

Environmental and Social Review Summary (ESRS) Productive Business Solutions (“PBS”) Financing – Barbados

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

Productive Business Solutions (“PBS”, the “Client”, the “Company”), is the leading information technology (“IT”) distribution company in the Caribbean, Central and South America with operations in fifteen (15) countries.¹ The Company distributes various document and IT products, and offers services such as document management and software integration to leading companies and governmental agencies in the region.² The operation in Barbados (the “Project”), serving as the primary beneficiary, aims to utilize funds for capital expenditures (“CAPEX”), working capital, debt refinancing and other general corporate purposes throughout the Caribbean (collectively the “Group”).

The Environmental and Social Due Diligence process (“ESDD”) included: i) 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.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation in accordance with IDB Invest’s Environmental and Social Sustainability Policy since it will likely generate, among other, the following impacts associated with daily operations: i) waste generation (particularly electronic waste); ii) occupational health and safety (“OHS”) impacts; iii) and resource consumption (energy, raw materials extraction). These impacts are deemed to be of low-medium intensity and can be managed via measures that are readily available and relevant management plans.

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.

¹ 24 offices with headquarters in Guatemala; Caribbean countries include Bahamas, Barbados, Dominican Republic, Guyana, Jamaica, Suriname, Trinidad & Tobago

² PBS segregates its revenues into two main categories: Equipment Sales (34% of total sales) and Recurring Sales (66% of total sales). Equipment Sales include both hardware and software from brands like Xerox, Oracle, Cisco, L3, NCR, and HP. Recurring Sales is subdivided into paper and supplies (parts for equipment, rental/leases of equipment, phone/ID/access cards) and maintenance and servicing (maintenance contracts for equipment, printing of statements, and other services).

3. Environmental and Social Context

3.1 General characteristics of the Project's site

Operations for the Project span several locations across the Caribbean, including the primary beneficiary in Barbados. Offices are generally located in urban commercial areas surrounded by varying degrees of built infrastructure.

3.2 Contextual risks³

Barbados is classified as a highly open economy,⁴ with exports and imports equal to almost 90% of the Gross Domestic Product ("GDP"), mostly due to the tourism and financial services industries. The country is particularly vulnerable to adjustments in trade such as fluctuations in international commodity prices, downturns in the global demand for tourism, or policy changes abroad.⁵ Such risks are reflected similarly across the Group. As highlighted in a multi-country analysis by the United Nations Caribbean ("UNC", 2021), risks are associated with the economic vulnerability of Caribbean countries due to the size of domestic markets, reliance on imports, and dependence upon limited varieties of export products highly concentrated into a few sectors or sub-sectors (e.g., oil, gas, and tourism). Facilitators of communications and trade (e.g., digital, transportation, logistics infrastructure) are insufficient to match emerging opportunities in intra-regional and international trade.

Additional regional challenges identified include inefficient management of water resources and services, and inadequate investment in health. For education, government expenditures have been on the decline, while learning outcomes and equal educational opportunities require improvement through modernization of curricula, teachers' professional development, and closing the digital divide to ensure access to distance learning.

Regarding crime at the regional level, a combination of the Caribbean's geography, international recreational drug consumption, and proximity to Venezuela means exposure to increased risk of trafficking in narcotics, people, and arms. In several countries at the national level, the circulation of small arms and light weapons compounds violent criminality, which is experienced at high rates. The threat of transnational crime is common to all island states and territories, and a lack of maritime security has acted as a risk multiplier in the more vulnerable Caribbean communities.

³ [Caribbean Common Multi-Country Analysis \(CMCA\), 2021](#)

⁴ A type of economy where not only the domestic factors but also entities in other countries engage in trade of products (goods and services)

⁵ Information extracted from the Barbados Country Development Challenges (CDC), June, 2018 section of the [IDB Group Country Strategy With Barbados](#), (2019–2023)

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 an Environmental and Social Management System (“ESMS”)⁶ which will be tailored to the characteristics of each operation and local legal requirements. Though the document provides an overview of some of the key ESMS elements,⁷ these are presented as an initial self-assessment, general areas for improvement, or indicative summaries for actions to be considered or implemented.

The Client will therefore: i) update the ESMS to appropriately reflect the relevant and specific policies and procedures to be implemented by the Company; and ii) tailor the ESMS to be implemented by the relevant countries within the Group.

4.1.b Policy

The ESMS includes an Environmental and Social (“E&S”) Policy which outlines the Company’s commitment to reducing its E&S impact, and continually improving its performance via *Six Steps of Commitment*.⁸ This is supported by a policy statement which highlights PBS as a *Pollution Prevention Group* which seeks to continually improve its environmental performance through commitments stated in its E&S Policy by: i) educating employees and communicating to the public; ii) always seeking to improve; iii) reducing waste; iv) taking responsible action to prevent pollution; and v) heeding the law.

The Client is also guided by the E&S policies of select primary vendors,⁹ some of which are also ISO:14001 certified.¹⁰

4.1.c Identification of Risks and Impacts

Risk and impact identification is presented in the ESMS to identify possible improvements in three (3) areas: i) labor and working conditions; ii) environmental risks; and iii) community health, safety and security. It includes a self-assessment matrix with areas to be reviewed for short-term improvement or which are areas of concern, and a generalized risk methodology for identifying hazards and risks.

⁶ 2022 - https://drive.google.com/file/d/1Ju-poofyRZ8Pr_HinB1ET-xJf4JOWi7t/view

⁷ Outlines for policies on E&S and child labor, organizational capacity, risk and impact identification, stakeholder engagement, environmental health and safety, external grievance mechanism, emergency preparedness and response, and monitoring and review with additional areas on Biological Risk and Integrated Pest Management

⁸ These include: i) pollution prevention (including waste reduction) and acting responsibly to implement, document, and maintain a program to prevent negative impacts on the environment and communities by complying with all legal regulations and actions beyond E&S regulations; ii) communication of significant environmental aspects, policy, and voluntary pollution prevention methods to employees, the public, contractors or those working on behalf of PBS; iii) provision of training and information to all employees and those working on behalf of PBS on the E&S policy, and the ESMS; iv) minimization of energy and water usage in Company buildings, vehicles and processes in order to conserve supplies, and minimize consumption of natural resources, especially where they are nonrenewable; v) application of the principles of continuous improvement in respect of air, water, noise pollution, and solid waste management from premises and reduce any harmful impacts from operations, products and services on the environment and local community; and vi) monitoring the ESMS and its respective objectives and target.

⁹ [Xerox](#); [Cisco](#); [Oracle](#)

¹⁰ ISO 14000 sets out the criteria for an environmental management system – [Cisco](#); [Oracle](#); [Xerox](#)

As the identification process does not reflect a finalized systematic process to guide Group operations based on the identified E&S risks and impacts, the Client will revise the ESMS to reflect appropriate strategies to address such elements.

4.1.c.i Direct and indirect impacts and risks

The Project will likely generate the following impacts associated with daily operations: i) waste generation (including electronic waste with some classified as hazardous); ii) OHS impacts; and iii) resource consumption (energy, raw materials extraction). Linked to the planned CAPEX, indirect impacts may be associated with supply chain disruption.

These impacts will be managed according to the updated ESMS, product certifications, and applicable local legislation requirements. During the Project's life cycle, the Client will also provide information of any potential activities that could generate material E&S risks or impacts.

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 ESMS will outline a process for such analysis associated with potential future activities.

4.1.c.iv Gender risks¹¹

General regional data from the UNC (2021) indicate that gender inequality remains a challenge in the Caribbean region. This exists throughout formal and informal economies and workforce, state institutions, service delivery, political participation, as well as health and security. In general, gender stereotypes prevail across the countries on the role and place of women in relation to men.

For education, despite women outnumbering men as secondary and tertiary graduates, and the region having a higher rate of female labor force participation (55%) than the global average (49%), gender gaps remain. Although both women and men face a higher risk of unemployment compared to the wider Latin America and Caribbean ("LAC"), women are disproportionately affected, with the average unemployment rate in the Caribbean at 14.7% compared to 8.5% for men. While the region is considered a world leader for the share of women managers (8 out of 11 countries report 40% or more of all managers are women), it underperforms the global average in the recruitment and retention of women through lower levels of management.¹²

¹¹ [Caribbean Common Multi-Country Analysis \(CMCA\), 2021](#)

¹² [International Labor Organization Report – Women in Business and Management](#) (2018) – Jamaica reports the highest proportion of women managers in the world at 59%

Overall, existing social and political structures sustain patterns of discrimination and inequality that hinder certain groups in overcoming poverty, accessing quality education and healthcare, work opportunities and housing, as well as participation in political life. Patterns of exclusion in terms of justice, health, employment, education, freedom of movement, and an adequate standard of living are linked to: i) age (children and older persons being most vulnerable to poverty); ii) place of residence (people living in rural areas, indigenous peoples living in remote/hinterland areas or persons living in underserved urban areas); iii) sex (women, adolescent girls, young boys, and the LGBTQI+¹³ community); and iv) occupation (sex work).

4.1.c.v Gender Programs

Approximately 40 % of the Client's workforce are women, with 10% holding senior management and 30% administrative positions respectively. The Company has separate restroom facilities in its offices for men and women. Eligible employees are granted maternity or paternity leave according to local labor laws.¹⁴

Though the Company has prepared a Sexual Harassment Policy in the form of an employee statement designed to prohibit any form of discrimination or harassment, it is not available in English, nor is there confirmed implementation across the Group. Topics such as general violence, code of ethics non-discrimination, and diversity in the workplace have been dealt with following different approaches within the ESMS and some employee handbooks. Conversely, all the primary vendors have detailed policies and codes of conduct covering these areas.¹⁵ Though there is isolated training for at least one office in Central America linked to the procedures of a primary vendor,¹⁶ the Company has not yet designated a management department to deal with such topics.

The Client will therefore: i) adopt a universal policy on sexual harassment, GBV, and non-discrimination with appropriate definitions; ii) update its ESMS, employee handbooks and associated procedures (e.g., code of ethics and internal grievance mechanism) by referencing such policy and making it applicable to all its employees and third-party contractors (including sub-contractors); and iii) conduct trainings on such policy.

4.1.c.vi Climate change exposure

Climate change is a challenge in the region because the Caribbean is inherently hazard-prone and experiences a combination of impacts related to sea level rise ("SLR"), increased temperatures including heatwaves, changes in rainfall patterns which also contribute to persistent drought, more intense tropical storms and hurricanes, storm surge, and coastal erosion. Disaster displacement is therefore a recurrent phenomenon affecting livelihoods and disrupting development trajectories.

Specifically, though Barbados faces a lower risk of natural disasters compared to other countries in the region (including other Group office locations), and rarely experiences a direct hit from

¹³ Abbreviation for lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual, and more

¹⁴ Barbados – 12 weeks

¹⁵ [Xerox](#); [Cisco](#); [Oracle](#)

¹⁶ Xerox – certification on prevention of psychosocial risk, workplace harassment and violence against women; program for the prevention of drug use and consumption in the workplace

hurricanes, the potential economic damage linked to the materialization of those hazards can be catastrophic. Flash floods are not uncommon and result from poor drainage, blocked gullies, and inadequate storm water infrastructure. Most road infrastructure and the main port lie within the low elevation coastal zones. The overall impacts from climate change therefore poses several risks to infrastructure and supply chain. Cumulatively, these reflect parallel impacts across all PBS Caribbean offices.

Therefore, based on the scope of the Client's operations, the Project is classified as low to moderately exposed related to physical climate-related hazards, primarily considering potential location specific impacts and disruptions to the supply chain network.

The Project is considered Paris Agreement aligned based on the overall analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach. In addition, the transaction is not inconsistent with regional adaptation goals and priorities.^{17,18}

4.1.d Management Programs

The ESMS serves as the primary management program tool to guide E&S activities across the Company's various locations. This is supported by several summary policies and procedures covering E&S safety, contractors, child labor, and community concerns.

Given the limited scope of the ESMS to effectively guide management of E&S activities, the Client will update the relevant sections, including the summary policies and procedures, and implement management plans and programs to avoid, mitigate or compensate any negative E&S impacts associated with operations.

4.1.e Organizational Capacity and Competency

The local Human Resources ("HR") department at each PBS location oversees E&S tasks. Additionally, the Company has a Corporate Environmental Health and Safety ("EHS") Coordinator who manages aspects related to the E&S Policy and ESMS.

As part of the ESMS, the Client will: i) present an organization chart covering the relevant locations and highlighting the specific local EHS focal point with roles and responsibilities; ii) provide a detailed E&S training matrix; and iii) train all staff in the updated ESMS.

4.1.f Emergency Preparedness and Response

Emergency preparedness and response ("EPR") is captured under the ESMS with a referenced Business Continuity ("BC") Plan and Disaster Preparedness/Recovery Manual for the Company, along with EPR and Contingency Plans, and emergency drills for some locations.

For the Group including the primary location associated with the Project, the Client will: i) submit the referenced Disaster Preparedness/Recovery Manual, and BC and Contingency Plans; ii) prepare

¹⁷ [IDB Group Country Strategy with Barbados \(2019–2023\)](#)

¹⁸ [Caribbean Common Multi-Country Analysis \(CMCA\), 2021](#)

a comprehensive EPR;¹⁹ iii) based on these plans, update EPR procedures within the ESMS; iv) provide evidence of training for all employees on these plans; and v) submit the annual drill reports.

4.1.g Monitoring and Review

Mechanisms for monitoring, reporting and record keeping procedures as noted in the ESMS, are put in place for each PBS location. This requires that: i) a designated manager or local EHS Coordinator²⁰ conduct weekly housekeeping tours of facilities; ii) each location establishes an EHS Committee chaired by the local EHS Coordinator, to investigate all reports and complaints; iii) quarterly EHS meetings must be held and final EHS reports sent to the Corporate EHS Coordinator; iv) Department Managers must report all incidents, accidents, or dangerous occurrences to the General Manager and local EHS Coordinator via a formal monthly Business Review template; and v) each location, through its EHS Coordinator, documents and maintain records of relevant EHS incidents, investigations, and meeting minutes. The Group HR Director or Corporate EHS Coordinator participates in all monthly business reviews and ensures that EHS issues are raised and addressed.

The Client will therefore, present evidence of such procedures for the Group by: i) submitting copy of the procedure that established the EHS Committee; and ii) presenting quarterly EHS reports and meeting minutes.

4.1.h Stakeholder Engagement

The Company's ESMS provides a general overview for stakeholder engagement with mapping of identified stakeholders. It notes that each PBS office is expected to apply the same methodology and have its own stakeholder map or database (identifying, as much as possible each stakeholder by name, power and influence). However, no specific formal engagement process including applicable communication channels or implementation has been so far outlined.

Therefore, the Client, as part of its ESMS, will: i) develop a structured and detailed Stakeholder Engagement Plan ("SEP") with specified communication channels; and ii) designate the responsible personnel or department for implementing the SEP.

4.1.h.i Disclosure of Information

PBS has a group website through which it discloses its ESMS along with annual reports,²¹ and shares general information on the Company and its affiliate operations, including links to its primary vendors.²² It relies on the latter indirectly regarding some aspects of compliance and disclosure on several key E&S policies (e.g. corporate responsibility, recycling, Global Reporting Initiative ("GRI") Index²³) – these however, are meant to specifically guide activities for the respective vendors. The

¹⁹ Noting additional emergency categories and situations, including: i) both natural and man-made disasters; ii) clearly defined response procedures for each category; iii) a list of required equipment and maintenance protocols; iv) a list of designated personnel and focal points; v) the description of the location of evacuation routes and meeting points; vi) a detail of training schedules and drill procedures; vii) a list of emergency contacts communication flowchart; and viii) procedures for periodic review and update to the EPR

²⁰ Usually the HR Officer

²¹ <https://www.pbs.group/download>

²² www.pbs.group – Xerox; Cisco; Oracle

²³ https://www.xerox.com/downloads/usa/en/x/GRI_Index.pdf; https://www.cisco.com/c/m/en_us/about/csr/esg-hub/governance/frameworks/gri.html; <https://www.oracle.com/social-impact/gri/>

Company also has respective social media accounts with information on group activities, products and services.²⁴

As part of the SEP, the Client will outline an independent process and channels for information disclosure to its stakeholders which considers their category, level, and type of interaction.

4.1.h.ii Informed Consultation and Participation

Due to the Project's characteristics, public consultation and disclosure are not required by local legislation. However, as part of the ESMS update, the Client will outline a process for ongoing consultation with stakeholders according to the Company's projected growth and potential E&S activities.

4.1.h.iii Indigenous Peoples

The Project will not generate any impacts to indigenous communities.

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 captured via the Company's summary *Policy and Procedures to respond to Environment and Safety Concerns from Local Community Members*. The Client has also prepared a summary grievance mechanism to provide and facilitate both external and internal parties with a way to communicate concerns and complaints. This mechanism applies to all PBS offices and has two main means to capture grievances and complaints: i) a suggestions or complaints box, where written notes to management can be submitted; and ii) email addresses for external parties which reach three (3) or more management members in charge of providing a fast solution to the grievance expressed. However, the overall process outlined in each instance is limited in scope regarding grievance categories, and available channels for submission and resolution.

The Client will therefore update these procedures to include additional channels for grievance reception and processing, along with commitments regarding confidentiality and anonymity. These elements will also be reflected as part of the SEP.

4.1.i.i External communication

External communications are centered around the PBS group website and social media including those of its primary vendors. These means will be applied for the Project as appropriate.

²⁴ [LinkedIn](#); [Facebook](#); [Instagram](#)

The SEP will also outline a standardized format to be used for social media communications and guidelines on centralized management.²⁵

4.1.i.ii Community grievance mechanism

Both the updated SEP and *Policy and Procedures to respond to Environment and Safety Concerns from Local Community Members* will outline the grievance mechanism for communities which may be affected by the Company's operations or the Project. The Client will provide evidence of dissemination and training on such grievance mechanism.

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

The 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

The Company has several offices located throughout the Caribbean, Central and South America, with a total of 1,926 employees and 663 contractors (temporary workers) – of which 119 are located in Barbados and 462 across the remaining Caribbean offices.

4.2.a.i Human Resources Policies and Procedures

Details regarding labor and working conditions are covered via employee handbooks for each respective PBS country office. However, the handbook contents are either not standardized, outdated, limited in scope, or unavailable for several of the Caribbean offices.²⁶

To enable a streamlined human resource ("HR") management process for the Project, the Client will: i) conduct a gap analysis for the employee handbooks of the relevant Caribbean offices; and ii) prepare or update the existing handbooks in standardized form based on this analysis and areas referenced in the ESMS, which will include, at minimum, details for the following topics: (a) code of ethics and conduct; (b) recruitment and selection; (c) compensation and benefits (including medical); (d) termination and resignation; (e) working hours, leave categories (including maternity or paternity) and holidays; (f) promotion; (g) existing policies and procedures including grievance

²⁵ The ESMS notes social media and the Company's web page as mechanisms to provide communications to external stakeholders. It is intended that the different Social Media messages are managed centrally with a standardized format in all communications.

²⁶ Employee handbook for Barbados dated 2008

resolution, sexual harassment and GBV, and occupational EHS ; (h) performance management; (i) training and development; and (j) use of Company property. The handbooks will be disseminated to all employees and third-party contractors and sub-contractors in the respective locations.

The Client will also update the HR section of the ESMS to specify key performance indicators (“KPI’s”) to be monitored and procedures for reporting.

4.2.a.ii Working Conditions and Terms of Employment

General employment and working conditions are guided by local labor regulations for each office, alongside details in some of the employee handbooks. Such representations will be standardized in the relevant preparation or updates for the respective handbooks.

4.2.a.iii Workers’ Organizations

Even though the Client acknowledges recognition of the freedom of association and collective bargaining, this principle is not currently contained in any of the existing employee handbooks for the Group. Therefore, the Client will update the employee handbooks to include such declaration.

4.2.a.iv Non-discrimination and Equal Opportunity

The Employee Handbook of at least one office within the Group includes the topic of diversity with an equal opportunity statement, noting that it *provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, genetic information, marital status, amnesty or status.*²⁷ Similarly, these aspects are captured in the relevant policies of the primary vendors.²⁸ However, the employee handbooks and policies for offices in the Group and the overall Company do not consistently nor explicitly reflect commitments regarding non-discrimination and equal opportunity.

The Client will prepare and adopt a policy on non-discrimination and equal opportunity, and update its employee handbooks and policies (as well as code of ethics) to include references to such policy. This will apply to all employees and third-party contractors (including sub-contractors).

4.2.a.v Retrenchment

At present there are no plans for collective dismissals. The Client will however provide annual employee reports as part of its HR KPI’s to capture any such administrative adjustments.

²⁷ Cayman Business Machines Employee Handbook Policies and Procedures – Forward

²⁸ <https://www.oracle.com/careers/culture-inclusion/#rc30content4>; <https://www.oracle.com/webfolder/assets/ebook/employee-code-of-conduct-and-ethics/index.html#page/45>; <https://www.xerox.com/en-us/jobs/diversity>; <https://www.xerox.com/en-us/about/corporate-social-responsibility/policy-positions>; https://www.cisco.com/c/m/en_us/about/csr/esg-hub/people/dei.html

4.2.a.vi Grievance Mechanism

Per the Client's summary grievance mechanism procedure, it also covers concerns and complaints from internal parties and similarly applies to all PBS offices (with a suggestions or complaints box where written notes to management can be submitted). It notes that there are two (2) specific e-mail addresses (English and Spanish) which are routed to senior management members. The summary refers to a communication to employees which would contain instructions on how to set up and access an anonymous email address for submitting grievances.²⁹

Overall, these procedures are limited in Company scope and do not adequately capture descriptions of different grievance categories and assessment procedures linked to wider operations, timing of responses beyond formal reports, options for anonymity, anti-reprisals policy nor dissemination mechanisms (e.g., the management of internal grievances is covered to a limited and highly formal degree in the employee handbook for Barbados). Therefore, the Client will update its procedures to include these aspects and will articulate them within its employee handbooks, along with the ESMS to address internal grievances to further capture: i) a description the specific channels for grievance reception; and ii) the teams responsible for grievance reception, assessment, and response.

4.2.b Protecting the Workforce

PBS is guided by local law in each jurisdiction regarding OHS, along with its ESMS and various employee handbooks, some of which include guidelines on work attire and prohibition regarding use of drugs and alcohol. Based on the gap analysis, the relevant employee handbooks and codes of ethics and conduct will be updated to be similarly aligned in consistently capturing these elements.

4.2.b.i Child Labor

PBS operates within the framework of local legislation for each office regarding the minimum age of employment.³⁰ In the case of activities involving hazardous work, the minimum age is eighteen (18) years. The ESMS includes a policy statement, principles, and guidelines on child labor according to the provisions of the International Labor Organization ("ILO") Convention.³¹ It notes that these provisions apply to suppliers and contractors who do business with the Company, as is reflected in the commercial agreements with vendors and suppliers. There are also summary procedure documents outlining this prohibition for both the Company and its contractors to hire children. Conversely, the Company's primary vendors each have policies which explicitly prohibit child labor, along with measures to screen their supply chains.³²

The Client will: i) ensure its employee handbooks and codes of ethics and conduct include provisions against the use of child labor; and ii) formally adopt the relevant procedure documents.

²⁹ As of August 2021

³⁰ Minimum age established by PBS is 16 (this is also the minimum age for Barbados which has ratified the ILO Convention)

³¹ Conventions No 138. And 182 on Minimum Age and Worst Forms of Child Labor

³² [Oracle](https://www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0_English.pdf); [Xerox](#); [Cisco](#); https://www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0_English.pdf

4.2.b.ii Forced Labor

Though forced labor is referenced in the ESMS as part of the principles on child labor, there is no individual policy or guidelines on this subject. The Company's primary vendors each have policies which explicitly prohibit forced labor (including but not limited to human trafficking and modern slavery).³³ Hence, the Client will update its ESMS, employee handbooks, codes of ethics and conduct, contractor and child labor procedures, and commercial agreements to include provisions against the use of forced labor.

4.2.c Occupational Health and Safety

The Client's summary procedure document on EHS provides very general guidelines and instructions regarding protection for employees working with equipment, at warehouses, or any other area. Some employee handbooks include an overview on OHS in varying degrees of detail. The ESMS includes a more detailed section on EHS with some minimum requirements for the office environment. Drills, trainings, and certifications are carried out at each PBS office according to either local requirements or applicable hazards (e.g., fire, earthquake, general first aid and H&S) – however, this is not consistent or standardized across offices. OHS statistics for the Company reflect several lost time accidents, workdays or vehicle collisions.³⁴

The Client will therefore update and formalize its procedure document on EHS which will align with its ESMS to reflect: i) hazards identification for daily operations; ii) risk assessment and classification; iii) measures to manage identified risks; iv) regular monitoring of EHS indicators; iv) employees safety training plan; vi) procedures for reporting accidents including root cause analysis; and vii) detailed accident investigation procedures (including applicable emergency contact information). It will also update and standardize the employee handbooks regarding OHS and submit annual training reports and statistics with root cause analysis for any reported accidents.

4.2.d Provisions for people with disabilities

Despite each primary vendor having specific commitments or provisions for people with disabilities, PBS does not have any declarations in this regard. Therefore, the Client will update its policy on non-discrimination and equal opportunity and relevant employee handbooks to include such provisions.

4.2.e Workers Engaged by Third Parties

The ESMS includes guidelines for vendors, contractors and suppliers, along with reference to general principles regarding child labor. Verification on compliance is carried out via an assessment questionnaire which is managed by local HR representatives, and contractors are obliged to develop task risk assessments or job safety analysis for work to be undertaken – this is presented as part of the contact. There is also a summary procedure document for contractors working at PBS and the Company is guided by the respective procurement policies of its primary vendors.

³³ Oracle; Xerox; https://www.xerox.com/downloads/world/e/ethics_Code_of_Conduct_English.pdf; Cisco

³⁴ For 2023 - lost time accidents (2), workdays (4), or vehicle collisions (1)

To ensure adequacy and conformity of the respective policies and guidelines, the Client will: i) include the vendors, contractors and suppliers questionnaire in its ESMS; ii) update the contractor procedure to reflect all necessary requirements and obligations (including but not limited to, risk assessments, job safety analysis, OHS, Company code of ethics, forced labor); iii) update the employee handbooks to reference applicability to third-party contractors (including sub-contractors); and iv) ensure that these provisions are communicated to the contractors during the procurement of new services.

4.2.f Supply Chain

Even though (a) the Company's primary vendors all have specific and holistic procurement policies or codes of conduct which include ensuring ethical business conduct, EHS, and sustainability in the supply chain,³⁵ and (b) the ESMS includes guidelines and principles applicable to the supply chain, the scope is limited with focus on child labor.

The Client will therefore update its ESMS and relevant procurement procedure and policies to incorporate similar elements regarding sustainability and proper EHS management, in addition to forced labor along its supply chain. These measures will be communicated to third parties (including contractors and sub-contractors).

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

Most PBS offices utilize the local electrical grid, and a few have incorporated electric vehicles. Though the ESMS notes commitments to: i) *minimize energy and water usage in our buildings, vehicles and processes in order to conserve, supplies, and minimize our consumption of natural resources, especially where they are nonrenewable*; and ii) *apply the principles of continuous improvement in respect of air, water, noise pollution, and solid waste management from our premises and reduce any harmful impacts from our operations, products and services on the environment and local community*,³⁶ these commitments have not yet been actively implemented.

Products sourced by the Company from its primary vendors generally have energy certifications, or efforts are made to enhance efficiency and sustainability.³⁷

4.3.a.i Greenhouse Gases

Due to the nature of the Project, it is expected that its GHG emissions will not be material.³⁸

³⁵ [Oracle – Sustainable Procurement Statement](#); [Xerox The Supplier Code of Conduct](#); [Cisco sustainability/Cisco Supplier Guide/ Cisco Responsible Minerals Policy](#)

³⁶ PBS ESMS – Six Steps of Commitment pg. 5

³⁷ <https://www.xerox.com/en-us/about/ehs/eco-label>; <https://www.xerox.com/en-jm/about/insights/energy-star-award>; <https://www.oracle.com/utilities/products/opower-energy/>; <https://www.office.xerox.com/latest/SECF5-07.PDF>;

³⁸ Notwithstanding, primary vendors have programs which monitor emissions data, including strategies and goals to reduce carbon footprint – [Cisco](#); [Xerox](#); [Oracle](#)

4.3.a.ii Water Consumption

Water for the Client's operations is provided via the respective municipal water systems and used for general office and sanitary purposes. Contrary to its E&S Policy, there are no indications of water monitoring or conservation programs. As such the Client will establish a monitoring process.

4.3.b Pollution Prevention

Though the PBS group policy statement states *that pollution prevention is a priority and that the Group seeks to continually improve its environmental performance*,³⁹ it does not have a specific set of procedures to guide or monitor pollution prevention for its operations. However, each office is guided by local regulations and requirements regarding waste management. Primary vendors have dedicated policies and procedures regarding waste and pollution reduction through sustainable practices⁴⁰ – though referenced by the Company as part of its waste management compliance, this is not consistently implemented.

4.3.b.i Wastes

Waste streams for operations are linked to sanitary liquid waste (e.g., office bathrooms), and solid waste (office, bulk packaging, electronic, obsolete equipment and devices (some of hazardous nature) etc.). In the absence of Company specific procedures, local permits regarding storage and disposal govern general waste management.⁴¹ Each location has agreements with local recyclers for packing materials (e.g. wooden pallets). The relevant primary vendors have programs for return and recycling of obsolete electronic equipment.⁴²

As there is no structured waste management plan for general operations, the Client, will: i) conduct a waste audit for all categories of waste; ii) based on audit and as part of its ESMS, prepare an Operational Waste Management Plan ("OWMP") to address all waste streams (solid, liquid, and hazardous) which will incorporate appropriate return-recycle options linked to those of its primary vendors; and iii) update the EHS procedures accordingly. It will also submit the relevant local recycle agreements.

4.3.b.ii Hazardous Materials Management

Management of hazardous materials will be managed through the ESMS via the OWMP and EHS procedures.

³⁹ PBS ESMS – pg. 7

⁴⁰ <https://www.xerox.com/en-us/about/ehs/pioneering-a-circular-economy>; https://www.cisco.com/c/m/en_us/about/csr/esg-hub/environment/product-sustainability.html; <https://www.oracle.com/it-infrastructure/take-back-and-recycling/>

⁴¹ E.g. Jamaica permit, #2010-02017-EP00116 (Construction and operation of hazardous waste removal, storage, transportation, treatment or disposal facility)

⁴² https://www.cisco.com/c/m/en_us/about/csr/esg-hub/environment/product-returns.html; <https://www.oracle.com/it-infrastructure/take-back-and-recycling/>; <https://www.xerox.com/en-us/about/recycling>

4.3.b.iii Pesticide Use and Management

The ESMS includes an Integrated Pest Management (“IPM”) Policy which guides application and use for PBS offices. The Client will update the ESMS to include its list of approved pesticides and steps to not purchase, store, use, or trade in products that fall in WHO Recommended Classification of Pesticides.⁴³

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

The Project’s interventions are expected to produce the following E&S impacts: i) waste (including electronic waste, some hazardous); ii) OHS impacts; iii) and resource consumption (energy, raw materials extraction). However, these impacts are deemed to be low and will be managed via the updated ESMS, employee handbooks, procedure documents, and provisions guided by local environmental permits and requirements.

4.4.a.i Infrastructure and Equipment Design and Safety

The Client references a BC Plan and Disaster Preparedness/Recovery Manual for the Company, along with several EPR and Contingency Plans as the primary tools for infrastructure safety and emergency management. Emergency drills and simulations (e.g., fire, bomb alert) are carried out periodically across offices. The ESMS notes that these should be conducted at least once per year.

To ensure consistency in implementation of such plans, the Client will: i) update the ESMS to identify and categorize hazards for which drills are to be conducted according to the location of each Group office; and ii) implement recommendations from the annual drill reports.

4.4.a.ii Hazardous Materials Management and Safety

Hazardous Materials Management and Safety will be managed through the ESMS via the OWMP and EHS procedures.

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 illness will be managed through updates to the ESMS and EHS procedures. These will capture responses to other general communicable disease outside of Covid-19, including applicable regional vector-borne diseases.

⁴³ According to Hazard Class Ia (extremely hazardous); or Ib (highly hazardous).

4.4.a.v Emergency Preparedness and Response

The Client's emergency preparedness and response will be addressed in its ESMS, Disaster Preparedness/Recovery Manual, and EPR, BC and Contingency Plans.

4.4.b Security Personnel

Security officers for the Company are contracted through security agencies. Main tasks include keeping track of visitors and safeguarding PBS premises. All security guards are required to be trained in how to interact with the public and maintain good relationships.

Therefore, the Client will submit its Security Screening Assessment procedures and evidence of training regarding relevant policies (e.g., code of conduct, use of drugs and alcohol in the workplace).

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 Indigenous Peoples

Given the Client's operations, the Project will not impact any indigenous community.

4.8 Cultural Heritage

The Project will not affect any cultural heritage.

5. Local Access of Project Documentation

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

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