

**SNOWMAN FROZEN FOODS LIMITED**  
**SUMMARY REPORT**  
**ENVIRONMENT AND SOCIAL RISK MANAGEMENT**  
**AUGUST 16, 2009**

**Project Description**

Snowman Frozen Foods Ltd (“Snowman” or “SFFL” or the “Company”) is a cold chain logistics service provider based in Bangalore. It commenced operations in 1997. SFFL’s services include primary transportation, storage, inventory management, documentation and distribution of frozen and chilled foods. The Company currently has 16 cold storage facilities with a total capacity of over 10,000 pallets spread across the country and operates about 75 owned and contracted refrigerated trucks (reefers) in its transportation division. Snowman has the capability of providing cold chain services to the entire spectrum of products including processed foods, fast foods, seafood, meats, ice creams apart from fruits and vegetables. Typically, the Company either builds its own facility on land obtained under a long term lease from a landowner on a willing seller/buyer basis or leases existing warehouses for a long term and undertakes appropriate retrofitting to convert it into a cold storage facility.

**Description of key Environmental and Social Issues and Mitigation**

The information about how these potential impacts will be addressed by the Company is summarized in the paragraphs and the Environmental and Social Action Plan (ESAP) that follow.

*1. Social and Environmental Assessment and Management System*

- Snowman is in the process of adopting a systems approach to managing social and environmental aspects associated with its operations/business. SFFL has implemented a food safety management system (FSMS) certified to ISO 22000 at 10 of its 16 existing sites. While one more of the facility is undergoing the certification process, the balance five facilities will not be covered under the FSMS since they are either very small or being phased out. The Company is planning to make the FSMS compliant with EU Food Safety Standards also. The FSMS addresses certain environmental, occupational health and safety (EHS) aspects however it is to a very limited extent. Overall EHS has not been managed under a structured management system. The Company will , put in place a corporation wide Environment Management System (EMS) certified to ISO 14001 standards including for design, construction, operation and decommissioning of its facilities and for transportation operations. Permit/consent validity and renewal is monitored by corporate office though overall responsibility for obtaining such permit/consents and ensuring compliance rests with the branch managers. The Company to obtain authorization under hazardous waste management rules.
- SFFL assesses potential social, environmental, occupational health and safety (SEHS) aspects and impacts of its operations in the context of applying for and obtaining regulatory consents/permits/authorizations. To a limited extent SEHS aspects and impacts have been assessed in a structured manner as part of the ISO 22000 process. While SFFL’s projects and operations may have limited impacts, there is a need to further strengthen the SEHS impact assessment process. The Company will undertake a comprehensive assessment of SEHS aspect-impacts associated with its projects and operations: as part of the ISO 14001 implementation process; and during implementation of the upgraded HR policies and procedures. The Company has developed a draft emergency response plan: which is required to be finalized and displayed; emergency response committees and team need to be put in place; and training of all employees on emergency preparedness and response needs to be completed. Presently, the Company does not have procedures for: obtaining assurance on facility compliance with statutory EHS requirements; internal and external audit of EHS performance; reporting to senior management and to external stakeholders on EHS aspects/performance; and management review and corrective action. Moreover, the Company proposes to increase the fleet of trucks through an outsourcing/contracting model and will need to further strengthen its processes to ensure adherence of contractors to statutory and SFFL’s Policy requirements. The above strengthening/improvements will be undertaken by SFFL: as part of the ISO 14001 certified

management system; through further suitable upgrade of the ISO 22000 certified FSMS; and upgrading of the HR Policies and procedures.

- The Company's facilities are generally located in the periphery of towns/cities and have some communities resident in their vicinity. However, impact of the Company's operations on neighboring communities is limited. The Company's engagement with neighboring communities is informal and not under a structured community engagement process. While local branch officials interact with members and elected representatives of neighboring communities, these interactions are seldom formal and often there is no documentation of these interactions. The interactions pertain to employment of local youth and corporate social responsibility activities expected from the Company. Contact details of branch officials are available with representatives of the neighboring communities and also at the facility gate. The Company engages worker from nearby villages in its operations, who also enable engagement with nearby communities. While the branch officials are accessible to representatives of the neighboring communities, the Company will, put in place a structured community engagement and grievance redress procedure. On occasions, SFFL supports efforts like storing polio vaccines for the UNICEF polio vaccination campaigns in the local area.

## 2. *Labor and Working Conditions*

- SFFL currently engages 510 persons in its operations of which about 185 are employees and 325 are contract workers. The Company usually engages persons from nearby villages as contract workers. Contract workers include loader/unloader, delivery persons, drivers, security, maintenance, housekeeping and catering services, among others, at the cold storage sites. The approximate average number of workers (staff and contractor) at each cold storage facility is 25, with 10 employees and 15 contract workers including security. While contract workers are paid in cash at the facility, the Company has procedures in place to ensure due payment by contractors. SFFL manages its labor relations in accordance with relevant Indian regulations. The Company however, display relevant provisions/abstracts of applicable labor laws including on contract labor, minimum wages, standing orders and other applicable labor laws, prominently at its facilities. The Company has procedures in place to ensure compliance with minimum age requirements. However, the Company needs to upgrade labor policies, procedures and practices to ensure compliance with statutory requirements pertaining to overtime, wages, appropriate documentation, records, registers and wage slips. SFFL will ensure that appropriate amenities and facilities for contract workers are provided at each of its cold storage warehouse. The Company has a Human Resources Policy Manual applicable to its employees, which addresses personnel management (e.g. induction, probation, disciplinary action); working rules (e.g. leave, holidays); salary, appraisal and training; travel and relocation; compliance (e.g. conflict of interest, grievances); and employee welfare (e.g. safety, medical allowance). The Company adheres to equal opportunity and non discrimination principles and will also articulate it as part of the HR policy. To make the HR Policies and procedures consistent with statutory requirements and Performance Standard 2 provisions, the Company, upgrade its policies and procedures pertaining to: leaves; employee grievance redress; and disciplinary action.
- Occupational health, safety and hygiene standards have been defined and are generally adhered to. First aid training to employees and first aid kits are being provided as part of the ISO 22000 FSMS. The Company has an annual health check up program in place for employees and contract workers. All employees, contract workers and drivers are covered under group personal accident insurance. MSDS of chemicals used for pest control are available and will be prominently displayed including details of hazards from exposure and antidotes in the event of exposure. Accident registers are maintained at each cold storage facility. However, procedures for accident/ incident reporting, investigation and corrective action including accident/incident monitoring at corporate level needs to be put in place. Employees and contract workers are provided appropriate personnel protective equipment. However, for DG set/chiller/compressor operators and maintenance personnel, ear muffs need to be provided and its use ensured by the Company. Long distance reefers have two drivers. Drivers have been provided a mobile phone, cash card for fuel and there is a vehicle emergency response plan. However, provision of TREM cards and training on emergency response, defensive driving needs to be provided. The Company has a process in place to undertake background check of drivers. SFFL, further strengthen the OHS procedures particularly through: training of all staff on OHS; provision and use of step ladders;

defensive/safe driving procedures and training of drivers in defensive driving; awareness on healthy practices including HIV/AIDS prevention; emergency response at cold storage facility and during transport; and implementation of best practice for worker maximum exposure to low temperature (-18 deg. C) conditions.

### 3. *Pollution Prevention and Abatement*

- SFFL will manage environmental aspects and impacts through its ISO 14001 certified environment management system. Towards energy conservation, the Company has installed capacitor banks and multi compressor arrays for effective use of compression/refrigeration capacity. Moreover, the Company will implement a rainwater harvesting program at all of its facilities. Primary source of energy at SFFL's facilities is usually grid electricity though diesel generator (DG) sets as 100% backup power are also provided. The Company will, as part of the EMS, include procedures to ensure that DG set and vehicle fleet maintenance as also their respective emissions conform to good international industry practices (GIIP). Water is used primarily for domestic purposes at site and during summer months, for augmenting the cooling process. Borewell water is used at all sites for process use. For drinking purposes either bottled water or reverse osmosis (RO) treated borewell water is used. Domestic sewage (the only effluent) is treated through septic tank and soak pits. The Company has procedures to monitor energy consumption and will put in place appropriate equipment and/or procedures as required to also monitor: water consumption; and greenhouse gas emissions on account of its operations. The Company will undertake acoustic treatment of high noise generating equipment in accordance with statutory requirements.
- Trucks are serviced by third party service providers. The company stores one day diesel on site. Chemicals on SFFL sites are typically limited to cleaning products, which are closely managed via the ISO 22000 system in relation to potential food contamination. Hazardous waste generated on SFFL sites includes waste oil and chemical drums/containers. The Company will manage hazardous materials and other wastes in accordance with good industry practices and IFC guidelines. In particular: the Company will, implement a program to: (a) segregate and store all hazardous material appropriately under secondary containment; (b) identify all hazardous wastes generated as per host country rules on hazardous waste handling and management; (c) label, segregate and store all hazardous wastes under secondary containment; (d) dispose hazardous wastes through authorized entities only; and (e) maintain records of hazardous and other wastes generated and disposed.
- Any expired products are returned to the customer to dispose of or are mixed with lime and collected by the municipal garbage authorities. However, certain wastes (paper, food waste or other) were being burnt in open pits, which the Company has ceased. SFFL will, undertake a contamination assessment at sites where this was practiced and implement a remediation plan, if required. Material impact on ambient air quality, ambient noise levels, water quality and availability is not expected on account if the Project.

### 4. *Community Health, Safety and Security*

- SFFL's facilities are generally located in the periphery of towns and cities and usually have some communities resident in their vicinity. In busy seasons, 5-6 large trucks/reefers and 6-7 smaller vehicles are expected at each facility daily, hence traffic impacts are limited. Driver training, awareness and control features will be put in place/strengthened to minimize risks to safety of communities from vehicles plying to and from SFFL's facilities. The Company will, as part of the EMS, put in place procedures to mitigate risk of uncontrolled release of hazardous materials, including risk to communities from hazardous material transport and an offsite emergency response plan. Mostly local persons/villagers are engaged as contract workers at SFFL's facilities. The Project is not expected to exacerbate community exposure to disease either due to changes in land/hydrologic or other terrestrial/air quality/hydrologic regimes or due to influx of large pool of migrant laborers. The Company will implement a program on HIV and STI awareness for all its employees, contract workers and drivers.

- Security guards are provided via Third Party contractors. Two guards are normally on each site per shift and are armed at large sized facilities. The Company will, develop and implement procedures for ensuring that: past records of security personnel employed is screened; security personnel have clear objectives and permissible actions laid out; security personnel are trained in avoidance of human rights violations, use of fire arms and handling various situations with clear procedures; security incidents are recorded, investigated and corrective action implemented; bonafide complaints against security personnel are investigated/disciplinary actions implemented; and there is a grievance mechanism for aggrieved members of community or employees, in the event of a violation of the code for security personnel.

### **Further Information**

For more information and any queries and/or comments about the Project please contact:

Name: Ravi Kannan, CEO,

Address: No.424, 6<sup>th</sup> Cross, 4<sup>th</sup> C Main, OMBR layout, Banaswadi, Bangalore 560043

Telephone: 91-80-40250400: Fax: 91-80-25451531

E-Mail: [rkannan@snowman.in](mailto:rkannan@snowman.in)

Website: <http://www.snowman.in>

**ENVIRONMENTAL AND SOCIAL ACTION PLAN  
SNOWMAN FROZEN FOODS PRIVATE LIMITED  
AUGUST 16, 2009**

#	Environment/Social Action Plan	Deadline
<b><i>Social and Environmental Management System</i></b>		
1.	Implement procedures and measures to stop open pit burning of waste, engage a consultant to undertake a contaminated land study at each cold storage site; and to develop and agree with IFC, an action plan based on the outcome of the study for remediation of identified contamination.	Prior to commitment
2.	Engage a consultant for development and implementation of a companywide applicable ISO 14001 certified Environment Management System with IFC Performance Standards appropriately incorporated.	Prior to first disbursement
3.	Complete implementation of the companywide applicable ISO 14001 certified Environment Management System	March 2010
4.	Develop and implement procedures and facilities to: obtain authorization under hazardous waste rules; store hazardous wastes within secondary containment; document and record quantities of hazardous waste generated and disposed; and dispose of the hazardous waste only through authorized entities	Prior to first disbursement
5.	Put in place a community engagement and grievance redress mechanism	October 2009
6.	Develop and implement a security personnel procedure for ensuring that: past records of security personnel employed is screened; security personnel have clear objectives and permissible actions laid out; security personnel are trained in avoidance of human rights violations, use of fire arms and handling various situations with clear procedures; security incidents are recorded, investigated and corrective action implemented; bonafide complaints against security personnel are investigated/disciplinary actions implemented; and there is a grievance mechanism for aggrieved members of community or employees, in the event of a violation of the code for security personnel.	October 2009
7.	Put in place a company-wide policy to acquire land in accordance with PS5 provisions as applicable.	October 2009
<b><i>Labor Working Conditions</i></b>		
8.	Upgrade labor policies, procedures and practices to ensure compliance with statutory requirements pertaining to contract labor wages, overtime, documentation, and wage slips.	Prior to approval
9.	Display provisions of contract labor act at all the facilities	September 2009
10.	Make available appropriate provisions, amenities and facilities for contract labor at each warehouse/cold storage location.	December 2009
11.	Review and upgrade the HR Policies on casual leave, maternity leave and service certificate in the context of relevant laws, rules, regulations and model standing orders.	Prior to first disbursement
12.	Review and detail the disciplinary action procedure in accordance with applicable statutory requirements and IFC's PS2 provisions.	Prior to first disbursement

#	Environment/Social Action Plan	Deadline
13.	Review and upgrade the employee grievance redress procedure in accordance with IFC PS2 provisions including: provisions for confidentiality protection and non retribution; expanding its scope to include contract workers; definition of response timelines at various stages of the procedure; and documentation of grievances received and redressed.	Prior to first disbursement
14.	Articulate and embed an Equal Opportunity and Non Discrimination Policy as part of the HR Policies and Procedures	Prior to first disbursement
15.	Review and upgrade occupational health and safety procedures including for: provision and use of step ladders; defensive/safe driving procedures and training of drivers (including contract drivers) in defensive driving; awareness on healthy work practices including HIV/AIDS prevention; transportation emergency response and management; and best practice for worker maximum exposure to low temperature (-18 deg. C) conditions.	October 2009
16.	Finalize the Emergency Response Procedure and display it; put in place emergency response committees and team; and train all employees on emergency preparedness and response.	October 2009
<b><i>Pollution Prevention</i></b>		
17.	Put in place appropriately contained facilities for diesel and lubricant storage.	December 2009