

Environmental and Social Review Summary (ESRS) Massy Group – Trinidad, Barbados

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

Massy Holding Ltd. and Massy Integrated Retail Ltd. (together, “Massy,” or the “Group”), companies incorporated in Trinidad and Tobago, are in discussions with IDB Invest regarding strategic financing for growth initiatives namely : (i) a capex investment program in their operating subsidiaries in Trinidad and Tobago and Barbados; and (ii) supply chain finance (altogether, the “Project”). The capex investment will primarily support two new developments within Massy’s Integrated Retail Portfolio (“IRP”): the greenfield construction of a distribution warehouse in Trinidad (“TT Investment”) and (ii) the redevelopment of a complex in Barbados (“BD Investment”) IDB Invest financing will also include advisory services related to sustainability.

The Project’s environmental and social due diligence (“ESDD”) assessed the overarching environmental and social (“E&S”) management functions of Massy’s head office, as well as the E&S management functions at lower organizational units within IRP. The process included: (i) a desk review of relevant policies, plans and procedures; (ii) a field visit to the TT Investment, which is currently under construction; (iii) a walk-through of the Massy warehouse, ; and (iv) interviews with Massy senior management, project managers, and environmental, health & safety (“EHS”) managers and personnel.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according to IDB Invest’s Environmental and Social Sustainability Policy, due to the following risks and potential impacts: (i) occupational health and safety (“OHS”) risks during the construction of new facilities and the operation of existing ones; (ii) generation of domestic and hazardous solid and liquid wastes during construction, operation and maintenance of new and existing facilities; (iii) generation of noise, air emissions and dust during construction activities; (iv) potential risks surrounding the BD Investment from construction-related traffic; and (v) water quality risks stemming from stormwater runoff during construction and operation of the TT Investment and the BD Investment .

The Performance Standards (“PS”) relevant to the Project are the following: 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 Context

3.1 General Characteristics of the Project Sites

The TT Investment is bounded to the north by a Highway and surrounded by agricultural/industrial land without any residential neighbors. The BD Investment is planned to commence in early 2025 and will be developed on the footprint of an existing Massy complex.

3.2 Contextual Risks

Contextual risks listed for the countries/regions in question, and not specific to Massy or their project's locations include high rates of theft, violent crime, and gender-based violence/harassment. Massy is, as will be seen below, broadly taking actions to mitigate and avoid these risks.

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

Since Massy's different portfolios and country operations operate with substantial autonomy, many of the Group's E&S plans and procedures have been developed to apply to specific facilities. For OHS management within the operating facilities in IRP, a dedicated OHS person coordinates the approach among all the local OHS operational professionals throughout the portfolio. Furthermore, some key E&S policies have been developed at the Holding level and then adopted also at lower levels of the organization, either in their original form or in a form adapted to the local context. Massy will bring its various E&S policies, plans and procedures together into one consolidated environmental and social management system ("ESMS"), starting at top of the organization (i.e., the Holding management level), and cascading down through the IRP portfolio to the level of individual stores and warehouses.

4.1.b Policy

At the holding level, Massy has a well-formulated Code of Ethics that serves as an overarching social policy for the Group's employees, contractors and consultants. The Code includes commitments to promoting diversity and inclusion while prohibiting workplace harassment of all kinds. The Group also has a Speak Up Policy, which promotes its combined community/employee grievance mechanism. Massy's 2023 Annual Report includes a policy statement on Health, Safety & Wellbeing, which ratifies its commitment to providing safe and secure working environments, with the objective of contributing to higher quality jobs and life. It also states that the Group believes that diversity, equity, and inclusion is not only a fundamental human right, but necessary for a sustainable world that fosters social development, innovation, and business performance

Massy subsidiaries also have E&S-related policies applicable to certain business lines. For example, Massy Distribution, within IRP, has an OHS & Environmental Policy, that formalizes the subsidiary's commitments to the following: (i) complying with all legal requirements; (ii) conforming to all

corporate industry standards, policies, procedures, and implementation of best practices; (iii) adopting policies which promote the prevention of accidents, occupational illnesses and pollution, and that endorse a “zero tolerance” culture; (iv) training employees in occupational health and safety practices and empowering them to manage their environment; (v) continual improvement of safety, health and environmental performance; and (vi) fostering a corporate culture of excellence in safety, health and preservation of the environment.

4.1.c Identification of Risks and Impacts

Massy has developed a Hazard Risk Matrix for the entire IRP portfolio in Barbados, in which significant operational hazards are identified and ranked for each job title within the portfolio. The matrix lists identified hazards and provides various concrete examples of how they might materialize across thirty-eight job titles.

When developing new projects in IRP (e.g., new stores or logistics warehouses), Massy conducts EHS risk assessments as the basis for the project’s environmental management approach. For the TT Investment, this risk assessment is included as a chapter in the project’s Environmental Management Plan (“EMP”). For operations, certain business units—include risk assessments in their OHS management systems.

4.1.c.i Direct and Indirect Impacts and Risks

The risks and impacts associated with the Project relate primarily to the construction and operation of the TT Investments and the BD Investments. Key potential risks and impacts include the following: (i) occupational health and safety risks common to large construction projects of this nature; (ii) generation of domestic and hazardous solid and liquid wastes during construction, operation and maintenance activities; (iii) generation of noise, air emissions and dust during facility construction and operation; (iv) potential risks from construction-related and operational traffic; and (v) water quality risks stemming from stormwater runoff during construction and operation.

4.1.c.ii Analysis of Alternatives

When choosing locations for new stores and warehouses, Massy performs a detailed analysis of alternatives. Criteria used in the analysis include the following: location; land type; land size; land filling; infrastructure; government approvals (including environmental requirements); acquisition timeframe; and price.

4.1.c.iii Cumulative Impact Analysis

For the TT Project, where other companies are located near the proposed project, Massy will make a best effort to engage these companies to participate in a cumulative impact assessment and cumulative impact mitigation plan (“CIMP”) that factor in the impacts generated by ongoing, already planned or predictable developments in the project area.

4.1.c.iv Gender Risks and Gender Programs

Within IRP, women make up seventy percent of the overall workforce, forty-nine percent of the senior management team, and fifty-nine percent of the extended leadership team. In Trinidad, Massy implements a program called Lessons in Female Empowerment (“LIFE”), which is designed to empower female employees. This program has recently been expanded into the Lessons in Female Transition (“LIFT”) program, which focuses on female supervisors, and the *Protégé* program, which focuses on females aged fourteen to nineteen. In Barbados, IRP represented Massy locally by being a signatory to the Joint Policy Positions to Address Gender-Based Violence in the Workplace, a position paper prepared as part of the joint initiative of the Caribbean Employers’ Confederation and the Caribbean Congress of Labor.

4.1.c.v Climate Change Exposure

The National Adaptation Plan of Trinidad and Tobago lists the following among the country’s main hazards: flooding, tropical cyclones, and landslides. Flooding, strong winds, and landslides have been especially prominent in recent year. Droughts, though less frequent, can persist for months. Although Trinidad and Tobago are not frequently affected by direct tropical cyclones due to its location outside of the mid-Atlantic hurricane belt, cyclones still remain a significant threat. Barbados is especially vulnerable to hurricanes and coastal inundation related to rising sea levels. Climate change is projected to worsen these hydrometeorological hazards, which can directly affect physical infrastructure, along with the associated logistics operations they depend on.

4.1.d Management Programs

Massy has various programs in place to manage both its operational and construction risks. On the operational side, Massy Distribution has an OHS and Environment (“OHSE”) Management System, aligned to the ISO 45001:2018¹ standard, for managing EHS risks associated with its distribution activities in Trinidad. Among other plans and procedures, the system contains the following: (i) Risk Management Procedure; (ii) Emergency Response Procedure; (iii) Safety Requirements for Contractors; (iv) Legal Compliance Procedure; (v) Internal Audit Procedure; and (vi) Management Review Procedure. When new infrastructure developments are initiated, Massy’s property development managers work together with the project contractors’ EHS team to develop EHS management plans consistent with Massy’s standards. Massy will develop and adopt an ESMS scoped for the BD Investment, designed to ensure compliance with local rules and other applicable regulations, and to address the relevant risks and impacts identified in this review.

4.1.e Organizational Capacity and Competency

Massy has staff and consultants responsible for managing E&S matters dispersed throughout the organization. In the IRP portfolio, E&S management of new developments is ultimately overseen by the IRP Vice President, who is in charge of new property developments. This role is responsible for hiring and supervising Massy’s E&S supervision contractors, who in turn supervise the E&S activities of the construction contractors and subcontractors on the ground. Massy will contract an

¹ ISO 45001 is an international standard that helps organizations manage occupational health and safety risks.

EHS management firm or individual manager for full-time, on-site supervision of the BD Investment and to ensure proper implementation of the project's ESMS.

4.1.f Emergency Preparedness and Response

Massy Distribution's OHSE system includes a Procedure for Emergency Response applicable to the operations in Trinidad. The procedure is prepared to respond to accidental and emergency situations associated with these operations in a manner appropriate to prevent and mitigate any harm to people and/or the environment. It covers emergency situations resulting from fire, explosions, bomb threats, severe weather and flooding, medical emergencies, civil disturbance, workplace violence, chemical spills and Covid 19. The procedure describes response procedures, provision of equipment and resources, designation of responsibilities, communication, and periodic training to ensure effective response. Massy has incorporated an Emergency Response Plan ("ERP") into the Project Health, Safety, Security and Environment Plan. The ERP covers fires, bomb threats, medical emergencies, natural disasters, and armed robbery, lists basic emergency procedures, and includes key emergency contact information. Massy IRP will develop emergency preparedness and response plan ("EPRP") templates (one for new developments and one for operational facilities) to include in its overarching ESMS for the portfolio, and then apply these templates to create (or update, where appropriate) site specific ERPs for each of its facilities and new projects.

4.1.g Monitoring and Review

The OHSE system developed for Massy Distribution's Trinidad operation includes a Procedure for Internal Audits and a Procedure for Management Review, and the distribution facilities are also regularly audited by external auditors. For example, the Occupational Safety and Health Authority and Agency conducts periodic inspections of the Massy distribution warehouses to assess compliance with Trinidad's Occupational Safety and Health Act. At the IRP level, key OHS indicators (e.g., Days Away from Work, Lost Workdays, Restricted Work Injuries, and Total Recordable Incident Frequency) are monitored, reviewed with senior management, and published in each Massy Annual Report.

4.1.h Stakeholder Engagement

When developing new projects, Massy's stakeholder engagement activities are directed by the regulatory agencies responsible for managing public consultation efforts as part of the permitting and approval processes. As part of its current initiative to strengthen its ESMS, Massy will develop a Stakeholder Engagement Plan applicable to all new property development projects involving construction or renovation activities. The plan will be implemented for the BD Investment.

4.1.h.i Disclosure of Information

Massy publishes an Annual Report that describes the Group's new and ongoing initiatives affecting local and regional stakeholders. Current and past reports can be found on the Group's website, along with other news and updates regarding strategic corporate activities. A Stakeholder Engagement Plan template to be developed by Massy for future project will include protocols and procedures for disclosing project-related information to affected communities.

4.1.i External Communication and Grievance Mechanisms

Massy's grievance mechanism, the Speak Up Hotline, is an independent hotline available in both English and Spanish, which provides anonymity and confidentiality. The hotline is explicitly available to any employee, customer, vendor, supplier, shareholder, or other stakeholder who may have a concern about possible misconduct within the Massy Group. The Speak Up procedure, that can be found in the Massy Group website, includes a contact webform as well as an email address and phone numbers for contacting the Group in Trinidad and Tobago and Barbados.

4.1.j Ongoing Reporting to Affected Communities

To complement Massy's Annual Report, website and Speak Up Hotline, Massy will develop and adopt a procedure for ongoing sharing of information with communities affected by Massy's property development projects.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

The IRP portfolio has approximately 7,350 employees across all countries. Labor and working conditions are overseen by Massy's Human Resources departments at the Group level, with core policies and procedures cascading down to the individual portfolios and business units thereof. Relationships are established through employee induction and onboarding processes, during which the Code of Ethics is shared with new employees.

4.2.a.i Human Resources Policies and Procedures

At the holding level, Massy's Code of Ethics governs the labor relationship between Massy and its employees, contractors and consultants. The code includes commitments to promoting diversity and inclusion while prohibiting workplace harassment in general, and sexual harassment specifically. Massy's annual reports, that include policy statements on Health, Safety & Wellbeing, affirm the Group's commitments to providing safe and secure working environments and to providing a work environment grounded in the following principles: diversity, equity, and inclusion, the advancement of women, and the prevention of discrimination, harassment, and victimization.

4.2.a.ii Working Conditions and Terms of Employment

As one of the largest employers in the Caribbean region, Massy aligns its labor policies with the pertinent local rules and regulations in each country where it operates. Terms of employment are presented in writing to each new hire at the time of induction, and align with relevant laws and regulations, including international labor treaties ratified by each country in which the Group operates.

4.2.a.iii Workers' Organizations

In alignment with the laws and regulations of the countries in which it operates, Massy does not prohibit its employees from joining or participating in labor organizations and a portion of the Massy labor force belongs to unions.

4.2.a.iv Grievance Mechanism

The Massy Group Speak Up hotline serves as the mechanism for workers, and worker organizations, to disclose information about any perceived wrongdoing in the workplace. Massy informs workers of the Speak Up policy and hotline at the time of induction. The hotline is accessible to all employees online and allows for anonymous submissions. The Speak Up policy explains, in clear and easy to understand terms, the grievance redress process, and promises protection against retaliation. The policy makes explicit that the Speak Up hotline can be used to report discrimination, harassment, bullying, abuse of authority, and dangers to health, safety and the environment. Apart from the Speak Up channel, the HR units at individual business units within Massy each have grievance procedures for reporting complaints/disputes regarding claims of work-related mistreatment on an individual basis.

4.2.b Protecting the Workforce

In all countries where it operates, Massy's hiring policies align with the national laws regarding hiring minors. In Trinidad, for example, where the minimum working age is sixteen, Massy—in accordance with local labor laws— hires people between the ages of sixteen and eighteen after they submit a "fit-for-work" certificate from a doctor and a letter of authorization from a parent or legal guardian. Regarding forced labor, Massy's Code of Conduct states that the Group is committed to the identification and prevention of modern slavery and human trafficking in its businesses and supply chains.

4.2.c Occupational Health and Safety

Massy's commitment to managing OHS risks is evident in the attention given to developing OHS procedures at operational facilities and new construction sites, and to hiring and empowering qualified staff to implement these procedures. Massy will enhance its OHS management procedures by: (i) ensuring ambulance service will be accessible during all working hours; and (ii) enhancing reporting on the implementation of the permit-to-work system for all work at heights, hot works, and electrical works.

4.2.d Provisions for People with Disabilities

Massy's Code of Conduct states that employment within the Group is based solely on individual merit and qualifications related to professional competence, and that discrimination of all kinds, including that based on mental or physical disability, is prohibited. The code also states that Massy makes all reasonable accommodations to meet its obligations under laws protecting the rights of the disabled. At Barbados retail stores, Massy has begun providing introductory sign language and communication training for employees who interact with deaf employees and customers.

4.2.e Workers Engaged by Third Parties

Massy Barbados has a Contractor Safety Management Policy and related procedures that apply to all Massy member companies in the country. They specify in detail the OHS requirements for all contracted workers, and the procedure that Massy must follow to impose and monitor these requirements—which include complying with Massy’s OHS policies and procedures, as well as with relevant national laws. Similarly, Massy Distribution in Trinidad has a document titled, “Safety Requirements for Contractors” that serves the same purpose. Massy, however, will ensure that these policies and procedures are expanded to ensure that contractors across the entire IRP portfolio are required to follow Massy’s OHS standards and all applicable environmental and social standards.

4.2.f Supply Chain

Massy IRP promotes the local farmers in its supply chain by showcasing locally grown produce in its grocery stores. Massy intends to consolidate all its ESMP activities into a company-wide ESMS that will include procedures to monitor, identify, and mitigate risks related to potential child labor or forced labor throughout its primary supply chain of groceries. The procedure will include appropriate steps to remedy any risks or incidents of such practices if they are identified.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

The Massy Group is increasing resource efficiency across its operations. Recent and ongoing initiatives include: (i) incorporating insulated roofing designs and LED lighting in new and refurbished stores; (ii) installing Variable Frequency Drives and digital compressors on refrigeration and air conditioning condensers across operations; (iii) transitioning towards low-pollution refrigerants for refrigerators and HVAC systems; (iv) and installing solar photovoltaic systems at select locations.

4.3.a.i Greenhouse Gases

Greenhouse Gas emissions from Project-financed activities are not anticipated to reach levels requiring a full accounting.

4.3.a.ii Water Consumption

Water is supplied to IRP operations through municipal systems. Due to the nature of the portfolio’s activities, risk and impacts related to water consumption are not material. New Massy facilities are, nonetheless, designed with high efficiency toilets and self-closing faucets to conserve water.

4.3.b Pollution Prevention

Massy led the industry in the Caribbean territories within which it operates by being first to introduce re-usable shopping bags and to charge a fee for single-use plastic shopping bags at the checkout counter across all grocery stores. At the project level, Massy requires its construction contractors to implement pollution prevention measures as part of their EHS management systems and assigns its own E&S supervisor to oversee this implementation. For the TT Investment Massy's HSSE field officer developed an EMP that identifies key pollution risks (e.g., spills and leaks of fuels and lubricants during re-fueling, maintenance and storage), and defines control measures for each. As part of the permitting process for the TT Investment, Massy obtained a Certificate of Environmental Clearance from the Environmental Management Authority ("EMA") of Trinidad and Tobago, which includes a series of requirements aimed at preventing pollution. Massy will ensure that detailed procedures have been incorporated into the project's EMP to meet each of these requirements and to document compliance.

4.3.b.i Wastes

Primary wastes generated by IRP consist of paper, cardboard, glass, perishable food waste, and used IT equipment. Since 2021, Massy has partnered with Recycling service providers for its Trinidad operations. These providers route cardboard boxes used by the stores to their recycling plants, where the boxes are re-processed into new boxes. Massy also works to reduce food waste from spoilage and dispose of information technology ("IT") waste responsibly. Both programs measure progress against pre-determined Key Performance Indicators and report results to senior management on a regular basis.

For the construction of new facilities, Massy requires its contractors to manage their own domestic and hazardous wastes in compliance with pertinent laws and regulations. For the TT Investment, BD Investment, and the operations at the Massy Trading warehouse, Massy will develop and implement a Waste Management Plan to ensure that all hazardous wastes generated or stored on site are properly managed.

4.3.b.ii Hazardous Materials Management

The operational activities of IRP involve only limited amounts of hazardous materials. These are mainly related to solvents and lubricants used for maintenance activities, and cleaning supplies. Massy's consolidated ESMS will include sections to ensure risks related to hazardous materials are assessed systematically and mitigated accordingly.

4.3.b.iii Pesticide Use and Management

Massy hires third party providers for pest control services at all facilities in IRP. Massy's consolidated ESMS will include sections to ensure these third parties select chemical pesticides (including rodenticides) that: (i) are packaged in safe containers; (ii) are clearly labeled for safe and proper use; (iii) are manufactured by an entity currently licensed by relevant regulatory agencies; and (iv) do

not fall in the World Health Organization's ("WHO") Recommended Classification of Pesticides by Hazard Class Ia or Ib.

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

Risks and impacts to community health and safety from the TT Investment and BD Investment are expected to be minimal.

4.4.a.i Infrastructure and Equipment Design and Safety

Massy designs the structural elements of its properties in accordance with Good International Industry Practice, taking into consideration safety risks to third parties and Affected Communities. The TT Investment and BD Investment fit this pattern, with their designs certified to withstand hurricane force winds and earthquakes, and their fire detection and suppression system duly authorized by the relevant authorities. Before the construction of the BD Investment, Massy will: (i) obtain a certificate from a qualified specialist to ensure the facilities' designs are consistent with the principles of universal access; (ii) develop and adopt a Fire Management Plan for the project; and (iii) after its construction but before it starts operating, will hire a life and fire safety ("L&FS") system professional to certify that (a) all buildings were built according to approved L&FS designs, (b) all equipment was installed as per L&FS design, and (c) all L&FS equipment was tested following international standards.

4.4.a.ii Hazardous Materials Management and Safety

For new projects, Massy requires its contractors to manage hazardous materials responsibly and in accordance with local rules and regulations, project permits and authorizations. For the TT Investment, a set of requirements is listed in the Certificate of Environmental Clearance, and Massy's on-site E&S Supervisor oversees contractor compliance with these requirements. For the BD Investment, Massy will conduct a hazard risk assessment and develop a hazardous materials management plan, both of which will consider any potentially hazardous materials contained in existing structures to be demolished as part of the redevelopment process.

4.4.a.iii Community Exposure to Disease

Various mosquito-borne diseases are common in all territories where Massy operates. The consolidated IRP ESMS will include a procedure, to be incorporated into management plans for new project sites, for minimizing standing water on site.

4.4.a.iv Emergency Preparedness and Response

Massy's emergency response plans and procedures are overseen, to varying degrees, by government authorities specific to the countries and municipalities where the Group operates. For the BD Investment, IRP will develop EPRPs both for the construction phase and the operation phase

in collaboration with local authorities and emergency response providers (e.g., hospitals, ambulance services, and firefighter services). The plans will include provisions for relevant local actors (e.g., neighboring businesses or community residents) to participate in periodic EPRP reviews and drills. IRP will ensure EPRPs incorporating these provisions are in place for all its businesses across its businesses throughout the portfolio.

4.4.b Security Personnel

Massy contracts third party firms to provide armed and unarmed security guards for all its facilities and projects under construction. During the due diligence it was confirmed that the security provider had developed a HSE risk assessment covering an array of job task. Massy's consolidated ESMS will include provisions to ensure that all Massy-contracted security arrangements adhere to accepted international principles for rules of conduct, training (including rules of engagement, the use of proportional force and appropriate conduct towards local communities), equipment, and monitoring.

4.5 Land Acquisition and Involuntary Resettlement

The Project will not generate any physical or economic displacement of the population as its land acquisition needs are limited to the leasing of land both the TT Investment and the BD Investment.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project will not result in risks or impacts to modified, natural or critical habitats, nor will it impact or be dependent on ecosystem services.

4.7 Indigenous Peoples

The Project will not affect communities or groups of Indigenous Peoples.

4.8 Cultural Heritage

No impacts on the cultural heritage are expected from the Project. Earth movement at the TT Investment took place on land with a history of agricultural development and did not involve significant excavation work. At the BD Investment site, earth movements are expected to be limited mostly to surface grading and will take place in locations that were previously excavated and/or filled for prior developments.

5. Local Access of Project Documentation

For inquiries relate to the project, please contact Susan Hamel-Smith (susan.hamel-smith@massygroup.com).