

Environmental and Social Review Summary (ESRS) Rock Content – REGIONAL

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1. Overview of the Operation

The operation consists of a long-term mezzanine facility to finance research and development, working capital requirements, and possible acquisitions of Rock Content Inc. (the “Company” or “RC”). Rock Content is a technology company that offers a digital platform for small, medium and large enterprises, combining tools for creation, planning, production, and promotion of content marketing. The Company combines software as a service with professional services and leverages its talent community to enable growth for customers globally. Rock Content has a small office in Sao Paulo, Brazil, but it operates as a 100% remote company.

2. Scope of IDB Invest's Environmental and Social Review

The environmental and social (“E&S”) analysis of the proposed operation consisted of a documentary review of the Company's environmental and social performance over time, with an emphasis on compliance with the following Performance Standards (“PS”): (i) PS1: Assessment and Management of Environmental and Social Risks and Impacts and (ii) PS2: Labor and Working Conditions.

3. Environmental and Social Classification and its Justification

In accordance with IDB Invest's Environmental and Social Sustainability Policy, the Project has been classified in Category C because the incremental impacts it will generate are deemed to be low or negligible and can easily be manageable from the perspective of the Project.

4. Environmental and Social Risks

4.1 Assessment and Management of Environmental and Social Risks and Impacts

The Company has a simple Environmental and Social Management System (“ESMS”) commensurate to the level of E&S risks involved in its operations.

Policies. The Company is in the process of developing an overarching policy.

Procedure to Identify Risks and Impacts. The Company has a documented procedure to identify risks and impacts. Given that 100% of its employees work remotely, the activities of the Company do not affect the environment. The limited number of risks identified relate to minor health and safety issues of its employees.

Management Programs. The Company has a few informal programs to mitigate its E&S risks and impacts, in particular the ones related to its labor and working conditions.

Administrative Capacity and Competency. Rock Content has assigned appropriate roles and responsibilities to deal with its labor and working conditions risks. The Company provides introductory and periodic training to key personnel on labor-related procedures.

Emergency Preparedness and Response. Given that RC operates as a remote company, it does have the need for emergency preparedness and response plans.

Stakeholder Engagement. Given that RC operates 100% remotely, no communities are affected by the Company's operations and, therefore, no need for a formal stakeholder engagement.

External Communications and Grievance Mechanisms. The operations of RC do not have an E&S impact on communities. However, any external party has access Safespace¹, an online platform where stakeholders can raise anonymously their concerns, questions, and grievances. The platform is managed by an independent company and grievances are dealt by the RC's Integrity Committee.

Periodic Reporting to Affected Communities. RC develops sustainability reports in which it shares information regarding its human resource, including workforce diversification and inclusion metrics.

Monitoring and Evaluation. The Company performs certain monitoring activities to satisfy regulatory requirements, but no formal ESMS procedure to monitor the effectiveness of its action plans.

4.2 Labor and Working Conditions

Rock Content has 470 workers, 51.7% of whom are women.

Human Resources Policies and Procedures. Even though RC has still not implemented a formal human resources ("HR") policy, the Company's Code of Ethic ("CoE") and procedures demonstrate its commitment to non-discrimination and equal opportunity.

Workers' Organizations. RC observes the right to free association and respects the right of its employees to unionize. Its Brazilian staff, for instance, is free to join one of the two software and technology industry unions in the country. The bargaining arrangements in Brazil include agreements on minimum salary, bonuses, overtime benefits and premiums.

Non-discrimination and Equal Opportunity. Rock Content is committed to provide equal work opportunities without discrimination due to age, color, personal disabilities, nationality, race, religion, sex, or any other condition as protected by the applicable law. Its CoE and hiring procedures emphasize its non-tolerance to discrimination. Approximately 52% of the workforce identify as female, while 19% identify as part of the LGBTQIA+ community. Approximately 3% of the workforce has one or more disabilities.

Retrenchment. In 2020, the Company retrenched 120 employees because of lower operation volumes due to the COVID-19 pandemic. Despite the Company's efforts to freeze hirings and cut costs, in 2020 it had to lay off 120 employees to cope with the lower operation volumes. Besides the required legal benefits that some of the countries where RC operate require, the Company provided an additional severance package payments based on tenure, 6-month post-termination health insurance coverage, and assistance in job placement and retraining efforts.

¹ <https://my.safe.space/company/rockcontent/igairh18kcj/>

Grievance Mechanism. Employees can use RC’s Safespace reporting channel to file grievances (anonymously, confidentially, and without fear of retaliation) that are related to discrimination, harassment, and any other labor-related aspects.

Protecting the Workforce. RC does not support, promote, or tolerate child labor nor does it accept forced or compulsory labor.

Occupational Health and Safety. OHS risks are managed by RC in compliance with the local regulations. OHS risks are related to the ergonomics of the staff working remotely.

4.3 Resource Efficiency and Pollution Prevention

Rock Content is a 100% remote company whose operations do not impact the environment.

4.4 Community Health, Safety, and Security

Rock Content is a 100% remote company whose operations do not impact the health, safety, and security of communities.

5. Proposed Management Measures

No.	Reference	Action	Deliverable	Due Date
PS 2: Labor and Working Conditions				
2.1	Human Resource Policy	1. Develop a Human Resource (HR) Policy	1. HR Policy	1. 60 days after the first disbursement
		2. Communicate the HR Policy to all employees	2. Evidence of Communication	2. 90 days after the first disbursement.
2.2	Internal Grievance Mechanism (GM)	1. Adopt an internal GM that contains: i) the principles of the mechanism (confidentiality, anonymity, non-retaliation); ii) the forms of capturing complaints and claims; iii) the maximum period for responding to complaints; iv) the processes to receive, record, validate, investigate, and determine alternative solutions for complaints; and v) the guidelines for tracking, documenting, and communicating responses to complainants. The GM will indicate the person responsible for ensuring the proper functioning of the complaints mechanism and how it will be communicated.	1. Internal GM Procedure	1. 60 days after the first disbursement.

6. Additional Information

Additional information on Rock Content can be found at its webpage: <https://rockcontent.com/>