



Non-Technical Summary of Dorado FZCO's Environmental and Social (E&S) Performance

1. Introduction

1.1. This Report

This Environmental and Social (E&S) Audit Report presents the findings of an independent review of the environmental and social performance of Dorado FZCO and its subsidiary Dorado Ivory, the operator of a cashew-processing facility in at Pk 191, Village Blé,, Côte d'Ivoire (Figure 1). The European Bank for Reconstruction and Development (EBRD) is considering finance to support the company's working-capital needs, and the audit was undertaken to understand how Dorado Ivory's operations align with national regulatory requirements, international best practice and EBRD requirements.

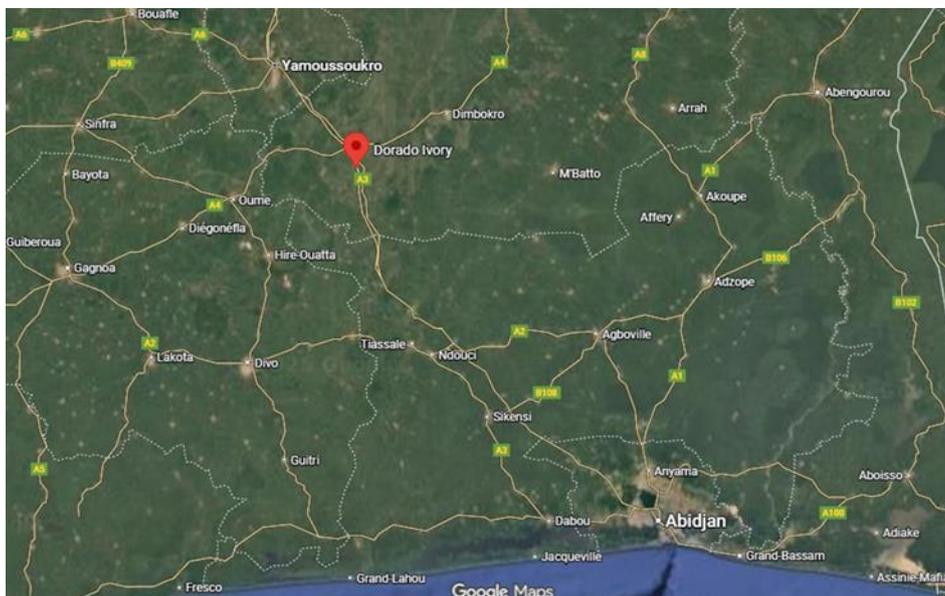


Figure 1 - Macro location of Dorado Ivory processing facility in relation to Abidjan

Dorado FZCO is also developing a new cashew-processing facility, Bluejay Nuts, in Yamoussoukro. While this new site falls outside the scope of EBRD financing, its development was reviewed at a high level.

The Dorado Ivory processing plant is the largest cashew-processing operation in Côte d'Ivoire, with a site footprint of 12 hectares and an annual processing capacity under a single roof of up to 120,000 tonnes. Côte d'Ivoire plays a dominant role in the global cashew market and is the world's largest producer of raw cashew nuts. The sector provides an important source of income for farmers, cooperatives and rural communities but also faces persistent challenges, such as inconsistent labour conditions, risks of child labour, weak traceability systems, and environmental pressures including forest loss and climate-related production risks.

Dorado Ivory sources raw cashew nuts from a wide network of cooperatives and aggregators. During the audit it was observed that cooperatives tend to operate more structured systems for documenting member farmers, maintaining records and receiving training from national

agencies, while aggregators typically operate more informally, with less transparent sourcing routes. The geographic spread of sourcing locations are shown indicatively in Figure 2



Figure 2 - Raw Cashew Nuts suppliers' distribution

1.2. Facility and operations

Dorado Ivory's processing facility industrial operation includes:

- A large single roof integrated processing plant where raw nuts are cleaned, steamed, shelled, peeled, dried, graded and packaged;
- Raw-material warehouses and finished-goods storage facilities;
- A 20,000 m² outdoor drying platform where nuts are sun-dried before processing;
- Biomass boilers that burn cashew shells;
- Generators providing backup power supply to the onsite operations; and
- A dedicated Cashew Nut Shell Liquid (CNSL) extraction facility extracting cashew shell oil from discarded shells.

At the time of the audit, the facility employed approximately 1000 contractor-provided daily and monthly workers and around 200 direct employees, including expatriate staff, local staff and migrant workers from neighbouring countries. Labour demand is reported to increase significantly during the cashew harvest season (February to July).

2. Summary of Environmental and Social Risks and Benefits, and Associated Measures

The E&S audit found that Dorado Ivory has demonstrated a high level of openness and cooperation throughout the assessment process and is actively taking steps to improve various aspects of its environmental and social management. Several notable strengths were observed that contribute positively to the facility's sustainability performance.

Environmentally, the site has integrated several measures to improve resource efficiency. Water use is monitored daily and treated water is reused for irrigation and landscaping. The facility also operates biomass boilers that burn cashew shells, a natural by-product of the processing line, to generate steam, reducing the need for fossil fuels and lowering greenhouse gas emissions. Electricity consumption is tracked and Dorado Ivory is in the process of installing rooftop solar panels across the facility to further reduce reliance on grid power. Waste reduction is another area of progress, with cashew shells being used both for energy and for CNSL extraction, a valuable commercial product.

From a health and safety perspective, the audit observed generally strong implementation of safety measures during the site visit. Workers across production lines adhered to personal protective equipment (PPE) requirements, appeared familiar with task-related risks, and were supported by an experienced on-site health and safety team. The facility benefits from an infirmary operating 24 hours a day and staffed by trained medical personnel, with access to an ambulance and established arrangements with Toumodi Hospital. Regular induction training, toolbox talks and fire-safety exercises are conducted, often in collaboration with local emergency services.

The audit also found evidence of strong relationships between Dorado Ivory and neighbouring communities. Dorado Ivory participates in local events and has implemented projects such as water point installations, school support and other community initiatives. These positive relationships have contributed to a generally supportive social environment around the facility.

The audit identified areas where improvements are needed to fully meet EBRD requirements and international good practice, which have been included in an Environmental and Social Action Plan (ESAP) with time-bound requirements.

Supply-chain management represents a risk and, although Dorado Ivory conducts legal checks when onboarding cooperatives, a structured due-diligence process must be established for assessing labour conditions, environmental performance or deforestation risks at the farm level. Most cooperatives do not maintain complete farmer registries, and aggregators often source from multiple, sometimes unknown, origins. As such, there is limited understanding of potential risks related to child labour, unsafe working conditions, biodiversity loss or the sourcing of raw materials from sensitive areas.

Labour and working conditions within the facility also require enhancements. While Dorado Ivory's direct employees have written contracts and access to benefits, the majority of the workforce consists of contractor-provided workers, and consistent oversight of contractor performance is required in areas such as wages, working hours, health insurance enrolment, grievance handling, or freedom of association. The grievance mechanisms for both workers and communities require strengthening to ensure accessibility, confidentiality, and appropriate handling of if there we sensitive cases such as gender-based violence and harassment (GBVH) to arise.

3. ESAP Summary

A key mitigation measure in in the Environmental and Social Action Plan (ESAP) is the development of a formal Environmental and Social Management System (ESMS). While a number of individual policies, procedures and operational controls are in place, they will be integrated into a coherent system that systematically identifies, monitors and manages risks and drives continuous improvement. A comprehensive ESMS will be established to adequately manage environmental and social risks across areas such as environmental emissions and wastes, contractor management, emergency preparedness, and the supply of cashew nuts from cooperatives and aggregators.

A Supply Chain Management System, applicable to both cooperatives and aggregators, will be established including procedures and resources for supplier selection and approval, contract management, performance monitoring, risk management, traceability, transparency and continuous improvement. The Supply Chain Management System will also define clear roles, responsibilities, and reporting lines for supply chain governance. To inform the Supply Chain Management System, a supply chain risk assessment will be conducted which will include the following:

- a. Identify sourcing locations, suppliers, and potential biodiversity hotspots or protected areas, investigate any areas of potential recent deforestation and take forward appropriate action;
- b. Assess labour and working conditions across suppliers, including risks related to child labour, forced labour, wages and benefits, working hours, occupational health and safety practices, and access to grievance channels;
- c. Categorise risks through a clear risk ranking process and develop appropriate mitigation measures with a costed implementation program that works towards full compliance of the supply chain with Dorado E&S (including human rights) requirements, in line with EBRD ESR1, ESR2 and ESR6.

Emissions management and monitoring will also be strengthened to address identified exceedances in ambient air quality (including NO₂, CO and particulate matter), excessive noise levels and non-compliant pH levels for water, as well as to collect stack emissions data. The ESAP includes a requirement to develop internal monitoring programmes to supplement

regulatory tests and implement corrective action plans that follow up on any non-compliance results.

Several areas, such as hazardous materials management, emergency response planning, accommodation standards, documentation of contractor oversight, grievance response for sensitive complaints such as Gender Based Violence and Harassment (GBVH), and structural safety checks, will also be addressed through mitigation measures in the ESAP, including more formalised procedures and monitoring systems.

As part of ESAP implementation, Dorado Ivory will develop and formalise an updated organisational chart that defines clear roles and responsibilities for Human Resources, HSE, and supply chain management, and recruit or designate qualified personnel to fill open positions and new positions required to take forward ESAP items, particularly related to supply chain management.

Implementing these measures will help Dorado Ivory align with EBRD's Environmental and Social Requirements, improve operational resilience, and contribute to more sustainable and responsible operations in Côte d'Ivoire.