

Environmental and Social Review Summary (ESRS) 14835-01 Haiti Smart Meter Project – HAITI

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1 Overview of the operation

The proposed operation (the "Project") consists of the installation, operation and maintenance of an electricity smart meter system (including 100,000 smart meters), its associated facilities, and pre-paid collection system. The Project will be installed and operated in the service area of Électricité d'Haïti ("EDH") in Port-au-Prince, the capital of Haiti. It will be developed by ABD Smart Meter S.A. ("ABD", the "Company", or the "Client"), an entity owned by Atlantic Bridge Developments Corporation¹ (Canada) and KEPID AMSTECH CO., LTD.(Korea). The Client will also be the main supplier of some of the equipment to be used by the Project.

2 Scope of IDB Invest's environmental and social review

The environmental and social analysis for the Project consisted of: i) virtual meetings with ABD representatives; and ii) documentary review of the Client's environmental and social performance over time, with an emphasis on compliance with the following Performance Standards (PS): PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; and PS3: Resource Efficiency and Pollution Prevention.

3 Environmental and social classification and its justification

In accordance with IDB Invest's Environmental and Social ("E&S") Sustainability Policy, the Project has been classified in Category C because its incremental impacts are deemed to be low or not material and can easily be manageable from the Project's perspective. However, among the latter the following can be mentioned: i) potential health and safety impacts on direct and indirect workers due to electrical shocks, high altitude falls and exposure to hazardous substances; ii) potential labor gaps with workers hired by third parties; iii) generation of hazardous and non-hazardous solid waste; and iv) exposure to adverse weather conditions.

Based on an analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach, the Project is considered aligned with the Paris Agreement.

4 Environmental and social risks

Since EDH, the largely electricity's government-owned company, is the beneficiary of the Project, no permits are required for its implementation.

¹ <u>https://atlanticbridged.com/</u>

The Company has developed an Environmental and Social Management System ("ESMS") that includes of the following policies, that apply to all employees, subcontractors, and other Project stakeholders: i) Environmental, which contains a commitment to conduct the electrical meter installation in an environmentally responsible manner by minimizing impact while ensuring the efficient and safe installation of devices for residential clients, ii) Occupational Health and Safety ("OHS"), that outlines its commitment to maintaining a safe working environment, preventing accidents, and promoting the wellbeing of everyone involved in the Project; iii) Human Resources ("HR"), designed to create a fair, respectful, and supportive working environment that is aligned with the Company's commitment to excellence, integrity, and employee well-being; and iv) Social Responsibility, that outlines its commitment to ethical practices, community engagement, fair labor practices, and respect for human rights in all aspects of its operations.

These policies are available in both working languages of the Company: English and French.

In addition, ABD has established a Code of Ethics, as a guiding framework for all employees, that embodies the Company's commitment to integrity, transparency, and ethical conduct in all aspects of its operations. By adhering to this code, the Client ensures that its employees will act in the best interests of the Company, its customers, and the broader community. This includes adherence to data protection, anti-corruption, and labor laws.

Also, as part of its ESMS, the Project has stablished the following practices: i) monitoring and reporting, to keep its stakeholders informed about its performance; ii) continuous improvement, as a commitment to achieve sustainability; and iii) responsibility and accountability, that confers its actions the possibility to be reviewed in a transparent manner.

Regarding Community Engagement, the Project has committed to ensure transparent communication with residents and local stakeholders about the Project's goals, its timeline, and potential impacts. For this purpose, it has established: i) channels for community members to express concerns, ask questions, and provide feedback; ii) partnerships with local organizations and initiatives that promote community development, education, and sustainability; iii) planning and executing installation procedures that minimizes disruptions: and iv) safety and cleaning protocols around worksites.

4.1 Labor and Working Conditions

The Company is committed to providing equal employment opportunities to all employees and applicants without regard to race, color, religion, sex, national origin, age, disability, or any other legally protected characteristic. All employees have equal access to opportunities for promotion, career advancement, and professional development based on merit and performance. Also, employees are encouraged to report any workplace issues or concerns to HR or their supervisor. The Company ensures that grievances are handled confidentially and without retaliation.

The Company Code of Ethics seeks to provide a positive work environment, free from harassment, including values such as dignity and respect and diversity and inclusion.

The Project presents a Project Manager (whose duties include to oversee E&S); a Marketing and Administration Manager, who oversees OHS aspects; and Site Managers, oversee also OHS aspects at the field level and to whom Field Supervisors (Technicians & Safety) report.

The Project will hire a total of 40 employees (6 women and 34 men). From them, 10 will be hired directly and 30 by EDH. Most of them will perform the meter installation tasks. ABD employees traveling to Haiti from Canada will be provided with housing, electricity, fuel supply, and access to potable water by the Project.

Payments will be made directly on a biweekly basis. Salaries for ABD employees will be in US dollars ("USD") whiles local technicians will be paid in Haitian Gourdes ("HTG"). The Company ensures payments above the minimum wage that are in compliance with Haitian legislation and aligned with the International Labor Organization ("ILO") standards.

The Project follows the ISO 45001:2018 Occupational health and safety management systems standard².

The Project OHS Policy aims at preventing accidents and promoting: i) a safe work environment; ii) compliance with applicable legislation and standards; and iv) emergency preparedness. OHS standards described in the policy relate to: i) risk assessment and hazard identification; ii) training and competency, iii) use of appropriate personal protective equipment ("PP"E), such as hard hats, gloves, safety glasses, high-visibility clothing, and insulated footwear; iv) safe work practices when installing or repairing smart meters, ensuring that all equipment is properly maintained and verifying that ladders and other equipment are stable before use; v) emergency preparedness; vi) incident reporting and investigation; vi) monitoring and continuous improvement; vii) roles and responsibilities; viii) communication and awareness; ix) compliance and accountability.

Under the Project, ABD will be hiring Hansan³ (KEPID AMSTECH) as supplier. The Client will ensure that the supply chain policy will be rigorously followed, including strict adherence to ethical labor practices, worker safety, and sourcing from reliable suppliers.

4.2 Resource Efficiency and Pollution Prevention

Through its Environmental Policy, the Project is committed to achieve the following objectives: i) waste minimization, ii) energy efficiency; iii) pollution prevention; iv) sustainable sourcing; and v) legal compliance, to ensure compliance with all relevant environmental laws, regulations, and standards.

The Project rented offices in Haiti that have a diesel generator and solar panels, as backup systems. They also have a rainwater collection system in place to minimize the use of potable water.

The following practices related to waste management are being implemented: i) proper storage, handling, and disposal of hazardous and non-hazardous wastes (e.g. batteries, electronic components) according to local regulations; ii) in source reduction of materials by avoiding its use in excess, iii) separation and recycling of materials (metal, plastic, cardboard, etc.); and iv) disposal of non-recyclable waste in approved facilities, ensuring no illegal dumping.

Regarding energy efficiency, the Project: i) utilizes energy-efficient tools and equipment to reduce energy consumption during installations; ii) optimizes travel routes to reduce fuel consumption and carbon emissions from company vehicles; and iii) encourages remote coordination and planning meetings to minimize travel where feasible.

² <u>https://www.iso.org/standard/63787.html</u>

³ <u>https://www.komachine.com/en/companies/kepid-amstech</u>

To prevent pollution, the Project; i) uses non-toxic, environmentally friendly chemicals for cleaning and other processes; ii) minimizes noise pollution by using quieter tools and limiting work during sensitive hours in residential areas; and iii) ensures vehicles and equipment are well-maintained to reduce emissions.

In addition, the Project is committed with a sustainable supply sourcing that prioritizes the purchase of materials that have a lower environmental impact (eco-friendly materials) and seeks local goods and materials to reduce transportation emissions and support local economies.

4.3 Community Health, Safety, and Security

Through its Social Responsibility Policy, the Project is committed with the following objectives: i) community engagement; ii) fair labor practices; iii) respect for human rights; and iv) local economic development.

5 Proposed management measures

The proposed management measures are described at the Environmental and Social Action Plan ("ESAP") of the Project.

6 Additional Information

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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:

Phone number:	+1 (202) 623-3952
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