

ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY (ESRS)

PROJECT LAP MML LIBERIA #52140

Disclaimer

This Environmental and Social Review Summary (“ESRS”) is prepared and distributed in advance of the IFC Board of Directors' consideration of the proposed transaction. Its purpose is to enhance the transparency of IFC's activities, and this document should not be construed as presuming the outcome of the Board of Director's decision. Board dates are estimates only. Any documentation which is attached to this ESRS has been prepared by the project sponsor and authorization has been given for public release. IFC has reviewed this documentation and considers that it is of adequate quality to be released to the public but does not endorse the content.

Project Description

The proposed investment is an up to US\$30 million Sustainability-Linked Loan (SLL), comprising an IFC A Loan of up to US\$20 million and an IDA Private Sector Window Loan of up to US\$10 million, to Liberian American Poultry (“LAP”) and Modern Mills of Liberia (“MML”) (together, “LAP MML” or the “Project”).

The proceeds will be used to support (i) the expansion of LAP’s poultry production facilities located in Bomi County, Liberia; and (ii) the expansion of MML’s flour milling operations located in the port area of Monrovia, Liberia.

LAP is located on a company-owned landholding of approximately 536 ha, of which less than 100 ha are currently occupied by existing facilities. Expansion activities at LAP include the construction of additional poultry housing (including two colony cage layer houses to be financed under the IFC investment), chick/rearing facilities, egg handling infrastructure, manure management and drying systems, utilities, internal roads, and associated logistics infrastructure. The Project will support an increase in egg production capacity from approximately 750 cartons per day to 1,500 cartons per day

MML’s operations are located within the port area of Monrovia on a leased plot of around three acres (equivalent 130, 680 sq. ft). The land is held under a long-term lease agreement extending until 2032, with provisions for renewal. The Project will support the expansion of wheat flour milling capacity from 150 tons per day (tpd) to 300 tpd, through the installation of an additional 150 tpd flour milling line alongside the existing mill within the existing footprint. The Project also includes implementation of additional silos, construction activities, contractors, transport, and supply chains directly supporting the operations, as well as existing solar photovoltaic systems at both sites.

LAP, established in 2023, is the first large-scale domestic producer of fresh eggs in Liberia. MML, established in 2018, is Liberia’s leading flour milling company, supplying wheat flour and related products to the domestic market. The two companies operate within a broader group of affiliated businesses active across trading, manufacturing, and agricultural activities in Liberia. While operating as separate legal entities, these businesses benefit from several linkages, including complementary product offerings.

The Project is expected to contribute to enhanced food security in Liberia through increased local production of wheat flour and table eggs, reduced reliance on imports, and strengthened domestic agricultural value chains.

Identified Applicable Performance Standards

While all Performance Standards are applicable to this investment, IFCs environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following 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

If IFCs investment proceeds, IFC will periodically review the project's ongoing compliance with the Performance Standards

Overview of IFC's scope of review

The scope of IFC's environmental and social (E&S) review included an assessment of the Company's capacity to manage E&S risks and impacts in accordance with IFC's Performance Standards (PS), the World Bank Group (WBG) General Environmental, Health and Safety (EHS) Guidelines (2007), relevant industry guidelines, applicable animal welfare standards, and national environmental and occupational health and safety (OHS) requirements.

IFC's E&S due diligence was conducted in May 2026 and included site visits to LAP's poultry production facilities in Bomi County and MML's flour milling operations in Monrovia. The review comprised meetings with management and operational teams at both companies (including senior management, operations, HR, technical staff and the external EHS consultant) and interviews with workers and contractors.

IFC's review also included discussions with relevant authorities, assessment of construction and expansion plans, contractor management and OHS arrangements, and evaluation of supply chain practices. In addition, IFC reviewed relevant documentation, including corporate policies, and key management systems and procedures. IFC engaged with relevant local authorities, including the Environmental Protection Agency (EPA), to discuss permitting requirements, compliance status, and regulatory oversight.

IFC's review was supplemented by consideration of applicable Good International Industry Practice (GIIP) for poultry production, food processing, OHS, and animal welfare.

Environmental and Social Categorization and rationale

This is a Category B project according to IFC's Policy on Environmental and Social Sustainability, as potential E&S risks and impacts are expected to be site-specific, largely reversible, and readily addressed through mitigation measures aligned with IFC PS, EHS guidelines and GIIP.

The Project is a brownfield expansion of existing operations within established sites. Key E&S risks during construction/expansion include OHS, dust, noise, waste generation, and contractor management. These impacts are expected to be temporary and mitigated through appropriate construction management plans. Key risks during operations relate to the Company's capacity to: (i) manage E&S risks and impacts, including implementation of an effective ESMS; (ii) ensure fair, safe, and healthy working conditions, including management of contextual risks such as child labor, forced labor, and gender-based violence (GBV), sexual exploitation, abuse and harassment (SEAH); (iii) manage resource efficiency and pollution prevention, including wastewater, solid waste (including manure and dead birds), air emissions (dust), odors, noise, and hazardous materials; (iv) implement adequate animal welfare and biosecurity practices;

(v) ensure life and fire safety (LFS) and emergency preparedness; (vi) manage community health and safety risks, including traffic impacts; and (vii) stakeholder engagement and the grievance mechanism.

PS1 - Assessment and Management of Environmental and Social Risks and Impacts

Environmental and Social Policy and Management System

The Company has developed a set of policies applicable across its operations, including environmental and social responsibility, OHS, labor and employment, waste management, emergency response, transportation safety, and business conduct. These policies establish general commitments to compliance with applicable laws.

However, these commitments are not yet translated into formalized and site-specific Environmental and Social Management Systems (ESMS) for LAP and MML operations. Given the differences in activities, risk profiles, and geographical locations, namely poultry production in Bomi County and flour milling operations in the port area of Monrovia, site-specific ESMS are required to effectively manage E&S risks.

As part of **ESAP #1**, the Company will develop and implement site-specific ESMS for LAP and MML, aligned with IFC PS1, including (i) management systems, tailored to each site's activities and risk profile, integrating policies, procedures, monitoring, and reporting; (ii) organizational capacity and competency to manage EHS across LAP and MML; (iii) emergency preparedness and response; (iv) key supply chains and (v) a community grievance mechanism in order to manage communication. The ESMS, including the E&S policy, will be submitted to management for approval and subsequently institutionalized across LAP and MML facilities.

Identification of Risks & Impacts

The Project has developed a set of group-level policies and procedures. However, there is no formalized and systematic approach to identifying and assessing environmental and social risks and impacts, particularly in relation to expansion activities. This includes the absence of a consolidated and regularly updated environmental and social risk register at the Project level.

Key risks associated with the Project include OHS, labor and working conditions (including contextual risks such as child labor, forced labor, GBV and SEAH), pollution prevention (including management of manure, dead birds, wastewater, air emissions, and odor), animal welfare and biosecurity (for LAP), and community health and safety. In addition, site-specific risks at MML include dust emissions, fire and explosion risks associated with flour processing, and the need for adequate ventilation and life and fire safety systems. As outlined in **ESAP #1**, the Company will develop a structured ESMS aligned with IFC requirements, including an environmental and social risk register.

Organizational Capacity & Competency

E&S responsibilities are currently shared across management and heads of departments, including operations, HR, and technical teams. The Company has also engaged an external EHS consultant who is familiar with applicable national regulatory requirements, works closely with the EPA, and demonstrates knowledge of IFC PS. However, appropriate internal capacity to systematically identify, assess, and manage E&S risks remains limited. Additionally, the Company has recently experienced a gap in OHS oversight following the departure of its safety officer and is currently in the process of recruiting a new OHS officer.

In line with **ESAP #2**, the Company will strengthen its organizational capacity by (i) recruiting an OHS Officer and (ii) by designating or recruiting a dedicated E&S focal person for the LAP MML operations, depending on the availability of suitable expertise. Where recruitment is not immediately feasible, the

Company will appoint internal personnel and provide adequate training and support to enable effective implementation of E&S requirements.

The Company will also implement a time-bound capacity strengthening and transition plan, to be developed by the EHS consultant and submitted to IFC for review prior to approval by senior management. The plan will define how E&S requirements will be translated into procedures, actions, responsibilities, and implementation actions across the facilities (**ESAP #3**). The roles and responsibilities of the designated personnel will be clearly defined, with sufficient time and authority to perform E&S functions, engage regularly with the consultant, report to the relevant manager on progress and milestones, and escalate site issues and required actions as needed.

Management Programs

The Company has implemented certain management practices; however, these are not tailored to the specific E&S risks of LAP and MML operations and do not address key site-specific risks, including soil and water contamination, odor and pest nuisance and disease transmission associated with manure, bedding, dead birds management at LAP, as well as dust explosion hazards, fire risks, occupational health hazards, and life and fire safety at MML.

In line with **ESAP #1**, the Project will formalize and strengthen site-specific ESMS and management plans, including site-specific procedures covering, at minimum, (i) labor and working conditions, (ii) resource efficiency and pollution prevention, (iii) community health and safety, (iv) animal welfare and biosecurity, and emergency preparedness and response, (v) security management arrangements consistent with PS4; and (vi) contracts management. A specific risk analysis is required to evaluate the conditions and ensure that the silo and associated equipment (grain elevator, dryers, electrical equipment, and others as applicable) operate in accordance with GIIP. Following the analysis, other relevant management programs may be identified, developed, and implemented (**ESAP #1**).

Emergency Preparedness & Response

The Company has established a Group-level Emergency Action Policy (EAP), which covers a broad range of emergency types, including fire and explosion, security events and natural hazards. The policy sets out general principles, responsibilities and response arrangements across all Group entities. However, the EAP remains a high-level policy document and does not contain formalized and site-specific Emergency Preparedness and Response Plans for LAP and MML operations.

Given the differences in activities and associated risks, site-specific plans are required. For LAP, emergency risks include disease outbreaks in poultry operations, requiring strengthened biosecurity measures and the development of contingency plans in coordination with relevant national authorities. For MML, key risks include fire and explosion hazards associated with flour milling operations in a port environment, requiring specific emergency preparedness measures.

In line with **ESAP #1**, the project will develop and implement site-specific Emergency Preparedness and Response Plans, including climate-related emergencies (e.g., flooding and heatwaves). These plans will cover relevant emergency scenarios, communication protocols with local authorities and communities, and regular training and drills to ensure effective response.

Monitoring & Review

Monitoring E&S performance is conducted on an ad hoc basis through operational supervision and management oversight. The company has engaged an external EHS consultant who visits the sites regularly (approx. once per week) to support compliance with national requirements and advise on E&S matters.

However, there is limited evidence of a structured monitoring and reporting system, including defined key performance indicators (KPIs), systematic data collection, regular reporting to management and record keeping. In line with **ESAP #1**, the Project will implement a monitoring program with KPIs against set E&S targets, covering: (i) safety – lost time injury frequency rate, accident free days, (ii) resource efficiency related to use of water, energy, chemicals (including cleaning products and diesel for generators), and others, and (iii) waste generation (quantity per type) – solid waste, wastewater, etc. Monitoring frequencies and methodology are to be specified considering the risks and impacts in line with the E&S risk register. The monitoring data is to be compiled and regularly presented to senior management for review and to drive improved performance and implement necessary corrective actions to prevent recurrence, as needed.

Management of Contractors and Sub-Contractors

In line with **ESAP #1**, the Project will implement a contractor management plan to ensure that contractor and subcontractor activities are managed in accordance with applicable E&S requirements, including labor and working conditions, OHS, community health and safety, and incident management. The Company will also incorporate E&S requirements into Engineering, Procurement and Construction (EPC) and contractors' contractual arrangements.

Supply Chain

The Project relies on imported raw materials, including wheat for milling operations. Wheat is procured through Seaboard Overseas & Trading Group (SOTG) from Latvia, which is subject to European Union regulatory frameworks. Typical supply volumes to MML are estimated at approximately 7,000 tons of wheat every 2 to 3 months.

PS2 – Labor & Working Conditions

Human Resources Policies and Procedures

The Company has established human resources (HR) policies and procedures applicable across LAP and MML operations, including provisions on labor and employment conditions, non-discrimination, GBV, and the prohibition of child and forced labor, as reflected in a Code of Conduct. These policies are generally aligned with national labor regulations.

At time of IFC's visit, LAP employed approximately 165 workers (121 men and 44 women), with women representing 66% of management positions. MML employed approximately 134 workers (97 men and 37 women), with women representing approximately 31% of management positions. In addition, both facilities rely on daily workers (approximately 40–60 during peak periods) and third-party contractors, including for security, maintenance, and logistics activities. Working hours are defined across both operations, with LAP operating daytime shifts and MML operating a two-shift system.

While basic HR policies are in place, certain aspects of labor management are not implemented. For example, procedures for managing third-party contractors, as well as documentation of training and awareness activities, require strengthening. As outlined in **ESAP #1**, the Company will formalize HR procedures to ensure alignment with IFC PS2 requirements.

Working Conditions and Terms of Employment

Employees are provided with contracts in line with national labor requirements, and the Company is subject to regular inspections by the Ministry of Labor. Based on discussions with the HR Manager during the IFC visit, no material issues or instances of non-compliance have been identified through recent inspections

carried out by the national regulatory authority. The Company has also indicated ongoing initiatives to strengthen gender inclusion and workplace equality, including training and awareness programs.

However, while training and awareness activities are conducted, there is limited formal documentation of such programs, including training records. As part of **ESAP #1**, the Company will establish procedures to document and monitor training, including for workers (e.g., operations workers, drivers, maintenance workers) and contractors, based on identified risks and operational needs.

Workers' Organizations

MML's operational workforce is represented through the Duck Workers' Union, which covers 88 non-managerial employees. LAP employees are not members of a workers' union. Based on interviews conducted during the appraisal, no restrictions on workers' rights to freedom of association and to organize were reported by workers or HR management.

Grievance Mechanism

The Company has established channels for employees to raise concerns through supervisors and HR. However, this practice of receiving internal grievances is not formalized, with limited evidence of structured procedures, documentation, tracking, and defined resolution timelines. In addition, awareness of the existing grievance mechanism among employees appears limited, and no organized training or communication has been undertaken to ensure effective use of these channels.

As part of **ESAP #4**, the Company will formalize and strengthen the worker grievance mechanism, including development and implementation of clear procedures, supporting documentation, tracking, awareness programs, and provision for anonymous reporting.

Occupational Health and Safety (OHS)

The Company has implemented basic OHS practices, including security briefings and the provision of personal protective equipment (PPE). Training needs are identified based on operational risks, incidents, and observations. However, gaps remain in the systematic implementation of OHS measures through identifying hazards and assessing risks across activities and work areas. During the site visit, it was found that drills are not carried out, and OHS practices are not consistently monitored or enforced across facilities. In addition, the Company has experienced a gap in OHS oversight following the departure of its safety officer and is currently in the process of recruiting a replacement (**ESAP #2**).

Key OHS risks differ across operations. At LAP, risks relate to poultry handling, biosecurity, exposure to biological hazards and manure handling activities. At MML, risks include dust exposure, machinery-related hazards, exposure to noise and fire and explosion risks associated with flour milling operations.

As part of **ESAP #5**, the Project will strengthen its OHS management system in line with IFC PS2 by (i) identifying hazards and assessing risks, including those that may be life-threatening; (ii) introducing preventive and protective measures, with priority given to eliminating hazards where possible, controlling risks at source and minimizing exposure through safe work procedures and administrative controls; (iii) training workers, drivers and contractors; (iv) documenting and reporting occupational accidents, incidents and illnesses; and (v) implementing emergency prevention, preparedness and response arrangements. Personal Protective Equipment (PPE) will be used where necessary as part of these measures.

PS3 – Resource Efficiency & Pollution Prevention

Resource Efficiency and Greenhouse Gas (GHG) Emission

Electricity for LAP and MML operations is primarily supplied by the Liberia Electricity Corporation (LEC), with additional energy generated through on-site rooftop solar photovoltaic (PV) systems and intermittent use of diesel generators. At MML, energy consumption in 2025 comprised approximately 59% grid electricity (LEC), 33.4% solar energy, and 7.6% generator use. At LAP, energy consumption comprised approximately 69% grid electricity, 27% solar energy, and 4% generator use.

MML and LAP have installed rooftop solar PV systems with capacities of approximately 1,700 kW and 1,000 kW, respectively. The installed solar capacity contributes to reducing reliance on grid electricity and diesel-powered generators.

The energy sourced from LEC is primarily powered by hydropower (around 69% of actual total electricity production), supplemented by heavy fuel oil generation and regional electricity imports. As a result, a significant portion of the Company's electricity consumption is derived from lower-carbon energy sources.

GHG emissions from the Project are estimated at approximately 3,581 tCO_{2e} per year (Scope 1 and Scope 2 emissions). Scope 1 emissions, estimated at approximately 1,329 tCO_{2e} per year, are primarily associated with diesel consumption for backup power generation, while Scope 2 emissions, estimated at approximately 2,252 tCO_{2e} per year, are associated with purchased electricity consumption.

Water and Wastewater

Water for MML operations in Monrovia is supplied through the national utility on a post-paid basis, with additional sourcing from third-party suppliers when supply is insufficient. At LAP in Bomi County, water is sourced from on-site borehole located within the Company's land, for which LAP has approval. Daily water consumption at LAP is approximately 225,000 litres, primarily for poultry drinking water and cooling of poultry housing facilities. As part of **ESAP #1**, the Company will implement water consumption monitoring at LAP to support efficient water resource management.

Wastewater generation at LAP and MML is relatively limited. At LAP, approximately 2,500 litres of wastewater are generated daily, principally from washing chicken waste belts and cleaning activities associated with egg handling and processing. Wastewater is collected in dedicated tanks and reused for irrigation of on-site trees. At MML, wastewater generation is estimated at approximately 2,500 litres per day and is primarily associated with the wheat washing process. Officers from the Environmental Protection Agency (EPA) indicated that they carry out regular inspections and sample testing at LAP to verify that operations do not result in contamination of groundwater or nearby water bodies. As part of **ESAP #1**, the Company will develop a wastewater management plan to assess wastewater generation, define appropriate management and disposal measures and maintain record of wastewater generation and treatment, in line with IFC PS3.

Waste Management

Solid waste generated at LAP includes poultry manure and dead birds, as well as general operational waste. Manure generated from poultry houses is currently either sold or distributed across designated areas within the Company's land. While this provides a temporary solution, the anticipated increase in production will require improved management. As part of **ESAP #6**, the Company will install a manure drying system, which will reduce the risk of disease and odors, improve handling and storage conditions, and enable the production of organic fertilizer for local agricultural use.

On the other hand, poultry mortality happens on a frequent basis and is currently managed through on-site practices. To reduce the risk of contamination and improve waste management, the Company will assess the installation of an incinerator as part of its waste management plan (**ESAP #1**).

Other waste generated at LAP and MML, including housing and operational waste (such as packaging materials and wooden pallets), is collected and disposed of periodically by third-party contractors. While this arrangement ensures removal of waste, further formalization of waste management practices and monitoring is required to ensure safe handling and disposal in line with IFC PS3 (**ESAP #1**).

Pollution Prevention – air emissions, odor, noise and hazardous wastes

At LAP, emissions include odors arising from poultry manure and housing facilities, which may affect on-site conditions and surrounding areas if not properly managed. At MML, key emissions include dust generated from milling and material handling processes, which may pose risks to worker health and contribute to fire and explosion hazards if not adequately controlled. Noise is generated from machinery, equipment, and transport activities at both sites.

Additionally, hazardous materials used at LAP include cleaning and disinfection chemicals required for poultry operations, as well as other substances used for hygiene, biosecurity purposes and the generator (diesel).

To align with **ESAP #1**, the Company will develop and implement site-specific management plans under the ESMS to address air emissions, dust, odor, noise and hazardous materials. These will include the implementation of dust control systems, odor management measures, noise mitigation practices, safe handling, storage, and use of hazardous materials and monitoring programs aligned with IFC PS3 and the WBG EHS Guidelines.

Pesticide Use and Management

The risk of pest infections is present across both LAP and MML operations. Insecticides, rodenticides and, where applicable, fumigants may be used to control pests and maintain biosecurity and product quality. In line with **ESAP #1**, the Project will develop and implement an Integrated Pest Management (IPM) approach for LAP and MML.

The IPM approach will integrate coordinated use of pest management methods, prioritizing preventive and non-chemical measures, including good housekeeping, structural controls and biological methods, with chemical control used as a last resort. Pesticides will be selected, handled, stored, applied for and disposed of in accordance with the Food and Agriculture Organization's International Code of Conduct on the Distribution and Use of Pesticides or other GIIP (**ESAP #7**).

PS4 – Community Health, Safety & Security

Life and Fire Safety (LFS)

LFS is a key consideration for MML, given the presence of flour dust and associated fire and explosion risks in milling operations. Control measures to prevent and mitigate such risks will need to be strengthened, including the use of appropriate dust management systems, adequate ventilation, safe electrical equipment, and procedures to minimize ignition sources (e.g., control of sparks, and housekeeping practices to prevent dust accumulation).

In compliance with **ESAP #8**, the Company will undertake a life and fire safety assessment to review the adequacy of existing systems and identify required improvements. This will include evaluation of ventilation and dust extraction systems, fire detection and alarm systems, and appropriate fire suppression measures. The assessment will also review emergency preparedness arrangements, including evacuation routes, availability of firefighting equipment, and coordination with local emergency services, to ensure alignment with Good International Industry Practice (GIIP).

Community Health and Safety - Biosecurity

Biosecurity and hygiene measures are essential to prevent the spread of disease from poultry operations to surrounding communities and the environment. During the site visit, no formal biosecurity controls were observed at LAP, including the absence of defined procedures for access control, sanitation, and the use of personal protective equipment (PPE).

The absence of these measures may increase the risk of disease transmission beyond the facility, including through workers, visitors, and potential contact with surrounding areas. As part of **ESAP #1**, the Company will develop and implement biosecurity procedures for LAP, including controlled access measures, hygiene protocols, visitor management, and awareness programs to minimize the risk of contamination and disease propagation beyond the site.

External Grievance Mechanism

The Project will implement an external grievance mechanism to ensure that affected communities have access to information and can raise concerns throughout the Project lifecycle (**ESAP #9**).

Traffic and Road Safety

Transport of raw materials and finished products at both LAP and MML involves the use of trucks and third-party logistics providers, which may pose risks to community safety, particularly along access roads and in surrounding areas. As part of **ESAP #1**, the Company will implement traffic safety measures, including driver training and awareness programs on safe driving practices, enforcement of speed limits, vehicle maintenance requirements, and monitoring of contractors and third-party drivers, in line with IFC PS and GIIP.

Security

Security services at LAP and MML are provided by third-party contractors. Based on information provided by the Company, security personnel are expected to comply with applicable national laws.

As part of **ESAP #10**, the Project will strengthen security management by: (i) reviewing and updating contracts with security providers to include provisions on personnel vetting, training, conduct and incident management; (ii) ensuring that security personnel are appropriately trained and operate in accordance with applicable national laws and applicable IFC PS standards, including proper conduct, use of force and respect for workers and community members and (iii) establishing procedures for reporting and managing incidents to ensure effective oversight and accountability of the security function.

Stakeholder Engagement

The Company engages with relevant authorities, including the Environmental Protection Agency (EPA), Ministry of Labor, Ministry of Gender, Port Authorities and other line agencies, particularly in relation to permitting and regulatory compliance. However, there is no structured stakeholder engagement process in place for surrounding communities. At present, no formal grievance mechanism exists for external stakeholders to raise concerns related to the Project (**ESAP #9**).

As part of **ESAP #1**, the Company will develop and implement a Stakeholder Engagement Plan, including procedures for external communications. This will include mechanisms to: (i) receive and register communications and complaints from the public; (ii) assess and determine appropriate responses; (iii) track and document responses; and (iv) adjust management measures where necessary.

Local Access of Project Documentation:

Company: LAP (Liberian – American Poultry) and MML (Modern Mills Liberia)

Point of Contact: Maimunah Balde

Title: General Manager

Telephone Number: +231 776 597 930

Email: maibalde26@gmail.com

Mailing Address: Modern Mills Liberia
Jamaica Road Junction
Bushrod Island Freeport
Monrovia, Liberia

Website: <https://www.modernmillsliberia.com/>
<https://lapliberia.com/>