Environmental and Social Review Summary (ESRS)
2020 FMCG Import Finance Facility – Guyana

Original language of the document: English
Publication date: July 2026

1. General Information of the Project and Overview of Scope of IDB Invest's Review

2020 FMCG Inc., ("FMCG", the "Company" or the "Client") is a Guyana-registered company established in 2020, owned by the Farfan and Mendes Group, which has operated in Guyana for over 60 years. FMCG is an industrial equipment distribution and services company that supports agriculture, forestry, renewable energy, oil and gas and mining industry. Building on the Client's existing relationship with IDB Invest,[1] the Company seeks to finance equipment and material purchases from approved suppliers, primarily for ongoing solar photovoltaic and Battery Energy Storage System ("BESS") projects in Guyana's renewable energy and agriculture sectors (the "Project"). The funds will also be used for future projects.

The environmental and social due diligence ("ESDD") process included: i) a site visit; ii) virtual meetings with the Client; and ii) the review of the Company's environmental management systems, policies and procedures on environmental health and safety, waste management, emergency response, gender, stakeholder engagement, and human resources.

To ensure the Project's commitment to respect and protect human rights, its zero tolerance for retaliation, and its commitment to providing and guaranteeing a safe environment for workers and stakeholders to voice their concerns without fear of retaliation, the ESDD process also included the review of the Client's following documents: i) Diversity and Equity Inclusion ("DEI") Policy; ii) Human Rights Policy; iii) Employee Handbook; iv) Human Resources Manual; v) Whistleblowing Policy; vi) Code of Conduct; and vii) Worker and Community Grievance.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according to Invest's Environmental and Social Sustainability Policy since it will likely generate, among others, the following impacts: i) occupational health and safety ("OHS") risks; ii) generation and storage of various categories of waste (including hazardous waste from end of panels and batteries life cycles); and iii) supply chain disruptions. These impacts are deemed to be of low to medium intensity and can be reduced or managed by the implementation of readily accessible mitigation measures.

[1] https://idbinvest.org/en/projects/2020-fmcg-inc

The Performance Standards ("PS)" triggered by the Project are (i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; (ii) PS2: Labor and Working Conditions; (iii) PS3: Resource Efficiency and Pollution Prevention; and (iv) PS4: Community Health, Safety, and Security.

3. Environmental and Social Context

3.1 General characteristics of the Project's site

Company operations include a primary commercial address along the East Bank Demerara which serves as the headquarters, alongside a secondary branch in the capital, Georgetown. All locations are situated within mixed use urban areas surrounded by varying degrees of built infrastructure.

3.2 Contextual risks

Guyana is considered a booming oil economy, rapidly transitioning from low to upper-middle income. However, its economic growth has not translated into changes in overall human development. The country is generally classified as one with very high levels of social and economic inequality. Sharp differences in living standards between the coastal plain and the hinterlands are visible as anecdotal evidence underscores marked differences in income distribution among the various ethnic groups. Although poverty has remained relatively stable in recent years, Guyana continues to face elevated security risks. The homicide rate declined from 19 per 100,000 people in 2023 to 14.3 per 100,000 in 2024, while serious crimes remain common, including armed robbery, burglary, and home invasions, particularly in Georgetown.[2]

Infrastructure challenges related to transportation, energy, telecommunications, water and sanitation, and flood protection continue to represent key constraints to private sector development. High energy costs and reliability have led many households and firms to source or supplement power from generators, thereby representing significant private costs to the economy. In addition, driven by a rural urban divide, access to electricity is below regional averages. [3]

Overall, oil production has introduced a new set of challenges since the country has never been an oil producer. The size of the expected oil-related windfall, in combination with existing development challenges, is expected to increase pressure on the current legal and regulatory framework, public finances, and potentially economic competitiveness. The new dynamics are likely to contribute to increased migration inflows and will probably result in an increased demand for electricity and housing presenting numerous challenges to the country's capacity to absorb and integrate them.[4] The Guyana–Venezuela dispute over the Essequibo region remains an active geopolitical issue, intensified by major offshore oil and gas discoveries.[5]

---

[2] https://data.worldbank.org/indicator/VC.IHR.PSRC.P5?locations=GY

[3] The average tariff for household electricity in Guyana is US$0.23/kilowatt hour (kWh), higher than the average for several Latin American and Caribbean (LAC) countries of US$0.16/kWh, though lower than The Bahamas, Barbados, and Jamaica (GlobalPetrolPrices.com, 2022). 63 % of Guyanese firms reported high energy costs as a major or very severe obstacle to doing business.

[4] From 2018 to 2021, estimates indicate that Guyana received more than 15,000 immigrants from other countries of LAC. The increase represents nearly 2% of the population of Guyana. (IDB Calculations based on UNDESA and R4V)

[5] https://icj-cij.org/case/171

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks

4.1.a E&S Assessment and Management System

The Company has developed and implemented an integrated Health, Safety, Environment & Quality ("HSEQ") Manual which uses ISO 9001, 45001 and 14001[6] respectively as a framework to guide the assessment and management of environmental and social ("E&S") risks and impacts. This is supplemented by a Quality Management System ("QMS") Manual. While the Company is ISO 9001 compliant it is not yet certified for ISO 14001 and 45001. In line with current business services, it possesses a DNV Type Approval Certificate[7] and relevant local licenses and permits.[8]

As part of its projected operational growth, the Company has prepared a Strategic Business Plan that identifies future business activities, organizational development priorities, resource needs, and monitoring requirements relevant to its management system. These inputs are expected to inform E&S risk identification, management programs, organizational capacity, and performance review processes, particularly in relation to the planned expansion of renewable energy and agricultural-related activities.

Overall, the Client has developed a broad suite of E&S, HSEQ, HR, grievance, stakeholder engagement, procurement, and security-related policies and procedures as part of its management system. However, several documents address overlapping topics without a defined document hierarchy or cross-reference system. Therefore, as part of the ESMS strengthening process, the Client will: i) review and streamline, or clearly cross-reference, overlapping documents; ii) conduct a gap assessment for the HSEQ Manual and associated procedures to strengthen E&S risk identification and impact assessment processes in accordance with the new business portfolio; iii) provide updates on outdated permits and licenses; and iv) develop and maintain a permit and license register.

4.1.b Policy

The Company has adopted an E&S Policy which outlines its commitment to complying with *"applicable environmental laws..."*, satisfying *"statutory and regulatory requirements…"* and *"carrying out ethical business practices to prevent pollution, protect vulnerable groups and the environment"* in which it operates.

---

6 The International Standardization Organization ("ISO") 9000 family is a set of five quality management systems standards that help organizations ensure they meet customer and other stakeholder needs within statutory and regulatory requirements related to a product or service; ISO 4500 is the international standard that specifies requirements for an occupational health and safety (OH&S) management system. It provides a framework for organizations to manage risks and improve OH&S performance; ISO 14001 is the internationally recognized standard for environmental management systems (EMS). It provides a framework for organizations to design and implement an EMS and continually improve their environmental performance.

7 A DNV type approval certificate is an official document issued by DNV (Det Norske Veritas)—a globally recognized classification and certification society. It verifies that a specific product, material, or system design successfully meets predefined safety, quality, and environmental standards for use in demanding industries like maritime and offshore – Current FMCG certificate expires on 09-Apr-2028

8 Environmental Protection Agency (EPA) ; Guyana Energy Agency (GEA); Guyana Fire Service; Guyana National Bureau of Standards.

4.1.c Identification of Risks and Impacts

Risks and impacts are currently identified through the HSEQ Department in collaboration with relevant areas of the organization and aligned with the relevant ISO standards. Guided by the HSEQ Manual, the Company maintains a risk matrix and conducts hazard identification and risk assessments. Once identified, these risks are assessed and rated based on their potential impact and likelihood. Appropriate actions are then defined and implemented to mitigate or manage the identified risks.

The Client will update its HSEQ Manual to reflect the identified E&S risks, referenced Risk Management Methodology, and representational outlines for the risk matrix and register.

4.1.c.i Direct and indirect impacts and risks

Alongside daily operations, the Project will likely generate the following impacts: i) OHS risks; ii) generation and storage of various categories of waste (including hazardous waste from end of panels and batteries life cycles); and iii) supply chain disruptions. These impacts will be managed according to the updated HSEQ Manual, product certifications, and applicable local legislation requirements.

4.1.c.ii Analysis of alternatives

The proposed investment will build on current daily operations within the Client's existing infrastructure and business portfolio. Therefore, no alternative assessment was carried out.

4.1.c.iii Cumulative impact analysis

Since primary activities identified thus far will be undertaken according to the Client's existing daily operations, no cumulative impact assessment was carried out. The HSEQ Manual will outline a process for such analysis associated with potential future activities.

4.1.c.iv Gender risks

The socio-economic profile of Guyana highlights the vulnerabilities of both men and women. However, women are more at risk because of their lower social and economic status, lower rates of participation in the labor force, higher rates of unemployment, and lower wages, as well as their increased responsibilities for domestic work and care of children, the sick, the elderly, and the disabled. The rate of poverty is higher among women and, since approximately 28% of households are headed by females, these families are at even greater risk. Reports indicate that Amerindian women in rural areas are even more vulnerable than Afro or Indo-Guyanese women.[9] Overall, the country does not have frequent and comprehensive labor or household surveys.

While female labor force participation has increased, it is still well below regional averages and women still have much lower participation rates than men. Additionally, women's employment is

[9] https://wrd.unwomen.org/sites/default/files/2023-02/P171256061c7720380a3930fca480d1e516.pdf

more concentrated in sectors with lower earning potential with 60.8% of women employed in the service sector, compared to only 41.8 % of men – this includes lower participation in agricultural and extractive industries, which are the largest sources of employment and profits in Guyana. Women also have low participation as top managers, representing 17.7% in the country, which is slightly lower than the regional average of 21.1%.[10]

As it relates to education, just as in other Caribbean countries, girls and women have higher rates of attendance at educational institutions than boys and men.[11] In addition, girls tend to achieve better examination results linked as well to the relatively high percentage of female-headed households. However, the result is mixed as it relates to health, education, and other social indicators in terms of their likely impacts on employment for women and men. While women have overtaken men in educational attainment, economic opportunities remain skewed against women (men have a labor force participation rate of 68% compared to 44.1% for women), with employment loss disproportionately affecting women.[12]

Violence against women and girls is widespread driven by an intersection of cultural, economic, social, and political factors. Although the country's comprehensive legislative environment protects their rights, women and girls continue to suffer high rates of sexual and other forms of victimization. Persistent and endemic sociocultural norms and enduring inequalities have given rise to an aberrantly high prevalence of intimate partner violence ("IPV"). Guyanese women experience IPV at significantly higher rates than the global average of 1 in 3 women.[13] The country is also noted as a source and destination country for human trafficking, which affects men, women, and children.

4.1.c.v Gender Programs

Approximately 40% of the Client's workforce are women, with 55% holding senior management and 56% administrative positions respectively. The Company has separate restroom facilities in its offices for men and women. The workforce includes security officers of both genders. If a search is required involving a female worker or visitor, female security officers are available to conduct the search in a respectful and appropriate manner. Emergency response arrangements take into consideration the needs of pregnant workers. Maternity leave is in accordance with local legislation while arrangements for paternity leave are granted via informal leave arrangements.

The Company's Human Resources ("HR") Manual, Employee Handbook (which includes a Code of Conduct), and Diversity, Equity and Inclusion ("DEI") Policy establish commitments to equal employment opportunity, non-discrimination, and prohibition of bullying and harassment in all forms (including sexual). It applies to all employees, third parties and contractors and procedures are outlined for reporting complaints through supervisors, HR, or management.

---

[10] Guyana Country Development Challenges (CDC), December 2016

[11] In 2019, 70.9% of women had at least some secondary education while only 56.4 % of men had the same level of educational attainment.

[12] https://statisticsguyana.gov.gy/wp-content/uploads/2019/10/GLFS_2017_Quarter3_Final-PDF-1.8MB.pdf

[13] https://statisticsguyana.gov.gy/wp-content/uploads/2020/01/20191117-Guyana-Womens-Health-Report-11-for-digital-single-pages.pdf

However, the current framework is segmented and does not explicitly address gender-based violence ("GBV") or establish GBV-specific response measures. The Client will therefore update the Employee Handbook and associated HR policies to incorporate paternity leave arrangements and a comprehensive GBV policy.

4.1.c.vi Climate change exposure

Guyana is exposed to a wide range of natural hazards and climate-related events, particularly those related to sea level rise ("SLR"), and extreme rainfall and temperatures. Historically, it has been exposed to flooding because of low-lying land, and challenges maintaining the system of sea defenses and drainage infrastructure comprising a network of dikes, conservancy dams, and sluices.[14] There are two rainy seasons characterized by frequent flooding: May to mid-August, and December to January. In many cases, the drainage capacity is unable to accommodate daily rainfall events that exceed a 25-year return period, and coastal areas such Georgetown remain at higher risk of flooding due to coastal storms and extreme rainfall.

SLR therefore presents a significant threat to the country given its extensive low-lying coastal zone and the concentration of socio-economic activities within these areas. Vulnerability scenarios for the coastal zone indicate that SLR overtime will lead to inundation of coastal areas, saline intrusion into surface and ground water sources, and overtopping of existing sea defenses. Indirect impacts related to heat waves and increased temperatures include OHS risks during extreme temperatures.

Despite this situation, the Project has low exposure to physical climate-related hazards. Notwithstanding, the Client will assess its operations to ensure adequate mitigation and adaptation measures to offset any potential impact primarily due to risk from flood, SLR and extreme temperatures.

The Project is considered Paris Agreement aligned based on the analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach.

4.1.d Management Programs

The HSEQ Manual serves as the primary management program tool to guide E&S activities across the Company. This is supported by the QMS manual and several operational policies and procedures covering OHS, waste management, emergency response, HR, and procurement.

To ensure effective management of E&S activities, the Client will update the relevant sections of the HSEQ Manual, including the applicable operational policies and procedures to avoid, mitigate, or compensate for adverse E&S impacts associated with the Project.

[14] IDB Group Country Strategy with The Co-Operative Republic of Guyana (2023-2026)

4.1.e Organizational Capacity and Competency

An HSEQ Manager supported by a Team Lead and respective coordinators has responsibility for E&S issues.[15] Induction training is conducted for new employees. Additional training is provided throughout the course of the year as defined by the HSEQ Department's annual training plan. Notwithstanding, the Client will: i) update its HSEQ Manual to reflect an E&S organization chart and training matrix; and ii) strengthen its organizational capacity by filling the vacant Team Lead and Quality Coordinator positions.

4.1.f Emergency Preparedness and Response

The Company maintains emergency preparedness and response procedures ("EPR") through its HSEQ Manual and standard operating procedures ("SOP") covering accidents, incidents, near misses, medical emergencies, security breaches, fire and evacuation events, and chemical or hazardous substance spills. EPR is further supported by periodic evacuation drills, trained first aiders, and designated Fire Marshals to assist with evacuations.

To ensure adequacy of the EPR, the Client will: i) prepare and submit the Spill Prevention and Response Plan; ii) prepare a comprehensive EPR plan covering all categories of emergency (natural and man-made); iii) based on this plan, update EPR procedures within the HSEQ Manual; iv) provide evidence of training for all employees on these plans; and v) submit the annual drill reports.

4.1.g Monitoring and Review

The HSEQ Manual establishes processes to monitor, measure, analyze, and evaluate the performance of the integrated HSEQ management system, considering associated risks and, any significant environmental aspects. Performance is assessed through key performance indicators ("KPIs"), internal audits, supplier evaluations, customer feedback, and management reviews. Results are retained as documented information and used to support continual improvement. Additional guidelines are outlined in the QMS Manual. These processes are complemented by an E&S Governance ("ESG") Strategy which identifies material ESG topics, aligns initiatives with relevant development priorities, and tracks progress through defined actions and performance measures. This is monitored by the HSEQ Department, while social issues are overseen by the relevant functional departments.

The Strategic Business Plan further supports monitoring and review through its implementation roadmap, risk tracking measures, and KPI dashboard, which provides additional tools to track performance and identify areas where the ESMS may need to be strengthened as the Company expands.

4.1.h Stakeholder Engagement

Both internal and external stakeholders have been identified and mapped according to the Company's operation and synthetized in a stakeholder engagement matrix. The QMS Manual

[15] Team Lead and Quality Coordinator positions currently vacant

identifies the relevant interested parties and their expectations, including employees, customers, suppliers, regulators, contractors, financial institutions, community members, and other external stakeholders. It also outlines internal and external communication channels, including meetings, emails, letters, social media, advertisements, flyers, and customer feedback tools, which provide a basis for stakeholder communication and engagement.

The Strategic Business Plan reinforces direct stakeholder engagement as part of the Company's growth strategy, with digital channels (including the website, social media, and customer feedback tools) intended to complement face-to-face and field-based engagement.

4.1.h.i Disclosure of Information

The Company's website[16] is the main mean through which general information on operations, products and services is shared, alongside social media platforms.[17]

4.1.h.ii Informed Consultation and Participation

Due to the Project's characteristics, public consultation and disclosure are not required by local legislation.

4.1.h.iii Indigenous Peoples

The Project will not generate any negative impacts to indigenous communities. However, some positive impacts are anticipated through solar community initiatives.

4.1.h.iv Private Sector Responsibilities Under Government-Led Stakeholder Engagement

The Client will be guided by local permitting and licensing requirements for any Project components requiring public stakeholder consultations.

4.1.i External Communication and Grievance Mechanisms

Procedures regarding external grievances are guided primarily by the Company's *Grievance Mechanism – External Stakeholders Procedure* and *Customer Complaints Policy*. However, these documents have not been formally approved and there are no systematic details surrounding a Stakeholder Engagement Plan ("SEP"). Therefore, the Client will: i) formally approve these documents; and ii) update the HSEQ Manual to include a SEP.

---

[16] https://www.fmlgy.com/

[17] https://www.fmlgy.com/certification; https://www.facebook.com/farfanandmendes; https://www.instagram.com/farfanandmendes/ ; https://gy.linkedin.com/company/farfan-mendes-a-crosbie-member-company

4.1.i.i External communication

External communications are centered around the Company's website and social media. A Quality Supervisor monitors information and trends relating to customer perception and feedback received through the various channels including the website's customer survey.

4.1.i.ii Community grievance mechanism

The Company has multiple external grievance-related documents that overlap in scope and are not yet clearly aligned. The standalone *Grievance Mechanism – External Stakeholders Procedure* and *Customer Complaints Policy* are intended to govern external stakeholder and customer complaints, while the *Worker and Community Grievance Mechanism* ("SOP52") also includes a community/external grievance channel. Since the use of these instrument creates uncertainty regarding which document governs external grievances, the Client will: i) resolve the overlap among these documents to establish one clearly defined external grievance framework; and ii) update the external grievance mechanism by (a) clarifying its scope and separating it from the worker grievance mechanism, (b) defining accessible reporting channels for external stakeholders, (c) providing confidential and anonymous reporting options and explicit non-retaliation protections, (d) strengthening the procedure to clearly define how grievances are received, assessed, resolved, escalated, closed, and tracked, (e) defining timelines for each stage of the process, (f) including measures for vulnerable stakeholders, and (g) maintaining a grievance register.

4.1.i.iii Provisions for addressing vulnerable groups' grievances

The external grievance mechanism will capture and address grievances from all stakeholder groups (including vulnerable groups) relevant to the Client's existing operations and the Project.

4.1.j Ongoing Reporting to Affected Communities

The SEP will outline steps to ensure ongoing reporting to stakeholders which may be affected by the Company's daily operations or the Project.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

FMCG has 189 direct employees distributed across 12 functions and three operating sites, with employee attrition declining over the past three years. It is guided by and complies with applicable local labor laws regarding terms of employment.

4.2.a.i Human Resources Policies and Procedures

The Company has a designated HR Department led by a Human Resources Manager. Labor and working conditions are primarily governed by the Employee Handbook and HR Manual, with support from other HR-related instruments, including a standalone Code of Conduct for employee acknowledgement, a Training and Development ("T&D") Policy, a Compensation and Benefits Structure Policy, and a Recruitment and Retention Strategy. However, the Employee Handbook and HR Manual are dated, overlapping, and contain inconsistencies related to payment arrangements, site descriptions, and procedural requirements. In addition, some supporting HR instruments, such as the Compensation and Benefits Structure Policy, Recruitment and Retention Strategy, and Human Rights Policy, have not yet been formally approved.

The Client will therefore: i) update and harmonize its HR documents to ensure consistency in employment terms, procedural requirements, and document control; and ii) formally approve all supporting HR instruments.

4.2.a.ii Working Conditions and Terms of Employment

The Employee Handbook and HR Manual both set out the Company's working conditions and terms of employment, including: i) working hours; ii) probation; iii) leave entitlements; iv) wages and salary payment; v) overtime; vi) benefits; vii) retirement; and viii) termination. While these provisions provide a basis for communicating employment terms, the duplication between documents creates a risk of conflicting requirements and inconsistent implementation. Hence, as part of the HR document harmonization, the Client will ensure that the consolidated framework clearly defines the applicable terms and conditions of employment and is communicated to all workers.

4.2.a.iii Workers' Organizations

The current HR framework does not expressly include provisions recognizing workers' rights to organize or bargain collectively. As such, the Client will update its HR documents to include such declaration.

4.2.a.iv Non-discrimination and Equal Opportunity

The Company's HR framework consists of several instruments supporting non-discrimination, equal opportunity, diversity, and respectful workplace conduct. The HR Manual includes an Equal Employment Opportunity commitment, prohibits discrimination based on protected characteristics, provides for reasonable accommodation for qualified individuals with disabilities, and addresses workplace harassment and discrimination. These commitments are reinforced through the policies on DEI, T&D and Human Rights, along with the Code of Conduct, Employee Handbook, and Supplier Code of Conduct – together these promote inclusive hiring and workplace practices, equitable access to training, respectful conduct, reporting channels, and non-discrimination expectations across the workforce and supply chain.

4.2.a.v Retrenchment

At present there are no plans for collective dismissals.

4.2.a.vi Grievance Mechanism

The worker grievance framework is guided primarily by SOP52 and supported by several HR documents, including the Employee Handbook, HR Manual, Code of Conduct, and the policies for Human Rights, DEI, and Whistleblowing. Although SOP52 is structured as a combined worker and community grievance procedure, its worker channel applies to current and former employees, contractors, and sub-contractors. It includes multiple intake options, anonymous and confidential reporting, non-retaliation, timelines, escalation, appeals, grievance tracking, reporting, and assigned responsibilities. However, it remains in draft form with some reporting channels not yet activated, and the related HR procedures have not been cross-referenced.

The Client will therefore: i) formalize SOP52 with appropriately activated reporting channels; and ii) update the applicable HR procedures and Whistleblowing Policy procedures to ensure alignment.

4.2.b Protecting the Workforce

Several policies and operating procedures are in place to address protection of the workforce, including measures related to OHS, emergency response, hazardous materials management, and heat stress.

4.2.b.i Child Labor

The Company does not recruit or employ workers under eighteen (18) years of age. Although, except for the Supplier Code of Conduct which requires suppliers to uphold fundamental human rights and explicitly prohibits child labor and forced labor, there are no other explicit provisions against child labor in the Client's HR framework. Therefore, the Client will revise its HR documents to include explicit reference and provisions against child labor.[18]

4.2.b.ii Forced Labor

Similarly, there are no explicit provisions against forced labor in the Client's HR framework despite reference in the Supplier Code of Conduct. The Client will therefore revise its HR documents to include explicit reference and provisions forced child labor.[19]

---

[18] Consistent with the International Labor Organization's ("ILO") Convention 138 – Minimum Work Age

[19] Consistent with ILO Coventions 29 on Forced Labor; and 182 Worst Forms of Child Labor

4.2.c Occupational Health and Safety

The Company has established an OHS management framework overseen by the HSEQ Department and supported by the HSEQ Manual, Health and Safety ("H&S") Policy, operating procedures, training programs, inspections, audits, and incident management processes. This framework includes procedures for: i) accident, incident, and near-miss reporting and investigation; ii) hazard identification and field-level risk assessments; iii) job safety analyses; iv) chemical handling; v) waste management; vi) emergency preparedness and first aid; vii) workplace access and egress; and viii) safe work practices. The HR Manual and Employee Handbook further define employee and management responsibilities for workplace health and safety, training, accident reporting, and emergency response.

Implementation is supported through mechanisms such as induction and orientation training, toolbox talks, first aid certification, chemical handling and equipment-specific training, contractor orientations, and PPE requirements. The Company has also drafted a Heat Stress Policy to address worker exposure to heat-related risks associated with field and operational activities.

Towards strengthening this framework, the Client will formalize its Heat Stress Policy.

4.2.d Provisions for people with disabilities

The HR Manual, and policies on T&D and DEI collectively support equal employment opportunity, non-discrimination, reasonable accommodation, equal access to training, and inclusive and accessible workplace practices.

4.2.e Workers Engaged by Third Parties

Third-party management is addressed primarily through procurement and supplier controls, including vendor and subcontractor approval, and third-party due diligence. The Supplier Code of Conduct and Human Rights Policy establish labor and human rights expectations for contractors, suppliers, and subcontractors, including requirements related to child labor, forced labor, discrimination, harassment, and access to grievance channels.

To strengthen management of workers engaged by third parties, the Client will update the HSEQ Manual to include a contractor and third-party worker management procedure.

4.2.f Supply Chain

Procurement and supplier management is governed by the Company's Procurement and Logistics Policy, QMS Manual, and vendor approval procedures, with oversight by a Procurement Manager. These instruments establish controls for vendor approval, supplier evaluation and periodic reassessment, sanctions screening, and supplier due diligence as part of vendor onboarding and risk management.

Labor and human rights expectations are addressed through the Human Rights Policy and Supplier Code of Conduct. However, supplier oversight remains focused mainly on procurement controls and performance criteria, and supplier evaluation has not yet been updated to include structured E&S, labor, and human rights verification and monitoring requirements aligned with the Supplier Code of Conduct. As such, the Client will: i) update supplier evaluation and vendor approval processes to incorporate E&S, labor, and human rights requirements, including verification of child and forced labor risks; and formalize all applicable procurement procedures to include these elements.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

The Company recently moved its headquarters into a new building with sustainability features. Energy consumption and waste management are monitored jointly by the HSEQ and Maintenance Departments. The business strategy includes expanding activities associated with renewable energy solutions, including solar photovoltaic and BESS.

4.3.a.i Greenhouse Gases

Due to the nature of the Project, it is expected that its GHG emissions will not be material.

4.3.a.ii Water Consumption

Water for the Client's operations is supplied through the municipal water system and is used primarily for office, sanitary, workshop, and operational purposes. The Company reviews monthly water utility bills and monitors consumption trends as part of its operational oversight. Water-efficiency measures include the use of self-closing water taps and a water recycling system for pressure-washing activities within the Small Engine Department, which reduces overall water demand. Additional water requirements associated with the Project are not anticipated to be material.

4.3.b Pollution Prevention

The Company has established procedures for the management of solid waste, hazardous materials, chemicals, spills, and liquid effluents through its HSEQ Manual, H&S procedures, and related operational controls. Pollution prevention measures include procedures for chemical handling, storage and use of hazardous substances, waste segregation, spill response, incident reporting, and emergency preparedness.

4.3.b.i Wastes

The Company generates both solid and liquid waste streams associated with its warehousing, workshop, equipment servicing, office and operational activities. Waste management requirements are addressed through a formal Waste Management Program ("SOP21") applicable across its operating locations. The program establishes requirements for the segregation, storage, handling, collection, transportation, and disposal of waste streams generated through its operations and identifies responsibilities for implementation and periodic review. General waste streams covered include paper, metal scraps, rubber, wood, oil, degreasers, chemical waste, cardboard, and plastic wrap. Solid waste generated from operations is segregated, collected, and disposed of through authorized waste management contractors

Outside of sanitary waste associated with office buildings, liquid waste streams include chemically diluted wastewater and oil-contaminated residues generated through operational activities. These wastes are not discharged untreated to the environment and are managed through approved treatment and disposal arrangements.

4.3.b.ii Hazardous Materials Management

Limited quantities of hazardous waste are generated through equipment servicing, maintenance, workshop, and operational activities. Hazardous waste streams may include waste oil, oily absorbents, oil-contaminated residues, degreasers, solvents, petroleum-based products, chemical waste, contaminated containers, rags, personal protection equipment ("PPE"), and chemically diluted wastewater. Hazardous waste management requirements are established through the Waste Management Program, which includes procedures for spill response, storage, labeling, accumulation, inspection, transportation, and disposal. Hazardous waste is required to be stored in designated areas and disposed of through EPA-authorized facilities in accordance with applicable regulatory requirements

As the Company expands its renewable energy business activities, additional waste streams may arise from solar photovoltaic panels, batteries, inverters, and related equipment. The Client will therefore update the HSEQ Manual and Waste Management Plan to address the handling, storage, transportation, and end-of-life management of renewable-energy-related waste streams.

4.3.b.iii Pesticide Use and Management

Pesticide use is not associated with the Project or the Company's current operations and is therefore not considered a material risk. Any future activities involving pesticides would be managed in accordance with applicable legal requirements and the Company's HSEQ framework.

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

The Project's interventions will not generate significant E&S impacts. Given its nature, community H&S risks are expected to be limited and potentially related to equipment transportation, storage, handling, and installation, as well as emergency scenarios involving fire, accidents, security events, or hazardous substances. These risks are being adequately managed through the Company's HSEQ framework, operating procedures, and EPR arrangements. Implementation is supported by trained first aiders, designated fire marshals, periodic emergency drills, and coordination with local emergency and medical service providers. External stakeholders may raise community H&S concerns through the Company's external grievance mechanisms.

4.4.a.i Infrastructure and Equipment Design and Safety

The Company operates from existing commercial, warehouse, workshop, and distribution facilities, where infrastructure and equipment-related risks are managed through its HSEQ and QMS. Controls include hazard identification and risk assessment, operating procedures, inspections, preventive maintenance, and employee training for the storage, handling, servicing, transportation, and installation of equipment. These measures are complemented by insurance coverage for key operational risks, including public, product, and employer's liability, goods-in-transit, burglary, fire, buildings, stock, and equipment, providing additional protection for workers, customers, third parties, and Company assets.

4.4.a.ii Hazardous Materials Management and Safety

Hazardous materials will be managed through the HSEQ Manual and Waste Management Program.

4.4.a.iii Ecosystem Services

The Project will not produce any material impact on ecosystem services.

4.4.a.iv Community Exposure to Disease

General exposure risk to communicable disease or other illnesses will be managed through updates to the HSEQ Manual and HR procedures.

4.4.a.v Emergency Preparedness and Response

Emergency preparedness and response will be addressed via the comprehensive EPR plan, HSEQ Manual and related procedures.

4.4.b Security Personnel

Security arrangements are managed through the Company's operational and access controls, site security procedures, monitoring systems, and security personnel assigned to protect workers, visitors, assets, and facilities. Security risk assessments are undertaken to identify and manage internal and external security risks relevant to the Company's operations.

The Company uses private security personnel and has procedures for their recruitment, screening, training, and conduct. Security personnel are not armed and are subject to workplace rules and security management requirements. Workers, contractors, community members, and other stakeholders may report concerns regarding security personnel through the Company's grievance mechanisms, including allegations of misconduct or mistreatment**.**

Based on these arrangements, the Client will update its security procedures to include human rights-based training requirements for security personnel.

4.5 Land Acquisition and Involuntary Resettlement

The Project will not require the acquisition of land and will not cause any physical or economic displacement.

4.6 Biodiversity Conservation and Natural Habitats

The Project will generate no material impacts to biodiversity.

4.7 Cultural Heritage

The Project will not affect any cultural heritage. However, the relevant section of the HSEQ Manual on chance finds procedures will be updated to reflect details as appropriate considering potential future works associated with expansion.

5. Local Access of Project Documentation

For information and documentation relating to the project the following can be contacted:

Martin Carto:	mcarto@fmlgy.com
Sharmaine Dennis:	sdennis@fmlgy.com
Gliveann Cameron:	gcameron@fmlgy.com
Eshwar Shiwdin:	eshiwdin@fmlgy.com