

Environmental and Social Review Summary (ESRS) VU Security Project - REGIONAL

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1. General Information of the operation

VU Security (the “Company”) is a global cybersecurity company specialized in identity protection and fraud prevention. The Company was founded in Argentina, and has operations in several countries, including Ecuador, Chile, Dominican Republic, Guatemala, Colombia, Bahamas, Argentina, Brazil, Uruguay, Peru, Panama, Barbados, and Paraguay. The Company offers a wide range of cybersecurity services, including fraud analysis, identity recognition, facial recognition, and voice recognition. This operation (the “Operation”) consists of a direct capital investment in the Company to support its growth, including the development of new products and services.

The scope of IDB Invest’s environmental and social review included: i) the analysis of Company’s information and documents; and ii) remote meetings via video conferencing with its main representatives.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category C operation according to BID Invest’s Environmental and Social Sustainability Policy since it will generate very limited or no incremental impacts, and any impacts generated can be easily managed by the Company. The Operation will trigger the following International Finance Corporation (IFC) Performance Standards (PS): i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; and iii) PS3: Resource Efficiency and Pollution Prevention.

3. Environmental and Social Risks

3.1 Assessment and Management of Environmental and Social Risks and Impacts

The Company has two offices, one in Argentina and the other in Uruguay. However, it has established a remote work model for its employees, who are located in Argentina, Uruguay, Chile, and Spain. The purpose of its offices are to provide support to employees who require it, or for specific activities such as team-building events or team meetings.

The main risks and impacts of this Operation are primarily related to compliance with labor, occupational health and safety, and fire prevention system regulations in the countries in which the Company has offices.

The Company has not yet implemented a formal Sustainability Policy or an Environmental and Social Management System. However, its Code of Ethics establishes, among other issues, the Company’s commitment with environment, occupational health and safety, and human rights.

The Human Resources team—made up of a director, leader, and two analysts—is responsible for the internal management of issues related to employment and working conditions. The Company also has a Compliance team, made up of a compliance officer and an Ethics Committee, which is responsible for issues related to compliance with legislation and the Code of Ethics.

The Company's website¹ includes a channel through which any interested party can submit comments, queries, or grievances. However, the Company will develop an internal policy to establish procedures for receiving comments, queries, or grievances, including the registration procedure, response time, and personnel responsible for handling the grievances.

As part of its commitment to contributing to the public good and supporting development, which is established in its Code of Ethics, the Company promotes volunteering initiatives, and supports organizations that provide mentoring and training to women, students, and young people.

The Company has fire extinguishers located in the Building and its office, certified by specialized companies.

3.2 Labor and Working Conditions

The Company has 136 direct employees, of which 99 (72%) are located in Argentina, and the remainder are located in Uruguay, Chile, and Spain. The Company also has 38 contractors, of which 71% are men and 29% are women.

The normal workday is from 9am to 6pm, with a total of 40 hours per week. However, the Company allows flexible working hours for its employees and contractors.

The Company complies with the labor legislation requirements of the country in which its employees are located. Employee benefits (vacations, maternity leave, paternity leave, sick leave, and other special leave) are offered in accordance with the labor legislation of each country. Additionally, the Company offers other benefits to its employees, such as arrangements with private healthcare providers, and the payment of employees' home internet service, among others.

Furthermore, the Company has implemented an Employee Assistance Program with the support of a specialized third-party company to offer professional psychological, legal², financial, accounting, and nutrition advice. This advisory service is confidential and free of charge for all employees.

The Company has yet to implement a formal Human Resources Policy. Employees are informed of their rights and benefits when they join the Company. The Company recognizes employees' right to join a union. Currently, six employees are unionized, as members of the Commerce Workers' Union of Argentina.

The Code of Ethics establishes the Company's commitment to providing fair and equitable employment conditions, promoting inclusion, and equal opportunities. Discrimination or harassment of any kind is not tolerated. The Code of Ethics also prohibits forced labor or child labor.

¹ <https://www.vusecurity.com/en>

² Legal consultations on labor issues are excluded.

An Ethics Hotline is available for all employees, contractors, or third parties who wish to submit a complaint or report a suspected violation of the Code of Ethics. The following communication channels may be used for this purpose: i) the web platform for submitting anonymous complaints; ii) email; and iii) a free telephone line³ that has been set up to receive complaints. The Code of Ethics states that the Company has zero tolerance for any type of retaliation.

All complaints are received by an independent institution⁴ with qualified employees and an established track record of managing ethics hotlines. These complaints are analyzed by the Company's Ethics Committee. The Penalties Policy specifies guidelines for applying penalties in the case of a breach of the Code of Conduct, labor obligations, or inappropriate conduct.

3.3 Resource Efficiency and Pollution Prevention

As the Company has established a remote work model with low levels of office use, its water and energy consumption and waste generation are extremely low. However, with regard to the latter, the Company will develop a Waste Management Plan to establish procedures for the proper treatment of the generated waste.

4. Additional Information

For inquiries about the Project please contact VU Security:

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For questions and comments to IDB Invest please contact:

Name:	IDB Invest Communication Group
Email:	requestinformation@idbinvest.org

Additionally, affected communities can access the IIC's Independent Consultation and Investigation Mechanism (ICIM) as follows:

Phone number:	+1 (202) 623-3952
Fax number:	+1 (202) 312-4057
Address:	1300 New York Ave. NW Washington, DC. USA. 20577
Email:	mecanismo@iadb.org or MICI@iadb.org

³ The free telephone line is only available in Argentina.

⁴ BDO Ethics Hotline.