GENERAL SUSTAINABILITY REQUIREMENTS

To be reviewed and acknowledged by all contractors responding to this RFP

This Sustainability Code of Conduct outlines the minimum environmental, social, health & safety, and ethical standards required of all contractors engaged on this project. Contractors are expected to integrate these principles into all aspects of their work in alignment with the **International Finance Corporation (IFC) Performance Standards** and the **World Bank Group Environmental, Health, and Safety (EHS) Guidelines**.

1. Environmental Responsibility

- **Regulatory and Standards Compliance**
  Contractors must comply with all applicable environmental laws and regulations, as well as the requirements of **IFC Performance Standard 3 (Resource Efficiency and Pollution Prevention)** and the **World Bank EHS Guidelines**.
- **Pollution Prevention and Control**
  - Contractors must avoid or minimize emissions, effluents, noise, and hazardous waste. Controls must be in place to prevent contamination of air, water, and soil, and to ensure proper waste segregation, storage, and disposal.
  - All fuel storage must be bunded to prevent spillage. Provide a bund wall with a capacity of at least 110% of the total volume of any fuel storage on-site.
- **Resource Efficiency**
  Efficient use of energy, water, raw materials, and fuel is required. Preference should be given to environmentally friendly products, low-emission technologies, and cleaner production processes.
- **Protection of Biodiversity and Natural Resources**
  Contractors must avoid impacts to critical habitats and natural ecosystems. Where unavoidable, appropriate mitigation and restoration actions must be implemented, in accordance with **IFC Performance Standard 6**.
- **Waste Management:**
  - All general waste must be segregated, kept at defined location within the project laydown area and disposed of through the LFZ Material Recovery Facility on a chargeable basis.
  - All hazardous waste must be disposed of via a government-approved third-party vendor within LFZ, with a copy of waste manifest to be submitted to LFZ on a monthly basis.
  - The burning of any waste is strictly prohibited within the LFZ.
  - No discharge of any liquid waste into surface water bodies on-site is permitted.

2. Social Responsibility

- **Labor and Working Conditions (IFC PS2)**
  Contractors must provide fair and safe working conditions:
  - No use of forced or child labor.
  - Freedom of association and collective bargaining.
  - Equal opportunity and non-discrimination.
  - Written terms of employment and fair compensation.
  - A clear, accessible grievance mechanism for workers.
  - In case of any grievance, contractor and workforce can also utilize LFZ grievance redressal mechanism such as writing email to: grievance.lfz@tolaram.com or drop letter into suggestion boxes provided within LFZ.

- If worker accommodation is envisaged for the project under scope within LFZ, submit a separate accommodation plan that fully complies with IFC Labour Camp Guidelines (https://www.ifc.org/en/insights-reports/2000/publications-gpn-workersaccommodation) and OSHA temporary labour camp guideline - 1910.142

- **Community Health, Safety, and Security (IFC PS4)**
  Contractors must minimize and manage risks to nearby communities, including traffic impacts, noise, dust, hazardous materials, and interactions with security personnel.
- **Corporate Social Responsibility**
  - Prioritize hiring casual labour from the local community, in coordination with the LFZ Community Liaison Officer (CLO).
  - Preferentially hire trainees of Ishk Tolaram Training Center (ITSC) within LFZ.
  - The Contractor shall ensure that a minimum of 20% of the total workforce engaged for the project is hired from the local community, provided that individuals meet the required skill and educational qualifications. The Contractor is strongly encouraged to maximize local community participation beyond this minimum wherever feasible, including by offering training or upskilling opportunities to enable broader inclusion.
- **Cultural Heritage (IFC PS8)**
  As of now, there is no cultural heritage site in and around LFZ. In case of any discoveries must be reported immediately and work stopped in the affected area until reviewed.

3. Occupational Health and Safety

- **World Bank EHS Guidelines Compliance**
  Contractors must implement robust occupational health and safety measures, including:
  - Risk assessments and mitigation measures.
  - Provision and enforcement of PPE use.
  - Follow the Permit-to-Work process of LFZ.
  - All workforce need to undergo the safety induction of LFZ prior to start of work.
  - Worker training and supervision.
  - Access to first aid, clean water, sanitation, and rest facilities. The use of sachet water in LFZ is strictly prohibited.
  - Provide gender-segregated toilet facilities on-site.
  - Provide gender-segregated changing rooms for workers.
  - Immediate reporting and investigation of all incidents.
- **Emergency Preparedness**
  - Contractors must maintain site-specific emergency response plans, including for fire, spills, injuries, and natural hazards.
  - Site emergency response plan should be submitted to LFZ for review and approval before commencement of site work.

4. Ethical Conduct and Governance

- **Anti-Corruption and Business Integrity**
  Contractors must conduct business fairly, without bribery, extortion, or fraud. Contractor should use LFZ's whistle blowing mechanism to report any unethical behaviour at: ethics.lfz@tolaram.com
- **Transparency and Disclosure**
  Contractors must disclose relevant information accurately and in a timely manner and cooperate fully with inspections and audits.

- **Conflicts of Interest**
  Any potential or actual conflicts of interest must be disclosed to LFZ before contract award or immediately upon identification.

5. Subcontracting

- **Approval and Responsibility**
  Contractors may not engage subcontractors for any part of the work without prior written approval from LFZ.
  Contractors remain fully responsible for the performance, conduct, and compliance of all subcontractors with this general sustainability requirements and the contract terms.
- **Due Diligence**
  Contractors must conduct due diligence to ensure all subcontractors meet the required environmental, social, health & safety, and ethical standards, including:
  - Labor law compliance.
  - Environmental risk management.
  - Health and safety systems.
  - Human rights protections.
- **Monitoring and Enforcement**
  Contractors must monitor subcontractor performance and enforce compliance. Non-compliance by a subcontractor will be treated as a breach by the primary contractor.

6. Implementation and Monitoring

- **Management Systems**
  Contractors must maintain internal systems and documentation to support compliance with the conditions stipulated in this document.
- **Audit and Review**
  LFZ reserves the right to audit contractor and subcontractor activities for compliance.
  Contractors must cooperate with all monitoring and reporting requests.
  - Submit an ESG (Environmental, Social, and Governance) report on the 21st of each month, detailing the following metrics: Fuel usage, Water usage, Recyclables, General wastes generated and disposed, Incidents of child labour and forced labour, Grievances filed, workforce (disaggregated) etc. - a data sheet will be provided by LFZ.
- **Corrective Action and Consequences**
  Contractors must take prompt corrective actions for any non-compliance. Failure to comply may result in penalties, suspension, or contract termination.

A detailed **sustainability code of conduct** and **safety code of conduct** shall be shared with the final shortlisted agencies.

Acknowledgement

By responding to this RFP and/or entering into a contract, the contractor confirms their commitment to:

- Adhering to the conditions stipulated in this document.
- Aligning with **IFC Performance Standards** and **World Bank EHS Guidelines**.
- Ensuring subcontractor compliance and maintaining full accountability for all work undertaken under their scope.