the basis of gender, as well as violations of wage and overtime laws. The Project has also been screened for gender-based violence and harassment (GBVH) risks. The contextual GBVH risk level in Senegal is 2.5 out of 4, and the contextual risk in Morocco is 3.5 out

of 4.¹ The Project has human resources policies, including an anti-harassment policy, to address these risks.

APPLICABLE STANDARDS:

Under DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC's environmental 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):

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Pollution Prevention and Abatement; and
- PS 4: Community Health, Safety and Security.

The warehouses will be located within established industrial parks that are not near protected areas or sensitive ecosystems. Therefore, significant adverse impacts on biodiversity and adverse impacts related to physical or economic displacement, Indigenous Peoples, and cultural heritage are not anticipated, and PS 5, 6, 7, and 8 are not triggered at this time.

In addition to the above standards, the Project will also be required to meet applicable provisions of the IFC's Environmental, Health, and Safety (EHS) General Guidelines.

Scope 1 GHG emissions are estimated to be less than 100 tons CO₂e/year from minimal use of a diesel backup generator and Scope 2 GHG emissions are estimated to be 2,300 t CO₂e.

ENVIRONMENTAL AND SOCIAL RISKS AND MITIGATION:

The primary environmental and social issues associated with this Project include the need for appropriate handling of hazardous material inputs, proper disposal of wastewater and solid wastes generated by the manufacturing process, adequate labor management, proper oversight of contractors, assurances that appropriate measures are in place to assure worker health and safety, the implementation of adequate life, safety, and fire protection measures at the facilities, driver safety/training, and food hygiene/safety.

Ifria has some elements of an Environmental and Social Management System (ESMS) in the form of a corporate Environmental Health Safety and Social (EHSS) Guide that provides a high-level assessment of the key environmental and social risks and identifies general management actions to mitigate them. One of the potential equity investors in Ifria conducted environmental and social due diligence (ESDD) with assistance from an independent third-party E&S consultant. In line with the findings from this ESDD report and based on DFC's desk review, Ifria will be required to augment the current E&S framework to develop a more detailed ESMS in

¹ Based on the Women, Peace, and Security Index and the Equilo GBV Risk Score.

	<p>alignment with IFC Performance Standard 1. Specifically, DFC will require Ifria to develop and implement a documented external grievance mechanism, a corporate occupational health and safety plan, contractor management plan, and environmental and social management plans specific to the construction phases of the Projects. Ifria will also be required to update its emergency preparedness and response procedure and clarify roles and responsibilities for E&S oversight at each of the facilities.</p> <p>Ifria's EHSS Guide addresses labor and working conditions and includes an internal grievance policy. DFC will require the Borrower to incorporate an anonymous channel into its workplace grievance mechanism and ensure that all contracted workers have access to a grievance mechanism. DFC will also require the Borrower to develop human resources manuals for each country and to develop a contractor management plan.</p> <p>Ifria will commission a local L&FS expert to conduct annual L&FS audits and ensure the warehouse managers implement any corrective action plans from the L&FS inspection. Ifria will require drivers of its transport contractors undergo defensive driver training and that a road safety plan is implemented, including vehicle maintenance and inspection program. Ifria will develop HACCP procedures and obtain HACCP and/or ISO 22000 certification after one year of operations.</p>
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