

Environmental and Social Review Summary (ESRS) Courtyard Marriott Paramaribo – SURINAME

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1 Overview of the operation

Twin Hotels N.V. (the “Company,” “Twin Hotels,” or the “Borrower”) is the franchisee of the Courtyard by Marriott Paramaribo (the “Hotel”). The Hotel was constructed between 2006 and 2009 and officially opened on August 9, 2009. It has 139 rooms, a business center, meeting spaces, a restaurant, a fitness center, and an outdoor pool. The Hotel is the first international branded hotel in Suriname and is the top ranked business and leisure hotel in Paramaribo. Overlooking the Suriname River, the Hotel offers contemporary comfort near celebrated downtown attractions, including the historic Saint Peter and Paul Cathedral. Interamerican Promo Hotels (“IPH”), a Marriott-approved, international hotel management company based in Miami, has managed the Hotel since 2009 under a long-term management contract.

The Borrower intends to renovate the Hotel as part of its 10-year Property Improvement Plan (“PIP”) to keep the property competitive and in line with brand standards (the “Project”). The Project will include renovation of the Hotel’s 139 rooms, including new furniture, flooring, and lighting. The size and layout of the rooms will remain the same, except that two rooms will be combined to form a new Presidential Suite. The renovated Hotel will therefore have 138 rooms. The Project will also include renovation to the rest of the Hotel, including the carport, hotel entrance, lobby, business center, restaurants and kitchens, hallways, elevators, public washrooms, ballroom, boardroom, pool area, gym, and the back of the house, including staff washrooms and cafeteria. Furniture will be purchased from a company in Colombia.

2 Scope of IDB Invest's environmental and social review

IDB Invest’s Environmental and Social Due Diligence (“ESDD”) included: i) a review of information provided by the Company regarding its environmental, social, labor, and health and safety management and performance; and ii) interviews with Project staff.

The Project triggers the following Performance Standards (“PS”): PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; and PS4: Community Health, Safety, and Security.

3 Environmental and social classification and its justification

In accordance with IDB Invest's Environmental and Social Sustainability Policy, the Project has been classified in Category C because the incremental impacts it will generate are low or negligible and, therefore, can be easily managed by the Project.

4 Environmental and social risks

4.1 Assessment and Management of Environmental and Social Risks and Impacts

Marriott's "Serve 360" sustainability and social impact platform aims to align the Company's activities with the United Nations Sustainability Development Goals ("SDGs"). The platform consists of the following four coordinates, each of which is tied to specific SDGs: i) Nurture our World; ii) Sustain Responsible Operations; iii) Empower through Opportunity; and iv) Welcome All and Advance Human Rights. Each coordinate has 2025 Sustainability and Social Impact Goals. Progress towards achieving these goals is reported in Marriott's annual Serve 360 Report, which is aligned with Global Reporting Initiative ("GRI") Standards and includes recommendations from the Sustainability Accounting Standards Board ("SASB") and the Taskforce on Climate-related Financial Disclosures ("TCFD") frameworks.

The Nurture our World coordinate includes support for employee wellness, community investment, and environmental programs. The most recent Serve 360 Report indicates that support for community investment programs included COVID-19 response and disaster relief in 2021. Support for environmental programs included the planting of trees, the protection of mangroves, rainforests, reefs, and wildlife, and fishery improvement. The Sustain Responsible Operations coordinate covers resource efficiency and pollution prevention, the Empower through Opportunity coordinate focuses on diversity, equity, and inclusion, and the Welcome All and Advance Human Rights coordinate consists of programs to support human rights, including human trafficking awareness.

As a franchise holder, the Hotel is required to participate in Marriott's Environmental and Sustainability Hub ("MESH"), which is a Serve 360 environmental reporting system, and to report to Marriott twice a year through this system.

As required by the franchise, the Hotel currently complies with all Marriott policies and procedures and is audited yearly for compliance. Marriott's Sustainability Policy commits to: i) building and operating sustainable hotels; ii) communicating and reporting on its progress; iii) developing innovative sustainability initiatives; iv) educating and training externally and internally; and v) integrating sustainability throughout its supply chain. It also commits to managing, measuring, and minimizing its negative impacts regarding the following topics: i) biodiversity and ecosystem protection; ii) carbon footprint and climate change mitigation; iii) natural resource conservation; iv) waste and pollution management; and v) water risk issues.

The Hotel has not been required by the government of Suriname to conduct an Environmental and Social Impact Assessment or to obtain an Environmental License for the Project, since it involves renovations to an existing building. The Project, however, will develop an Environmental and Social ("E&S") Risk Matrix to identify, assess, and develop measures to mitigate the occupational health and safety ("OHS") risks associated with the Project.

The Managing Director is responsible for managing the environmental and social performance of the Hotel. The Managing Director is assisted in this responsibility by the Residence Manager, Director of Security, and 10 security staff that are fully trained in fire and life safety, evacuation, and first aid.

The Hotel has an emergency response plan for operations. Although labeled an Evacuation Plan (*Ontruimingsplan*), it includes procedures, including but not limited to evacuation, for responding to the following emergencies: i) fire; ii) flood; iii) storm damage; iv) gas leak; v) bomb threat; vi) order of a competent authority (police, fire department); and vii) other situations. The plan describes roles and

responsibilities of each member of the Hotel's emergency response team, which consists of the Director, Team Leader/Manager, security guards, and other team members. It describes the Hotel's emergency response features, including a fire alarm system, smoke detectors (in every room), an evacuation alarm, and a sprinkler system. It describes and provides maps depicting evacuation routes and assembly points, and describes procedures for counting personnel and guests at the assembly points following an evacuation. The plan requires emergency response training for members of the emergency response team and general personnel, and requires an emergency simulation at least once a year.

The Hotel maintains a close relationship with the casino that operates on its property, as well as members of the local community. Since the Project will only involve renovations within the existing Hotel, there will be no affected communities. As a result, no Project-specific public consultation or stakeholder engagement is required.

In addition to audits by Marriott, the Hotel has yearly third-party audits of its life and fire safety (L&FS) systems, procedures, and training. The Hotel also conducts yearly fire and evacuation drills and provides yearly training to employees on first aid and the use of defibrillators.

4.2 Labor and Working Conditions

The Hotel currently has 96 full time employees, 44 of which are women, and 30 part time workers, 16 of which are women. All Hotel workers are employed by IPH Suriname N.V., which is the local affiliate of IPH. The renovation will be conducted by 20 to 30 local construction workers to be employed by a General Contractor.

The Hotel has an Human Resources ("HR") Policy and Procedure Manual that describes working conditions and terms of employment, including: i) payroll; ii) working hours and schedule; iii) leave of absence; iv) overtime; v) code of conduct; vi) employer and employee rights and obligations; vii) safety rules; viii) sexual harassment; ix) wages and benefits; x) health insurance; xi) complaints; xii) termination of employment; and xiii) performance management.

Marriott's Human Rights Policy Statement states its acknowledgement and respect for the principles contained in the United Nations Universal Declaration of Human Rights; supports and upholds the elimination of discriminatory practices in all aspects of employment; and promotes diversity and inclusion within its business operations. Marriott does not recruit child labor or support any kind of forced, bonded, or compulsory labor. It provides training on human trafficking awareness and prevention, implements a no fees recruitment policy, and supports freedom of association and the right to collective bargaining, although none of the Hotel's employees are currently affiliated with a union.

Marriott's Modern Slavery Statement includes procedures to identify, manage, and provide training to employees on the following risks: i) sex trafficking in operations; ii) labor trafficking in operations; iii) labor trafficking in the supply chain; and iv) labor trafficking in the construction phase. Marriott's Global Procurement Supplier Conduct Guidelines includes requirements on anti-discrimination, prevention of forced labor and human trafficking, prevention of child labor, prevention of unethical recruitment, freedom of association and collective bargaining, and workplace conditions. Marriott is on track to reach its goal to ensure 100% of on-property associates receive human rights training, including on human trafficking, responsible sourcing, and ethical recruitment, by 2025.

The HR Policy and Procedure Manual describes the Hotel's procedure to address employee complaints and provides the complainants with several stages to discuss the matter. First, the employee should

discuss the issue with their immediate supervisor. If unsatisfied, they should speak with the Human Resources Department. If still unsatisfied, they can raise the concern with the General Manager. The Code of Conduct Policy within the manual states that all reports are dealt with in a timely and confidential manner, and that employees utilizing correct reporting procedures will not be disadvantaged or prejudiced (i.e., no retaliation).

The HR Policy and Procedure Manual includes “safety rules” for employees to follow during operation of the Hotel. The General Contractor selected for the renovations will develop and implement an Occupational Health and Safety Plan for construction. The Hotel will assign a Project Manager employed by IPH Suriname N.V. to conduct daily inspections and monitor the daily activities of the General Contractor, including their OHS performance.

4.3 Resource Efficiency and Pollution Prevention

The Hotel has taken several actions in recent years to improve its resource efficiency, including: i) changing light fixtures and utilizing light emitting diode (“LED”) bulbs; ii) shift to paperless check in; iii) recycling of cooking oil (converted by a third party to biofuel utilized to produce more cooking oil); iv) utilizing food waste as animal feed (donated to animal shelters); and v) replacing plastic packaging. However, it does not currently have a recycling program because there is no recycling facility in the country. The Hotel has conducted two studies and is conducting a third on the feasibility of installing solar panels as part of the renovation.

The only hazardous materials utilized in the operation of the Hotel are cleaning agents, light bulbs, and refrigerants utilized in air conditioning units. These materials are stored in safe and secure locations within the Hotel. The Hotel will develop a plan with further details on the management of these materials.

No asbestos was utilized in the construction of the Hotel, and no hazardous materials will be utilized for its renovation, except for some chemicals such as paint. The renovations will occur on a floor-by-floor basis, so guests will not have access to work areas (and thus hazardous materials) during the Project.

The Hotel has a wastewater treatment plant that treats all wastewater produced in its facilities before its discharge into the Suriname River in compliance with Suriname regulations. Grease is discharged into a septic tank that is emptied by a certified third-party contractor.

4.4 Community Health, Safety, and Security

Since the Project will only involve renovations within the existing Hotel, no material community health and safety impacts are anticipated other than a slight increase in traffic during the construction phase.

The Hotel has unarmed security guards. In the event of a security incident, their procedure is to contact the local police. The guards are provided with annual training on L&FS and serve on the Hotel’s emergency response team as described in its Evacuation Plan.

5 Proposed management measures

The Project will develop an Environmental Management Plan for the Project to include measures to mitigate the risks and impacts identified in the E&S Risk Matrix, including the management of solid waste and hazardous materials.

6 Additional Information

For questions about the Project contact [Client's name]

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In addition, as a last resource, affected communities can access IDB Invest's Independent Consultation and Investigation Research (ICIM) in the following way:

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