

Environmental and Social Review Summary (ESRS) Rent a Pallet – COSTA RICA

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

Costa Rica Pallet & Pooling (“RAP” or the “Company”) was founded in 2001 with the objective of providing Central America with a solution for the efficient pooling and rental of wooden pallets. Since that time, RAP’s pool of pallets has grown rapidly and now stands at 1082 thousand units—making the Company the region’s pallet pooling leader. RAP currently operates in six countries: Costa Rica, Guatemala, Honduras, El Salvador, Nicaragua, and Panamá, and intends to soon begin expanding into the Caribbean market beginning with the start of operations in the Dominican Republic planned for later this year. The proposed operation (the “Project”) consists of a mezzanine loan to be used primarily for financing that expansion.

The environmental and social due diligence (“ESDD”) encompassed a series of virtual interviews with RAP’s senior management and a review of the documents comprising the Company’s Environmental and Social Management System (“ESMS”). No physical visits were conducted due to the travel restrictions imposed by the COVID-19 pandemic.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according to IDB Invest’s Environmental and Social Sustainability Policy since it will likely generate, among others, the following risks and impacts: i) occupational health and safety (“OHS”) risks and impacts, mainly in the pallet assembly and repair processes; ii) pollution risks, primarily from the production of solid wastes in the pallet assembly and repair processes, and secondarily from the use of pesticides to fumigate pallets destined for use in the food industry; and iii) biodiversity risks related to the supply chain of the wood that comprises the pallets’ principal raw material. These impacts are deemed to be of medium-low intensity.

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; iv) PS4: Community Health, Safety, and Security; and v) PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

3. Environmental and Social Context

3.1 General Characteristics of the Project Sites

In Panama City, San Jose, San Salvador, and Santo Domingo, RAP operates out of warehouses located in self-contained industrial parks. In Managua, Tegucigalpa, San Pedro Sula, and Guatemala City, the warehouses are in industrialized zones amidst other warehouse-based business. All the Company's operating space and its entire vehicle fleet is rented.

3.2 Contextual Risks

Given that RAP's production processes take place in industrial zones of major cities and its logistical operations involve the storing and transporting of goods with relatively low value, RAP's exposure to significant contextual risks is limited. Operations in El Salvador, Honduras and Guatemala may, however, face risks posed by organized crime networks, which are known, for example, to extort payments from legitimate businesses and transportation operators in these countries. Indirectly, RAP is exposed to contextual risks through its supply chain—since the Company sources the wood for its pallets from sawmills in Central American countries where there is a risk of unsustainable forestry practices.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social ("E&S") Risks

4.1.a E&S Assessment and Management System

RAP has in place the basic structure of an Environmental and Social Management System ("ESMS"). The Company's Director of Operations is currently working together with a recently hired, highly qualified human resources ("HR") manager and specialized external consultants to expand and strengthen the ESMS with the goal of fully aligning it with IDB Invest's Environmental and Social Sustainability Policy.

4.1.b Policy

RAP has adopted a basic E&S Policy that outlines the Company's commitment to environmental protection. The policy puts forth the Company's guiding philosophy that the recycling of pallets is a means for reducing pressure on forest resources and minimizing wastes and pollution. RAP also has in place an OHS Policy, which includes the stated commitment to protect, maintain and improve the occupational health of the Company's workers. The policy also includes a further commitment of the Company to comply with all OHS-related local and national laws and international agreements applicable to its operations.

RAP has an "Internal Policy Regarding the Work Environment" that lays out the Company's OHS philosophy and objectives and assigns ultimate responsibility for the prevention of accidents to top management. RAP will draw on the fundamental tenets of these policies to establish an overarching E&S policy that

defines the principles and objective that guide the Company to achieve sound environmental and social performance.

4.1.c Identification of Risks and Impacts

RAP has historically targeted its risk and impact identification process on risk and impacts related to worker health and safety. In 2019, the Company hired a consulting firm to conduct an OHS risk and impact assessment and to develop a suite of OHS policies and procedures. The consultancy was interrupted by the COVID-19 pandemic, but through the end of 2020 the consultant continued performing monthly OHS inspections to identify unsafe working conditions and provide recommendations for correcting them. The Company is now in the process of engaging consultants to complete the initial OHS risk and impact assessment, to expand it to encompass environmental and social risks that go beyond the OHS realm, and to develop a procedure for making such assessments a permanent, regular activity within the ESMS.

4.1.c.i Direct and Indirect Impacts and Risks

Since the main activities performed by the Company are the assembly, repair, and handling of RAP's wooden pallets, the direct risks associated with the Project include those typically related to industrial carpentry: i) cutting and fastening boards at high volume and speed than can increase the risk of cuts of workers; ii) possibility of hearing damage; iii) increased probability of musculoskeletal injuries from heavy lifting; and iv) increased health and safety risks related to the operating of heavy equipment (forklifts in the plants and trucks during pallet transport) that could endanger both the operator and bystanders or other road users. In addition, the fumigation of the pallets destined for use in the food industry exposes workers to hazardous substances (i.e., pesticides) and poses direct risks to the environment—related to the storage and disposal of both full and empty pesticide containers.

Other direct impacts are related to the production and disposal of solid wastes in the Company' pallet assembly, repair, and collection processes, and the generation of air pollution and greenhouse gases from transporting pallets in heavy trucks, as well as the risk that unsustainable forestry practices in the wood supply chain could impact biodiversity.

4.1.c.ii Analysis of Alternatives

To decide whether to base its operations on pallets made of wood or plastic, RAP conducted an analysis of alternatives. The Company selected wooden pallets after recognizing the following key disadvantages to using plastic: i) they are heavier, thus negatively affecting the design of racks in distribution centers as well as transportation logistics and costs; ii) they are more expensive; iii) they are not repairable and must be discarded when broken; and iv) they are not biodegradable.

4.1.c.iii Gender Risks

Over half (26 out of 51) of RAP's administrative staff is comprised of women. Operational staff, however, consists almost entirely of men. The Company is aware of this disparity and the new HR Manager has

already instituted a hiring policy (the “Regional Recruitment and Selection Procedure”) that includes a prohibition against discrimination based on sex. RAP will also conduct a formal analysis of the roles and past hiring procedures in the Operations Department, with the goal of identifying the root causes for the department’s current gender imbalance. Based on the results of the analysis, the Company will develop, implement, and monitor targeted measures to bring the department’s sex ratio into balance over a reasonable timeframe.

Gender risks are also being addressed by the Company through its recent implementation of its Labor Policy for the Prevention and Disciplining of Sexual Harassment. The policy reaffirms the Company’s intention to prevent, investigate and discipline any manifestation of sexual harassment in the workplace, and includes examples of prohibited behaviors, obligations of the Company, protections against retaliation for victims, roles and responsibilities, and the details of the incident investigation process.

4.1.c.iv Climate Change Exposure

The climate change risks and impacts in the countries where RAP operates are mainly associated with heavy rains which could, in extreme cases, lead to flooding and adversely impact the Company’s pallet distribution operations. Furthermore, Nicaragua, Panama, Honduras, Costa Rica and Guatemala are at increasing risk for hurricanes and cyclones, which could potentially damage RAP’s physical infrastructure and pose safety risks to RAP’s workers.

4.1.d Management Programs

To mitigate the Company’s environmental, social and OHS risks and impacts, RAP has developed an array of E&S plans and procedures. Environmental and OHS plans include the following: the Integrated Solid Waste Management Program that defines the goals of the Company’s solid waste management activities; a separate Waste Management Plan that lays out the manner in which different classes of wastes are to be ultimately disposed of; an OHS Program, which includes subcomponents covering occupational safety, fire prevention, and first aid, among others; an OHS Training Plan; an Emergency Procedures Pamphlet; and a COVID-19 Protocol.

RAP has developed a suite of labor-related policies and procedures including the following: a Regional Recruitment and Selection Procedure; a Labor Policy for the Prevention and Disciplining of Sexual Harassment; an Onboarding Procedure, and various other HR policies and procedures that lay out key employment terms and conditions as well as worker rights and benefits.

4.1.e Organizational Capacity and Competency

RAP’s Director of Operations, with assistance from specialized, external consultants, currently oversees the development and implementation of the environmental and OHS aspects of the ESMS. A qualified staff member will soon be appointed and trained as necessary to oversee the ESMS’s implementation. The responsibility for developing and implementing the ESMS’s labor aspects falls to RAP’s HR manager, whose skills and experience are well suited to this role. At RAP’s headquarters in Costa Rica, the Company has instituted an OHS Commission (“*Comision de Salud Ocupacional*”), which is registered with the OHS Council

(“*Consejo de Salud Ocupacional*”) in compliance with the Decree No. 39408-MTSS (*Reglamento de Comisiones y Oficinas o Departamentos de Salud Ocupacional*). The objective of the OHS Commission is, “to guarantee and offer participatory forms of permanent dialog and agreement in the building of solutions related to occupational safety.”¹ RAP is in the process of registering similar committees in Nicaragua and Guatemala and reviewing related regulatory requirements in the remaining countries in which it operates.

4.1.f Emergency Preparedness and Response

Emergency preparedness and response guidelines are presented in RAP’s Emergency Procedures Pamphlet, which includes a set of general guiding principles as well as specific instructions for various categories of emergencies (e.g., fires, earthquakes, and extreme weather events, among others). The annual OHS Training Plan calls for sessions on fire prevention, emergency response, and first aid, and outlines each session’s fundamental objectives. With this foundation in place, RAP will develop and implement unique emergency preparedness and response plans for each of the Company’s plants, taking into consideration the specific conditions and context at each distinct location.

4.1.g Monitoring and Review

The Costa Rican National Insurance Institute (“INS” for its acronym in Spanish) conducts regular OHS audits of RAP’s plant in Costa Rica, where the Company also has the obligation to submit reports on working conditions to the Ministry of Work and Social Security (“MTSS” for its acronym in Spanish). For its operations in Guatemala, RAP must send regular reports on OHS performance to the Labor Ministry, and on the exportation and importation of forest products to the Guatemala National Forest Institute. In Panamá, RAP’s plant is subject to OHS audits by the Fire Department. In both Honduras and the Dominican Republic, the Company must report on labor and working conditions to the national Labor Secretary. In addition, in the year prior to the start of the COVID-19 pandemic RAP contracted a consulting firm to perform monthly inspections of that plant and incorporate the findings into the fledgling ESMS. This work was interrupted by the pandemic but is now being restarted.

4.1.h Stakeholder Engagement

RAP’s facilities are either in isolated industrial parks or heavily industrialized zones with few or no residences or other sensitive community receptors. Nevertheless, the Company, recognizing the possibility that some potential risks or impacts might still be relevant to members of nearby communities (noise impacts or traffic safety risks from heavy truck traffic passing through populated neighborhoods, or risks related to fire emergencies) will undertake a stakeholder identification exercise and develop a stakeholder participation plan including procedures for disseminating information to, and consulting with, local community representatives.

¹ https://www.cso.go.cr/legislacion/decretos_normativa_reglamentaria/Decreto_39408_Reglamento_Comisiones_y_Oficinas_de_Salud_Ocupacional.pdf

4.1.i External Communication and Grievance Mechanisms

Because RAP's plants are largely isolated from communities and its operations involve little interaction with the public, the Company has not yet implemented formal external communication procedures nor procedures to file and process external complaints. Therefore, the Company will develop these procedures and incorporate them into its ESMS.

The External Communications Procedure will detail the processes for the following: receiving and registering communications from the public; screening and assessing the issues raised and determining how to address them; providing, tracking, and documenting responses; and adjusting the Company's management programs in response, where appropriate. The Grievance Mechanism for Affected Communities will be designed to receive and facilitate resolution of any concerns or grievances about RAP's environmental or social performance that affected communities might have. It will consider the results of the stakeholder identification exercise and include measures tailored specifically to reach and respond to the concerns of vulnerable groups.

4.1.j Ongoing Reporting to Affected Communities

RAP will provide periodic reports to any affected communities identified through the stakeholder identification exercise. The reports will update the communities on the following topics: the implementation of the Company's plans and procedures for addressing issues that involve risks or impacts to the communities; and the resolution of any issues that the stakeholder consultation process or grievance mechanism have identified as concerns to those communities.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

In recent months, RAP has been investing heavily in strengthening its management of corporate labor issues and employee working conditions. To this end, the Company has designed a set of HR and OHS policies, plans and procedures.

4.2.a.i Human Resources Policies and Procedures

RAP has thus far adopted seven HR policies and procedures: i) the Regional Recruitment and Selection Procedure; ii) the Entrance and Exit into the Workforce Policy; iii) the Onboarding Procedure; iv) the Attendance and Punctuality Policy; v) the Disciplinary Policy; vi) the Policy for Payment of Commissions; and vii) the Policy for the Prevention and Disciplining of Sexual Harassment. In addition, the following HR policies are currently under development: i) the Compensation and Benefits Policy; ii) the Telework Policy; iii) the Protection of Personal Data Policy; iv) the Internal Mutual Fund Policy; v) the Dress Code Policy; vi) the Use of Mobile Device Policy; and vi) the Traveling Costs Policy. Together, these HR instruments lay out the core working conditions and terms of employment for all Company employees.

The HR policies and procedures are explicitly grounded in the Costa Rican Labor Code, which explicitly mandates equal opportunity employment and guarantees the rights of workers to join or constitute labor unions and to bargain collectively. The Regional Recruitment and Selection Procedure specifically prohibits any type of discrimination at the workplace for reasons of age, ethnicity, sex, religion, race, sexual orientation, marital status, political opinion, national origin, social origin, ancestry, disability, union affiliation, or economic situation.

Although retrenchment of workers is not anticipated, RAP will develop an Outplacement Plan should, at some point in the future, a collective dismissal of employees become necessary.

4.2.a.ii Grievance Mechanism

RAP's senior management team maintains an open-door policy for employees who wish to discuss workplace concerns with them. As part of the Company's improvements to its HR policies and procedures, RAP will translate this practice into a formal worker grievance mechanism that provides workers with access to an understandable and transparent process for having their concerns (explicitly or anonymously presented) addressed promptly and without threat of retaliation. New workers will be informed of the grievance mechanism at the time of recruitment; existing workers will be made aware of the mechanisms through targeted socialization measures.

4.2.b Protecting the Workforce

HR policies (based on the Costa Rican Labor Code) prohibit child and forced labor. Since in addition to Costa Rica the Company also operates in several other jurisdictions, RAP will include in its Recruitment and Selection Procedure an explicit prohibition against child and forced labor that will be applicable to its workforce in all other countries where the Company operates.

For managing OHS risks, the Company has developed a basic, overarching, corporate-level OHS Program consisting of the following subprograms: i) Occupational Hygiene, focused on identifying and addressing potential auditory impacts; ii) Order and Cleanliness, which outlines RAP's approach to maintaining a clean, orderly and safe workplace; iii) Industrial Safety, which defines roles and responsibilities for investigating and reporting on occupational accidents to senior management and regulatory authorities; iv) Ergonomics, which calls for an assessment of the work stations of the pallet assembly workers to identify risks and associated mitigate measures; v) Prevention and Protection from Fires, which has as its objectives to identify fire risks, develop a program of fire extinguisher inspections and maintenance, and create and maintain worker fire brigades; and vi) COVID-19 Emergency, which defines the measures to be taken at RAP's plants to mitigate the disease impact 19 on employees, providers, clients and others related directly or indirectly with the Company.

Supporting this program are various implementation tools, including the following: checklists and registries for the provision of personal protective equipment ("PPE") such as work boots, helmets, gloves, earplugs, reflective vests and safety glasses; a registry for fire extinguisher inspection; a form and registry for employee OHS training events; a first aid checklist; and an accident investigation form. The required PPE for each worker is defined in the worker's job profile and delivered during the induction process.

Based on this corporate level OHS program, the Company will develop and document a separate OHS program for each of its plants, tailored to the specific risk and regulatory context of that plant's location. These programs will include the following elements: i) procedures for the iterative identification of the full array of potential occupational hazards and emergency risks; ii) the definition of preventive and protective measures to address these risks; iii) provisions for meeting any legal requirements to report on OHS performance to relevant authorities; and iv) an accident and incident investigation and reporting procedure, including Key Performance Indicators ("KPIs"), regularly scheduled internal performance monitoring audits, and provisions for performing formal root cause analyses.

4.2.c Provisions for People with Disabilities

RAP's Regional Recruitment and Selection Procedure promotes equal opportunity for persons with disabilities in the workplace and in employment opportunities, and prohibits discrimination based on any kind of disability. The Company's plants in Costa Rica and Panamá are equipped with ramps and handrails to facilitate access for persons with disabilities and installation of handrails in the restrooms in those facilities is in process. RAP's HR team is currently reviewing related regulatory requirements for the rest of the countries in which it operates in preparation for implementing compliance measures there as well. The Company will draft a procedure to ensure that all its facilities are accessible to persons with disabilities and that its operations and policies are compliant with all pertinent laws relating to the rights of such persons.

4.2.d Workers Engaged by Third Parties

Less than fifteen percent of RAP's workforce consists of contract labor, limited mostly to workers hired temporarily for the repair and assembly of pallets during periods of peak demand. The Company will ensure that its E&S policies and procedures explicitly provide these workers with the same protections as those afforded to direct employees, including full access to the Company's worker grievance mechanism.

4.2.e Supply Chain

RAP purchases the wood for its pallets from sawmills throughout Central America, where OHS risks are presumably high. Therefore, the Company will visit each of these mills accompanied by an OHS expert to assess E&S risks on the ground, and to evaluate the efficacy of any mitigation measures being implemented by the sawmill operators. RAP will introduce procedures into its own ESMS to ensure that the mill operators are taking steps to prevent or correct life-threatening situations where possible. Where such remedy is not possible, RAP will make plans to shift its wood supply chain to suppliers than are able to demonstrate that they identify and mitigate OHS risks adequately.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

RAP's business model is centered on the fundamentally efficient concepts of pooling, reusing, and recycling pallets. The pallets, built with wood sourced from sustainable plantations, have as their primary raw material a renewable resource and, as opposed to those made from plastics, can be repaired and reused numerous times including by using parts from other broken pallets—which simultaneously reduces the demand for natural resources and minimizes the production of solid wastes.

4.3.a.i Greenhouse Gases

Greenhouse gas (“GHG”) emissions under RAP's control are not expected to be material in terms of PS3.² The Company's focus on pooling and logistical optimization minimizes transportation distances, and thus the pollution and GHG associated with trucking. RAP's logistical optimization and its strategy of pooling pallets also contribute to reducing the overall number of pallets in circulation and the GHG emissions generated through their production. Also, since the Company rents its entire vehicle fleet it is composed of relatively late models (i.e., generally more fuel efficient) and well-maintained vehicles. Finally, RAP's commitment to using wood grown on plantations, as opposed to wood extracted from native forests, means that the sourcing of its primary raw material does not contribute to land-use change emissions.

4.3.a.ii Water Consumption

RAP's use of water is limited to that used for dilution of paint in the spray applicators used to paint pallets, for the cleaning of tools, for janitorial purposes, and for sanitary needs of the workforce. Water is supplied from municipal sources in all cases except in Costa Rica, where water is procured from wells belonging to the industrial park within which it is situated. The Company also uses relatively small quantities of water for the sanitary requirements of its workforce.

4.3.b Pollution Prevention

Pollution risks at RAP stem mainly from the generation of solid wastes and the storage and handling of pesticides.

4.3.b.i Wastes

The primary source of wastes produced from RAP's operations consist of: i) wood from parts of pallets broken beyond repair; ii) nails removed from damaged or discarded pallets; iii) remnants of clear packing plastic attached to returned pallets; iv) steel packaging straps in which the raw materials for the pallets come bundled; v) cardboard attached by clients and still present on some returning pallets; vi) black

² Total GHG emissions are estimated to fall below the threshold of 25,000 tons CO₂ equivalent for direct (Scope 1) and indirect energy (Scope 2) emissions combined.

packaging plastic, applied by clients and still attached to some returning pallets; vii) empty paint cans; and viii) ordinary domestic wastes.

All solid wastes are handled and disposed of according to RAP's Waste Management Plan, which defines the final disposition method for each type of waste as follows: i) the wood is collected by other pallet provider companies and incinerated to produce electricity; ii) nails are sold to scrap metal collectors; iii) packaging materials (straps, plastics and cardboard) are collected and, where possible, recycled by the clients that attached them to the pallets (e.g., Walmart and the Mayca Food Service company); iv) empty paint containers are returned to the paint provider for reuse; and v) non-recyclable domestic wastes are collected by public or private service providers for disposal in landfills.

Liquid wastes that will be produced by the Project correspond to domestic wastes. These wastes will be handled through local municipal sewerage systems, except for those from the plant in Costa Rica which are treated by the water treatment plant at the industrial park within which RAP's facility is located.

4.3.b.ii Pesticide Use and Management and Hazardous Materials Management

The hazardous materials used by RAP are disinfectants and pesticides. Disinfectants, such as quaternary ammonia products, are used primarily for disinfection processes related to preventing the spread of COVID-19, according to the Company's COVID-19 Protocol. RAP will, therefore, include in its OHS program measures for the safe storage and handling of these disinfectants, referring to the manufacturers' labels and relevant chemical safety data sheets.

Pesticides are used by the Company to fumigate pallets destined for use in the food industry. The fumigation process is managed by a specialist at each plant contracted for this purpose. RAP will incorporate into its OHS management program a Pesticide Management Plan that will include: i) an analysis of the options available on the market for accomplishing RAP's pest management goals; ii) the justification for using the specific pesticide formulations chosen by the Company;³ iii) procedures for ensuring that the pesticides are (a) packaged in safe containers and clearly labeled for safe and proper use and (b) that they have been manufactured by an entity currently licensed by relevant regulatory agencies; and iv) processes to ensure safe storage and handling of the pesticides, as well as the proper storage and disposal of their empty containers.

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

Community health and safety risks from RAP's operations are mitigated by several factors: the Company's production processes themselves pose limited risks outside of the plants' walls; the plants themselves are in industrial parks or in delineated industrial zones; and the Company does not hire security personnel.

³ This will include an analysis to demonstrate that the selected pesticides are low in human toxicity, known to be effective against the target species, and have minimal effects on non-target species and the environment.

Notwithstanding, RAP's transporting of pallets through populated areas in heavy trucks does generate road safety risks typical of this type of activity. The Company will therefore include in its ESMS procedures for training drivers in safe driving principles and for monitoring their performance. Trucks will also be labeled with the phone number for accessing RAP's community grievance mechanism.

4.4.a.i Community Exposure to Disease

RAP's COVID-19 Protocol contains roles, responsibilities, and concrete actions for limiting the spread of the disease among the communities where the Company operates. Examples of actions included in the protocol include the following: i) the distribution of masks to employees for use during the workday; ii) the granting of permission for administrative staff to telework; iii) the provision of disinfectant gel to be always available through dispensers situated throughout the plants; iv) the regular disinfecting of surfaces; and v) the placing of restrictions on plant entry.

4.4.a.ii Emergency Preparedness and Response

Since RAP's installations are isolated from local communities, its activities represent a low risk from a community emergency perspective. There is, notwithstanding, a risk that a fire emergency could affect neighboring warehouses or industrial facilities. Therefore, RAP will develop plant-specific emergency response plans that will include analyses of fire emergency risks to neighboring properties. Such plans will be developed in communication with the stakeholders associated with those properties as well as with local public emergency response providers.

4.5 Land Acquisition and Involuntary Resettlement

This operation does not involve land acquisition or involuntary resettlement; all of RAP's operations occur in rented facilities in industrial areas.

4.6 Biodiversity Conservation and Natural Habitats

4.6.a General

RAP's plants, which are in urban industrial zones, do not present risks or impacts to biodiversity directly. However, since the Company's principal raw material is wood purchased from sawmills in Central America⁴, RAP's activities may indirectly entail risks to biodiversity through its supply chain. To mitigate this risk, the Company procures only wood sourced from plantations. However, to strengthen this mitigation response, RAP will include in its ESMS the following actions: i) identifying and documenting where all the wood used in the Company's pallets comes from including the habitat types in the surrounding areas; ii) limiting wood procurement to sawmills that can demonstrate (ideally by providing wood certified under a credible certification scheme) that the wood extraction does not contribute to the significant conversion of natural or critical habitats.

⁴ In 2021, RAP purchased 5,241 cubic meters (m³) of wood across all its operations. For 2022, the projected amount is 6,298 m³.

4.7 Indigenous Peoples

RAP's operations, which are based in urban industrialized zones, do not involve risks or impacts to indigenous peoples.

4.8 Cultural Heritage

RAP's operations take place in existing facilities in urban industrialized zones, and therefore do not pose risks to cultural heritage.

5. Local Access of Project Documentation

The documentation relating to the project can be accessed at the following link: www.rentapallet.com.