

## Environmental and Social Review Summary (“ESRS”) Portland Caribbean Fund III / 14515-01 – Regional

Original language of the document: English  
Issuance date: May 2023

- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) review of the proposed transaction was carried out through desk research, and client web-conferencing calls. Portland III is an existing client of IDB Invest, so the Environmental and Social Management System (“ESMS”) currently in place will also apply for this transaction.
- 2. Environmental and Social Categorization and Rationale.** This is a category FI-2 project according to the IDB Invest Environmental and Social Sustainability Policy because the companies in which the Fund is investing are considered of medium E&S risk. The Fund will not be permitted to use IDB Invest funds from this participation to invest in Category A sub-projects.

The project is considered Paris Agreement-aligned based on an analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach

- 3. Environmental and Social Risks and Impacts.** As a 2X Flagship Fund with a focus on Gender, Diversity, and Inclusion (“GDI”) and climate impact, Portland III will make control or significant minority investments in growth opportunities in various sectors (e.g., scalable services/tourism, communications, essential services/digital transformation, and agribusiness/food industry supply chain).

The potential E&S aspects associated with its main investment activities include, but are not limited to, biodiversity, stakeholder engagement, human rights, pollution prevention and reduction, waste management, climate change, occupational health and safety, internal and external grievance mechanisms, supply chain management, and emergency prevention, preparedness and response.

- 4. Mitigation Measures.** Portland has a Human Resources Policy that integrates the principles of nondiscrimination and equal opportunity, as well as a grievance mechanism for its employees.

The Fund Manager currently ensures that all investments made by the Fund comply with the IDB Invest Exclusion List, applicable E&S local laws, and the IIC Environmental and Social Sustainability Policy including the International Finance Corporation (“IFC”) Performance Standards.

The Fund and each investment have external Grievance Mechanisms to review inquiries or complaints from any interested party regarding the E&S risks and impacts of their operations.

The Fund Manager submits annual E&S monitoring reports to IDB Invest.

Each investment is subject to an environmental, social, occupational health and safety and labor review by the Fund Manager and the Environmental, Social, and Governance (“ESG”) Sub-Committee to the Limited Partner Joint Advisory Committee (“JAC”). The Fund has improved ESG practices in its investee companies and has established an ESG Sub-Committee to the JAC on which the IDB Invest’s SEG Officer participates as an observer. The Fund analyzes the ESG aspects

of investee companies and brings global best practices to companies that would otherwise not have the resources to implement these standards.

Portland currently has an ESMS in place for managing the E&S impacts and risks associated with its financial operations. Also, Portland has an experienced and trained E&S Team to manage the E&S aspects of the Fund. Additionally, the Fund hires external consultants with the necessary competence (education, training, and experience) for due diligence, monitoring and supervision purposes.

5. **Environmental and Social Action Plan (“ESAP”).** N/A
6. **Contact Information** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary** tab), or IDB Invest using the email [divulgacionpublica@iadb.org](mailto:divulgacionpublica@iadb.org). As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to [mecanismo@iadb.org](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or calling +1(202) 623-3952.