

### Company Profile: ABA Business Solutions Corporation

ABA is the leading provider in cold chain logistics in Vietnam, servicing customers across the country in transporting goods. With over 70 owned trucks, ABA provides several types of last mile cold-chain logistic services to companies such as Big C, VinMart, Unilever and Metro. In May 2016, ABA acquired a cold chain storage facility in Hanoi to become a full solution cold chain logistics company (see photo of storage facility below).



### The Challenge

The old section of the refrigeration system at the cold chain storage facility runs on Freon gas. This gas is not environmentally friendly as it causes ozone depletion and is also a threat to the employees as a leakage could cause severe side effects. Given the negative safety and environmental impacts that using Freon gas has, the Montreal Protocol (1987) has created a timeline for all countries to phase out Freon. Although Freon will not be phased out of Vietnam until 2020, many multinational and top tier Vietnamese companies are setting higher standards to comply with ESG\* standards and stop working with businesses that use Freon gas across their supply chain.

\*Environmental, Social, and Governance

### The Sustainability Innovation Grant

In October 2016, ABA was awarded a \$120,000 CAD Sustainability Innovation Grant (SIG) from Global Affairs Canada and managed by Mennonite Economic Development Associates (MEDA), with ABA contributing \$240,000 CAD. This grant contributed to the conversion of the old section of the cold chain storage facility from Freon to ammonia gas, and created the largest 100% ammonia cold chain storage facility in North Vietnam. The facility has an ozone depletion potential rating of 0 and a global warming potential of 0.

### SIG Impact

#### Increased Employees Environmental Awareness

The conversion of the refrigeration system was a big endeavor for the company and required all of ABA's employees to get involved. Managers held educational sessions to inform the employees on the reasons why the refrigerators in the old system needed to be converted and the downtime and other implications associated with it. These sessions provided employees with the understanding of the environmental and safety risks associated with the use of Freon gas and the need for conversion.



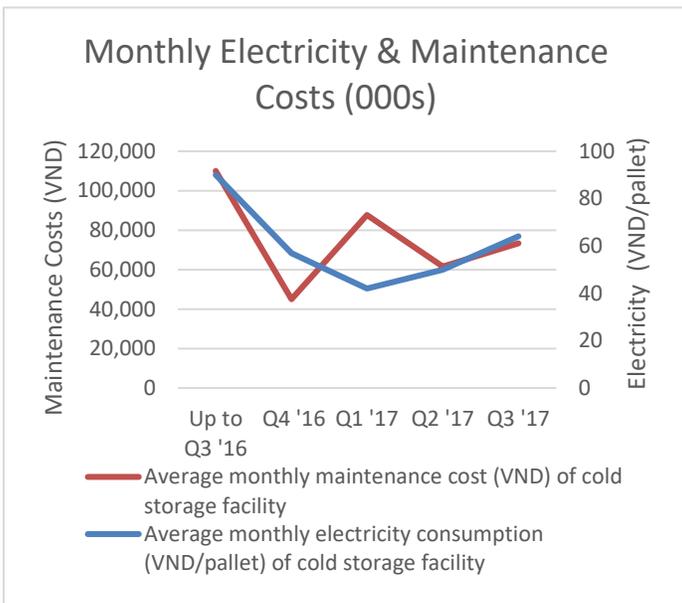
### Improved Working Conditions

The new ammonia system was also equipped with the latest technology for monitoring the temperatures and was much less noisy than the Freon system. Employees were able to work in a quieter environment and the system now operates at optimal temperatures for storing fresh produce and livestock. This has ensured consistency of the goods that are distributed to clients.

“I can check temperatures of the ammonia system from my phone and the cold rooms make less noise, which has created a better workplace for me. I am happy that I can now easily manage the system for temperature and operations.”- Chinh Truong, Operations Manager

### Reduced Energy Consumption and Costs

During the implementation of the conversion, ABA became aware of the issue of refrigerator leakages and the associated costs with this. ABA dealt with these issues by installing air tight locks and optimized space within each fridge by creating a robust inventory system. This has reduced electricity costs by approximately \$30,000 VND per pallet per month (\$1.64 CAD), with over hundreds of pallets; this has resulted in huge savings. Additionally, after the conversion the monthly maintenance cost decreased by approximately \$36,672,382 VND per month (\$2,025 CAD). Please note that the savings vary by quarter given the seasonality of the business.



### Sustainability

ABA now understands the value of adopting more environmentally friendly practices. The company is currently working on creating a cleansing area for their truck fleet that would lead to savings on water and soap. This project has contributed to the Sustainable Development Goals of 'Responsible Consumption and Production' and 'Decent Work and Economic Growth.'

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### Lessons Learned

ABA learned that their supplier and installer of the ammonia system, Hung Tri, needed more guidance on how to stick to timelines and comply with other contractual obligations. To overcome this, they hired a quality control supervisor who oversaw the installation of the new system and helped Hung Tri stay on track. Even though ABA established trust with this supplier, the company realized that they still need to closely oversee this process which, was a big lesson for them.

