

## Environmental and Social Review Summary (ESRS) Redstart Investment Guyana Inc – Guyana

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

The proposed financing for Redstart Investment Guyana Inc (the “Company” or the “Client”), a Guyanese real estate developer under common control (ultimate shareholders) as Grupo Unicomer, will support the construction of a commercial complex (“Riverplace” or “Site 1”) and new warehousing and distribution facility (“Site 2”) in Georgetown, Guyana (the “Project”). Site 1 will accommodate up to thirty (30) retail spaces anchored by a Courts Mega Store and Ashley Home store, together occupying roughly 50,000 square feet (4,645 square meters). The warehouse facility at Site 2 will facilitate the storage and distribution of electronics, furniture, appliances, light automotives, etc., for Unicomer Guyana, thereby helping to streamline the supply chain management process.

Construction for the Project will be executed over a period of 24 months across both sites.

The Environmental and Social Due Diligence (“ESDD”) included site visits and meetings with the Client, as well as a review of the Company’s environmental management systems, certifications, policies and procedures on occupational health and safety, waste management, emergency response, gender, ethics 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 others, the following site-specific impacts: i) solid and liquid waste generation; ii) noise and vibration disturbance; iii) air and dust emissions; iv) occupational health and safety impacts; v) secondary vegetation clearance; and vi) access and traffic disturbance. These impacts are deemed to be of medium intensity, are generally limited to the Project sites (located in designated industrial and commercial areas), are largely reversible, and can be managed via measures that are readily available and feasible to implement in the context of the operation.

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.

### **3 Environmental and Social Context**

#### **3.1 General characteristics of the Project's site**

The Project sites are in the Demerara-Mahaica area (Region 4) of Georgetown.

Site 1 comprising of roughly 1.7 hectares (4.24 acres) of land, is situated within the compound of an existing industrial complex located at Farm, East Bank of Demerara<sup>1</sup> at approximately 0.5 km (0.3miles) east of the Demerara River. The land is leased (long-term) and houses an abandoned building which was a former recycling facility. The structure will be retained as the primary frame for the construction of the Riverplace project. The remaining area is covered by low-lying scrub and wild grass. The parcel is surrounded by similar industrial and commercial operations with an adjacent access road which leads to the main East Bank Public Road.

Site 2 is in the East Bank Demerara area of Houston/Rome, approximately 8.5 km (5.3 miles) northeast of Site 1 and 2.4 km (1.5 miles) miles east of the Demerara River. It is within an area which was previously a part of more extensive farmland. The land is unoccupied, owned by the Client via private purchase, and designated for commercial and industrial use. It is comprised of eight (8) tracts totaling 20.5 hectares (51.68 acres) covered with secondary vegetation typical of Georgetown and its neighboring areas.<sup>2</sup> The site is surrounded by other similarly unoccupied vegetated open parcels in various stages of development with a concrete paved access road. Construction will involve the development of Tracts 1, 4 and 5 (totaling 4.4 hectares or 10.89 acres) to accommodate the loading area and boulevard which will serve as an access road.

The hydrology for both areas is classified as part of the coastal lowland zone and is interspersed to varying degrees, with a network of drainage canals (some which are relics of agricultural drainage) which help to regulate surface runoff. Flooding and oversaturation are therefore common during periods of high rainfall.

#### **3.2 Contextual risks**

Despite its continuous increase since 1990 and Guyana's high-rate economic growth driven by a growing oil production sector, per capita income remains among the lowest in the English-speaking Caribbean. Between 2012 and 2016, the country rapidly transitioned from low income to upper-middle income. However, economic growth has not translated into changes in overall human development. Despite sparse data, the country is classified as one with very high levels of social and economic inequality. Sharp differences in living standards between the coastal plain and the hinterlands are visible as anecdotal evidence underscores marked differences in income distribution among the various ethnic groups. Since 2000, homicide rates have doubled and the national reported robbery and burglary rates both significantly exceed global averages. The issue of crime and insecurity is particularly important for the private sector as firms in Guyana report crime as a major impediment to their performance. Additionally, more than half of Guyanese firms identify an 'inadequately educated workforce' as a major constraint to their performance.<sup>3</sup>

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<sup>1</sup> <https://ccigy.com/>

<sup>2</sup> Comprised of low-lying shrubbery interspersed with some medium-tall trees of commonly occurring plant species

<sup>3</sup> Guyana Country Development Challenges (CDC), December 2016

Electricity tariffs are among the highest in the region with Guyanese companies reporting high energy costs as a major obstacle. Despite its hydro, photovoltaic, biomass, and wind power potential, 83% of the installed electricity generation capacity is still sourced from fossil fuels, and the publicly provided service is not reliable and only extends to 26% of the population.<sup>4</sup>

Overall, the country ranks relatively low in all three (3) transportation infrastructure metrics – the quality of roads, ports and air transportation infrastructure ranks 104<sup>th</sup>, 87<sup>th</sup>, and 93<sup>rd</sup> respectively, out of 148 countries. Potential economic synergies with its neighbors remain unexploited, in part because the existing infrastructure network does not adequately connect these economies. Sales to Guyana’s main export destinations are hampered because shipping costs in and out of the country are high compared to those of other countries in the Caribbean.

## **4 Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures**

### **4.1 Assessment and Management of Environmental and Social Risks**

The Company’s environmental and social (“E&S”) aspects are managed through the Human Capital Department (“HCD”) of Unicomer Guyana. There is no dedicated environmental health and safety (“EHS”) team. For the Project, approval from the Neighborhood Democratic Council<sup>5</sup> (“NDC”) and Central Housing and Planning Authority<sup>6</sup> (“CH&PA”) are required, followed by environmental and construction permits which must be obtained from the Environmental Planning Agency (“EPA”). Geotechnical studies have also been carried out for Site 1.

The Client will i) prepare a permit register; ii) submit evidence of approval and required permits; and iii) ensure that all the requirements in such permits are monitored and complied with.

#### 4.1.a E&S Assessment and Management System

The Company does not yet have an Environmental and Social Management System (“ESMS”). It will therefore, develop a formal ESMS to incorporate the necessary E&S elements.

#### 4.1.b Policy

Though the Company outlines a sustainability vision aimed at *providing well-being opportunities for everyone*, no E&S management policy has been yet formally adopted. As such, the Client will develop and adopt an E&S Policy as part of its ESMS.

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<sup>4</sup> IDB Group Country Strategy with The Cooperative Republic of Guyana 2017–2021, October 2017

<sup>5</sup> A Neighborhood Democratic Council covers a small geographic area within each region in Guyana and is tasked with responsibility for the management and administration of these areas within its boundaries.

<sup>6</sup> The Central Housing and Planning Authority (CH&PA), a part of the Ministry of Housing and Water, was established in 1948, vide the Housing Act, Chapter 36:20, to address the housing needs of the citizens of Guyana.

#### 4.1.c Identification of Risks and Impacts

Presently, the Client has no systematic procedure to identify E&S risks or impacts. General E&S issues are channeled through the Property Management and Loss Prevention Department. Therefore, as part of its ESMS, it will develop such procedure and prepare an E&S risk and impact identification matrix.

##### 4.1.c.I Direct and indirect impacts and risks

The Project will likely generate the following direct site-specific impacts: i) solid and liquid waste generation; ii) noise and vibration disturbance; iii) air and dust emissions; iv) occupational health and safety impacts; and v) secondary vegetation clearance. Given the characteristics of both sites with existing or surrounding ongoing developmental activities, indirect impacts may be associated with access and traffic disturbance.

Per local requirements, the Client must i) obtain construction and operational permits for the Project; and ii) submit Construction Environmental and Social Management Plans (“C-ESMPs”).

##### 4.1.c.II Analysis of alternatives

Construction for the Project will take place in areas with parcels of land already developed or designated for commercial and industrial development. Therefore, no alternative assessment was carried out.

##### 4.1.c.III Cumulative impact analysis

The rapid cumulative impacts assessment considers the incremental effect of past projects already included in the baseline of the environmental components considered in the environmental analysis performed for the Project. There are no projects in execution in the Project’s area of influence that could generate material incremental impacts to those generated by the proposed works. As for future projects, only other industrial and commercial activities are foreseen in the areas under analysis, whose aggregated impacts are deemed to be non-material. Therefore, no cumulative impact mitigation plan was needed.

##### 4.1.c.IV Gender risks

The socio-economic profile of Guyana highlights the vulnerabilities of both men and women. However, women are more at risk because of their lower social and economic status, lower rates of participation in the labor force, higher rates of unemployment, and lower wages, as well as their increased responsibilities for domestic work and care of children, the sick, the elderly, and the disabled. The rate of poverty is higher among women, and since approximately 28% of households are headed by females, these families are at even greater risk. Reports indicate that Amerindian women in rural areas are even more vulnerable than Afro or Indo-Guyanese women. Overall, the country does not have frequent and comprehensive labor or household surveys.

While female labor force participation has increased, it is still well below regional averages and women still have much lower participation rates than men. Additionally, women's employment is more concentrated in sectors with lower earning potential with 60.8% of women employed in the service sector, compared to only 41.8% of men – this includes lower participation in agricultural and extractive industries, which are the largest sources of employment and profits in Guyana. Women also have low participation as top managers, representing 17.7% in the country, which is slightly lower than the regional average of 21.1%.

As it relates to education, just as in other Caribbean countries, girls and women have higher rates of attendance at educational institutions than boys and men. In addition, girls tend to achieve better examination results linked as well to the relatively high percentage of female-headed households. However, the result is mixed as it relates to health, education, and other social indicators in terms of their likely impacts on employment for women and men. On one hand, high levels of life expectancy and education appear to offer advantages for women; on the other, levels of adolescent fertility and female led households may make it difficult for women to balance caring and professional aspects of their work.

Violence against women and girls is widespread driven by an intersection of cultural, economic, social, and political factors. Although the country's comprehensive legislative environment protects their rights, women and girls continue to suffer high rates of sexual and other forms of victimization. Persistent and endemic sociocultural norms and enduring inequalities have given rise to an aberrantly high prevalence of intimate partner violence ("IPV"). Guyanese women experience IPV at significantly higher rates than the global average of 1 in 3 women. The country is also noted as a source and destination country for human trafficking, which affects men, women, and children.

#### 4.1.c.V Gender Programs

Gender related matters are managed through the HCD of Unicomer Guyana (and in the Company, when applicable). Across its regional operations, Unicomer Guyana has had a gradual increase in the number of female staff. There will be further employment opportunities for women under the Project including senior and management positions for the Client. It is anticipated that approximately 30% of the staff will be women once Site 2 is operational. The Client has also expressed a desire to assist female led local informal enterprises.

Separate restrooms are in place across corporate offices of Unicomer Guyana, and will be included in the Project design. In Unicomer Guyana (and in the Company, when applicable), maternity and paternity leave is allowed with timelines which comply with Guyanese labor laws.

Unicomer Guyana (and in the Company, when applicable) addresses sexual harassment, nondiscrimination, and diversity through its Code of Ethics<sup>7</sup> whereby the organization *promotes an environment free from harassment in any form*. The sanction for employees who have committed sexual harassment is dismissal. However, there is no explicit reference regarding zero tolerance towards sexual exploitation of minors and gender-based violence ("GBV"), or workforce trainings and awareness campaigns regarding these matters.

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<sup>7</sup> <https://grupounicomer.com/wp-content/uploads/2023/02/Code-of-Ethics-Unicomer-Group.pdf>

#### 4.1.c.VI Climate change exposure

Georgetown lies on the Atlantic coast of Guyana at the mouth of the Demerara River. Due to its location, it is subject to a range of climate-related hazards, including coastal storms and extreme rainfall. There are two rainy seasons (May to mid-August, and December to January), with frequent flooding experienced during these periods. The country's drainage network around the coastal plain forms a series of larger primary channels fed by secondary channels that pump and sluice drain flood waters to the sea. However, in many cases, the drainage capacity is unable to accommodate daily rainfall events that exceed a 25-year return period. Several drainage canals associated with this network occur along the surrounding project area, with coastal and inland flooding identified as the highest priority hazard.

Sea level rise ("SLR") presents a significant threat to the country given its extensive low-lying coastal zone and the concentration of socio-economic activities within this area. According to SLR models, Guyana is forecast to be one of the most affected countries in the Latin America and the Caribbean ("LAC") region, with some scenarios anticipating as much as 60 miles of coastline lost by 2050. Vulnerability scenarios for the coastal zone indicate that SLR overtime will lead to inundation of coastal areas, saline intrusion into surface and ground water sources, and overtopping of existing sea defenses.

Risk factors related to flooding may therefore place the Project at risk. The logistics sector is also sensitive to SLR and extreme temperatures which may represent a material risk for this project. Indirect impacts related to heat waves and increased temperatures include higher energy consumption for cooling, and occupational health and safety issues during extreme temperatures.

Given this exposure profile to natural hazards, the Project is classified as moderately exposed to physical climate-related hazards. As such, the Client will ensure project designs include adequate mitigation and adaptation measures to offset potential impacts primarily due to risk from flood and excess heat.

The Project is considered Paris Agreement aligned based on the analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach.

#### 4.1.d Management Programs

There are currently no structured environmental and social management programs within the Company. Hence, as part of its ESMS, the Client will develop and implement management plans and programs to avoid, mitigate or compensate negative E&S impacts, and stimulate the positive impacts.

#### 4.1.e Organizational Capacity and Competency

There are no designated E&S personnel within the Company for its Guyana location. E&S matters are channeled through the HCD with indications of quarterly training for committees in accordance with the law, and annually with all other employees.

The Client will therefore i) identify an E&S officer for the Project and outline its role and responsibilities; ii) provide a detailed E&S training matrix as part of the ESMS; and iii) familiarize and train all staff in the finalized ESMS.

#### 4.1.f Emergency Preparedness and Response

Some elements of emergency response are reflected in Unicomer Guyana's (and in the Company, when applicable) Occupational Health and Safety Handbook ("OHS") covering fire suppression and standard drill procedures, first aid, armed robbery, and violence prevention. This is managed via the Human Resources and the Loss Prevention Departments, respectively.

There is no standalone emergency preparedness response plan ("EPR") to guide local operations. Therefore, as part of its ESMS, an EPR will be developed and adopted for the Project. Such plan will include at minimum: i) additional emergency categories and situations including both natural and man-made disasters; ii) clearly defined response procedures for each category; iii) required equipment and maintenance protocols; iv) designated personnel and focal points; v) the description of the location of evacuation routes and meeting points; vi) training schedules and drill procedures; vii) emergency contacts communication flowchart; and viii) procedures for periodic review and update.

#### 4.1.g Monitoring and Review

Presently, the Client does not perform consistent environmental monitoring or audits. Therefore, as part of its ESMS, it will develop and adopt: i) protocols for monitoring and auditing of E&S risks; and ii) guidelines to evaluate its impact management performance.

#### 4.1.h Stakeholder Engagement

According to the Company's business profile, primary stakeholders have been mapped and include: i) staff members and their families; ii) clients; iii) suppliers; iv) non-profit organizations; and v) government agencies. Engagement strategies are updated annually and reflected in the Sustainability Report<sup>8</sup>. For the Project, additional stakeholders will need to be considered including but not limited to i) the NDC; ii) Guyanese EPA; iii) the CHPA; and iv) neighboring companies.

To ensure effective engagement, the Client will develop and adopt a structured Stakeholder Engagement Plan ("SEP") as part of its ESMS.

#### 4.1.h.i Disclosure of Information

The Project has been disclosed to the authorities, and via various channels such as public fairs, the media<sup>9</sup>, and the Guyana Office of Investment. The Company also has a group website and social media accounts which are used to share information on its operations.

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<sup>8</sup> Prepared in accordance with the [Global Reporting Initiative \(GRI\)](#) Essential option standard.

<sup>9</sup> <https://www.stabroeknews.com/2023/09/30/news/guyana/courts-pushing-ahead-with-10b-mega-complex-at-farm/>

#### 4.1.h.II Informed Consultation and Participation

Public consultation and disclosure are not required by the government for the Project. However, the SEP will outline a process for ongoing consultation with stakeholders.

#### 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 Company will be guided by EPA requirements for any project components requiring public stakeholder consultations. Engagement is currently underway with the NDC towards obtaining approval for the respective sites.

#### 4.1.i External Communication and Grievance Mechanisms

The Code of Ethics of Unicomer Guyana (and in the Company, when applicable) outlines several channels aligned with an external grievance mechanism. This includes i) direct contact with the Human Capital Team; ii) completing a website form; iii) direct email; iv) telephone; and v) WhatsApp. The Ethics Line is managed by a third party that reports any potential situation made through these means and treats them with complete confidentiality and responsibility.

##### 4.1.i.I External communication

External communications are centered around several channels, annual Sustainability Reports, along with both traditional and social media which presents news on company plans and initiatives.

##### 4.1.i.II Community grievance mechanism

The ESMS will outline a grievance mechanism for communities which may be affected by daily operations or the Project. The Client will provide evidence of dissemination and training on the 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 any communities and stakeholders affected by the Company's daily operation or the Project.



## 4.2 Labor and Working Conditions

### 4.2.a Working Conditions and Management of Worker Relationships

The Company operates 4 locations in Guyana (3 commercial stores, and 1 distribution center), operates in the real estate sector supporting the growth of Unicomer Guyana. It operates 19 locations (14 commercial branches, 1 auxiliary warehouse, 1 Servitech, 1 Head Office, plus the Client's 4 locations).

The Project is expected to have a construction workforce (including sub-contractors) of approximately 350 persons (250 for Site 1; 100 for Site 2). The Client will provide as part of the C-ESMPs, contractor management details including, but not limited to: i) project team outline with E&S capacity; ii) contractor housing and employment details; iii) sanitation and access to amenities; and iv) policies and procedures for the construction workforce inclusive of a grievance mechanism.

#### 4.2.a.I Human Resources Policies and Procedures

The Company references a Human Resource Policy from Unicomer Guyana, with some elements of human resource procedures are outlined in the Code of Ethics of Unicomer Guyana. However, the Client will submit a Human Resource Manual (or its equivalent).

#### 4.2.a.II Working Conditions and Terms of Employment

Several details regarding working conditions and employment are summarized in the Unicomer Guyana's (and in the Company, when applicable) annual Sustainability Report. These are reflected as part of Unicomer Guyana's (and in the Company, when applicable) Internal Social Strategies (e.g., a Staff Member Fund and Education Program), alongside reference to Unicomer Guyana's Corporate Guidelines Manual (and in the Company, when applicable) which speaks to the need to comply with established Grupo Unicomer guidelines and policies, a performance management and evaluation process, and opportunities for learning development and training. Unicomer Guyana's Code of Ethics (and in the Company, when applicable) refers to principles fundamental to job performance such as maintaining *the highest standard of integrity and honesty in all business transactions, ensuring adherence to local laws and good international practices (including laws against extortion, bribery and financial crimes)*.

The Human Resource Manual (or its equivalent) will include relevant details regarding working conditions and terms employment for employees (e.g., benefits, leave, working hours, medical insurance, termination, training etc.). These will be adopted according to the needs of the Project.

#### 4.2.a.III Workers' Organizations

The Company acknowledges freedom of association. Unicomer Guyana (and in the Company, when applicable) has a Memorandum of Agreement with the Guyana Labor Union with respect to wages and other conditions of employment.<sup>10</sup>

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<sup>10</sup> Effective December 2017.

#### 4.2.a.IV Non-discrimination and Equal Opportunity

Unicomer Guyana's (and in the Company, when applicable) Code of Ethics, managed through an Ethics Committee (local, regional, and corporate), establishes expected standards of conduct, and applies to staff members in all areas of the organization, including permanent and temporary, as well as members of the Board and all persons providing services. It includes the following principles: i) treatment of staff members with equity regarding recruitment, remuneration, promotion and working conditions (*regardless of gender, race, color, nationality, language, political and religious beliefs, disability and social class*); ii) provision of a work environment where staff members can share their ideas and points of view; iii) fair treatment of all persons and in a consistent manner, respecting individual rights; iv) treatment of individuals with dignity and respect, avoiding denigration, making derogatory comments, or discriminating in any way; and v) avoiding the misuse of power acquired by position within Unicomer Guyana (and in the Company, when applicable).

Unicomer Guyana (and in the Company, when applicable), towards maintaining a competitive advantage in the job market, commits to: i) maintaining a work environment based on respect, enriched by cultural diversity and recognized by openness to communication, confidence and fair treatment; ii) providing equal opportunities to staff through clearly defined human capital management standards which are consistently implemented; and iii) providing competitive compensation, based on the labor market and in line with the individual contribution of each staff member.

#### 4.2.a.V Retrenchment

At present there are no plans for collective dismissals.

#### 4.2.a.VI Grievance Mechanism

A mechanism for reporting irregularities is outlined in Unicomer Guyana's (and in the Company, when applicable) Code of Ethics, which applies to all stakeholders including staff members. Confidential reports can be made via the Ethics Line<sup>11</sup> and it is supported by a Non-Retaliation Policy. However, it does not contain specificities concerning grievance assessment procedures, timing of responses, or dissemination mechanisms.

The Client will therefore prepare a project specific internal grievance mechanism to adequately reflect these procedures within its ESMS and its Human Resource Manual (or its equivalent). The mechanism will outline separate procedures to address internal and external grievances and ensure its effectiveness and timeliness. This will include a description on: i) the specific channels for grievance reception; ii) the teams responsible for grievance reception, assessment, and response; iii) the expected timing of response; iv) an anti-reprisal policy; and v) the identity protection procedures (i.e., confidentiality, anonymity, sexual harassment, etc.).

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<sup>11</sup> Managed by [Ernst and Young](#)

#### 4.2.a.VII Protecting the Workforce

The Company is guided by local law through the Occupational Health and Safety Act which sets out the rights and duties of all parties in the workplace. It further establishes procedures for dealing with workplace hazards and provides for enforcement of the law where compliance has not been achieved voluntarily. Unicomer Guyana's (and in the Company, when applicable) Human Resource Department along with Property and Loss Prevention Department has responsibility for managing OHS matters, and there is a joint health and safety ("H&S") committee supported by H&S representatives<sup>12</sup>. The Advisory Committee meets regularly to discuss H&S concerns, reviews progress and makes recommendations.

#### 4.2.a.VIII Child Labor

According to Guyanese legislation, the minimum age for employment is fifteen (15) years. The Company is guided accordingly. Though measures are also put in place to ensure protection, careful treatment and safety of all employees who fall within the minimum age, there are no provisions against child labor in the actual Clinet's policies. Hence, the Client will ensure the Human Resource Manual (or its equivalent), and contractor policies and procedures include provisions against the use of child labor.

#### 4.2.a.IX Forced Labor

Guyana has ratified the International Labor Organization's ("ILO") Convention No. 29 on Forced Labor and Convention No. 105 on Abolition of Forced Labor. The Company complies with Guyanese Legislation, although there are no provisions against forced labor in its current policies. Therefore, the Client will ensure the Human Resource Manual (or its equivalent), and contractor policies and procedures include provisions against the use of forced labor.

#### 4.2.b Occupational Health and Safety

Both Unicomer Guyana's (and in the Company, when applicable) Occupational Health and Safety ("OHS") Handbook and its Code of Ethics outline measures related to general H&S for employees. The OHS Policy states *that every employee shall have a safe and healthy place in which to work, and that every reasonable effort must be made in the interest of accident prevention, fire protection and health preservation*. All employees are required to conform to the policy and procedures, and to report to their immediate supervisor any unsafe or unhealthy conditions. Branch Managers and the H&S Representatives are responsible for carrying out weekly routine inspections of their location as per the OHS Act and using an H&S checklist.

Through the Code of Conduct, commitments for OHS include i) complying with labor regulations and laws; ii) safeguarding personnel and facilities with the appropriate equipment, devices, systems, and security procedures; and ii) protecting the environment and staff members' occupational health. An

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<sup>12</sup> A joint health and safety committee is an advisory group of workers and management representatives. Whilst a health and safety representative is an employee selected from the non- management staff to represent their interest in all health and safety issues.

OHS overview is also captured in the annual Sustainability Report with reference to several employee health and wellness initiatives.

Within the past year, Unicomer Guyana has reported three (3) lost time accidents and fifteen (15) lost workdays. H&S assessments undertaken within the last year have also been referenced.

The Client will i) conduct an OHS hazard assessment with adequate response procedures for its operations and the Project; ii) prepare the ESMS and update the OHS Handbook to reflect all hazards identified from the assessment; iii) provide adequate training on these issues; and iv) submit root cause analysis for any reported accidents (recent and following any occurrence during the Project).

During the construction phase of the Project, Client will implement the H&S requirements specified under the construction permit and C-ESMPs.

#### 4.2.c Provisions for people with disabilities

The Client will ensure final designs for the Project include features for Universal Access.

#### 4.2.d Workers Engaged by Third Parties

Unicomer Guyana's (and in the Company, when applicable) Code of Ethics refers to providing safe working conditions to both staff members and contractors. However, it has no explicit contractual conditions covering inclusion, diversity, H&S, and environmental and social requirements for contractors.

The Client will therefore prepare contractual clauses for the Project to ensure that contractors are bound to its general HR, H&S and environmental procedures and policies, and Code of Ethics. These will be reflected in the C-ESMPs as part of contractor management details. The Client will also ensure that these provisions are communicated to the contractors during the procurement of new services.

#### 4.2.e Supply Chain

Unicomer Guyana (and in the Company, when applicable) currently applies a sustainability strategy in its value chain towards practicing responsible sourcing and manufacture of its goods from certified suppliers of environmentally friendly raw materials. This includes a "Know Your Supplier" policy which ensures that suppliers are compliant with the Code of Ethics, local law and the prevention of crimes related to money laundering and terrorist financing. With the support of IDB Invest, a pilot project was also conducted for operations in Guyana aimed at implementing a simple monitoring and reporting system on legality and sustainability of wooden products supplied from local manufacturers.<sup>13</sup>

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<sup>13</sup> "Strengthening Value Chains and Mitigating Climate Change Impact for Unicomer in Barbados, Guyana and Trinidad & Tobago" Pilot Project: Greening the Supply Chain for Wooden Products in Guyana (2019)

The Client will update its procurement procedure and policies to ensure that no child or forced labor has been used along its supply chain. These measures will be communicated to third parties such as contractors and sub-contractors.

### **4.3 Resource Efficiency and Pollution Prevention**

#### 4.3.a Resource Efficiency

Unicomer Guyana (and in the Company, when applicable) annual Sustainability Report provides an overview of resource efficiency initiatives across the Company's portfolio including commitments to the Sustainable Development Goals ("SDGs"). With support from IDB Invest, the Company has also carried out several resource efficiency studies and energy audits<sup>14</sup> for operations and warehouses across the Caribbean, including a distribution center in Guyana.<sup>15</sup> The studies incorporated the identification of Unicomer's value chain and their key environmental impacts with five (5) pilot projects for three (3) mitigation initiatives: i) energy efficiency and solar energy generation, ii) better solid waste management (with an emphasis in recycling), and iii) greening the supply chain for wooden furniture.

The Project will be connected to the local electrical grid supported by backup generators to offset any disruptions in electrical service. Technical and economic feasibility studies for the implementation of rooftop photovoltaic systems supported by energy storage are being discussed. The Client will also explore available options for Green Building Certification supported by sustainable construction standards.

LED lights will be the primary form of illumination with automatic light controllers incorporated. Air conditioning will be designed to exceed the energetic efficiency of the ASHRAE 90.1 standard<sup>16</sup> alongside incorporating equipment with inverters. Where feasible all glazing will be designed with the lowest solar gain coefficient, and thermal insulation will be integrated.

Pre-engineered metal structures will be utilized for construction to reduce the use of heavy steel members. Priority will be given to the procurement and use of local materials to reduce transportation associated emissions.

The Client will conduct annual energy audits.

#### 4.3.a.I Greenhouse Gases

Given the Company's planned expanded operational footprint, the Client will prepare a GHG Monitoring Plan for its operations.

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<sup>14</sup> "Strengthening Value Chains and Mitigating Climate Change Impact for Unicomer in Barbados, Guyana and Trinidad & Tobago"; Energy Efficiency Project and Energy Audit for Unicomer Distribution Center Eccles Industrial Site Georgetown, Guyana (2019)

<sup>15</sup> <https://guyanachronicle.com/2014/11/20/unicomer-opens-us6m-distribution-centre-testimony-to-confidence-in-the-economy/>

<sup>16</sup> <https://www.ashrae.org/technical-resources/bookstore/standard-90-1>

#### 4.3.b Water Consumption

The Project will connect to the municipal utility service provided by Guyana Water Inc (“GWI”).

Project buildings will require water consumption for bathrooms and restaurants. There are plans to incorporate low consumption and flow urinals and toilets, along with lavatories specified with push or movement sensor to reduce water consumption.

During the construction phase, contractors will be responsible for providing potable water for the Project’s needs.

There are considerations for a water treatment plant at to recycle water and reduce potable water consumption.

#### 4.3.c Pollution Prevention

Several recycling and waste management initiatives across the Company’s operations are highlighted in its annual Sustainability Report and recent resource efficiency studies.

The existing industrial structure at Site 1 will be retained as part of the design, which will significantly reduce construction waste against having to demolish and rebuild. During the initial construction phase, some by-products from the partial demolition process will be reused or recycle locally if available (e.g., broken concrete, recovered steel).

These measures will be specified in the C-ESMP for Site 1.

#### 4.3.d Wastes

The main solid waste streams arising from the Company’s operation are categorized into two (2) general types: i) packaging materials (cardboard, paper, plastic etc.) and ii) e-waste (including electronic and electrical or “white waste”). Currently, the latter are disposed of according to local regulations. Collection and disposal of Construction waste for the Project will be the responsibility of contractors.

The Project is expected generate liquid effluents (black and grey water). At this time, both will be disposed in septic tanks. However, this may be adjusted if a water treatment plant is implemented.

The Client will prepare i) a waste management plan (“WMP”) as part of the C-ESMP; and ii) an operational WMP for all waste streams not limited to solid, liquid, and hazardous waste.

#### 4.3.e Hazardous Materials Management

The primary hazardous waste associated with daily operations comes from e-waste which is usually grouped into six (6) main streams: i) temperature exchange equipment (including refrigerators, freezers, air conditioners, heat pumps and others); ii) screens, monitors and apparatus containing screens (including television screens and laptops, notebooks and tablets); iii) lamps (incandescent,

LED, CFL, etc.); iv) large equipment (including washing machines, stoves, electric plates, dishwashers and others); v) small appliances (such as vacuum cleaners, microwaves, appliances, video recorders, radio sets and other consumer electronic products); and vi) Small Information and Communication Technologies ("ICT") and telecommunications devices (including mobile phones, GPS devices, computers and other small products).

If solar panels and battery storage are implemented, this will create an additional hazardous waste stream. This will be reflected in the WMP and operational WMP.

#### 4.3.f Pesticide Use and Management

The use of pesticides is not anticipated for the Project.

### **4.4 Community Health, Safety and Security**

#### 4.4.a Community Health and Safety

The Project's interventions are not expected to generate significant E&S impacts. However, construction activities may produce small-scale localized impacts associated with: i) solid and liquid waste generation; ii) noise and vibration; iii) air and dust emissions; iv) occupational health and safety impacts; v) secondary vegetation clearance; and vi) access and traffic disturbance, among others. These impacts will be managed via the C-ESMPs.

During the Project's operation phase, the Client will manage associated risk through the ESMS, the operational WMP, WRMP, and other applicable plans and existing procedures.

#### 4.4.b Infrastructure and Equipment Design and Safety

Unicomer Guyana's recent Climate Risk Evaluation Report<sup>17</sup> for operations in the Caribbean ranked the main climate risks and identified short and long-term consequences. Specific to infrastructure and equipment these include: i) damage to merchandize, infrastructure, personnel, and customer property; ii) flooding of facilities and/or access roads; iii) energy blackouts and fuel shortage; iv) higher consumption of energy for air conditioning; and iv) health challenges associated with water and food contamination, and limited access to potable water. The report outlined several measures which are currently being assessed or implemented by the Company for both existing and new operations.

Fire suppression systems, extinguishers, and training of operations personnel for emergencies have been confirmed for the Project<sup>18</sup>. Parking areas reserved for peak season will consider the use of permeable materials such as grass blocks to reduce flood risk.

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<sup>17</sup> "Strengthening Value Chains and Mitigating Climate Change Impact for Unicomer in Barbados, Guyana and Trinidad & Tobago", (2019)

<sup>18</sup> The fire suppression systems and MEP are being designed by SINERGIA, a Costa Rican based company with numerous certifications including: CFPS, HFDP, BEAP, BCxP, LEED AP, CPDT

The Client will ensure the Project and associated buildings include adequate fire safety systems (“FSS”) – including but not limited to smoke detectors, fire exits, alarm pull stations and extinguishers – along with adequate drainage and ventilation features to manage flood risk and alleviate excess heat respectively. Regular training and drills will be conducted.

The Client will also perform regular tests of the FSS for all facilities to ensure constant operational readiness, including: i) timely recharge of fire extinguishers; ii) periodic fire hose integrity tests; and iii) periodic test of water pump pressure and reach of water jets.

Guided by the ESMS, stand-alone operational EPR plans will be prepared for the Project.

#### 4.4.c Hazardous Materials Management and Safety

Hazardous Materials Management and Safety will be managed through the C-ESMP and operational WMP.

#### 4.4.d Ecosystem Services

The Project will not cause any material impacts on existing ecosystem services.

#### 4.4.e Community Exposure to Disease

General exposure risk to communicable disease or other illness will be managed through relevant EPA construction and operational permits’ requirements and the C-ESMPs. The Project will also include HVAC<sup>19</sup> system with filters to prevent flow of bacteria in the air, along with constant cleaning and sanitization of common areas.

#### 4.4.f Emergency Preparedness and Response

The Client’s emergency preparedness and response will be captured in its ESMS, OHS and operational ERP plans.

#### 4.4.g Security Personnel

The Client has completed a security risk assessment along with a screening process for hiring of security personnel. Procedures to deal with safety issues such as armed robbery and public disturbance and rioting are outlined in the OHS. There are no armed persons employed at existing locations.

The Client will submit a security risk assessment to identify internal and external security risks for the Project and how these will be managed.

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<sup>19</sup> Heating, ventilation, and air conditioning



## **4.5 Land Acquisition and Involuntary Resettlement**

### 4.5.a General

The land for Site 1 has been acquired through a long-term lease agreement. Site 2 is vacant and wholly owned by the Client via private purchase. The Project will therefore 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**

The Project will not affect any indigenous community, nor will it intersect any indigenous territory.

## **4.8 Cultural Heritage**

The Project will not affect any cultural heritage. However, chance finds procedures will be outlined in the C-ESMPs.

## **5 Local Access of Project Documentation**

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

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