

## Environmental and Social Review Summary (ESRS) Barbados Port Inc. – BARBADOS

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

The Port of Bridgetown Barbados ("BPI," the "Port," or the "Company") is a combined facility that operates two functions through one port of entry: cruise tourism and cargo operations. BPI, a state-owned entity, is planning to undertake the construction of a dedicated cargo berth (Berth 6) at the Port to address port capacity constraints and promote efficiency by separating cruise and cargo operations and for purchasing equipment (the "Project"). BPI is an existing client of IDB Invest.

The environmental and social due diligence ("ESDD") process included a document review to update the information from a previous transaction, a site visit from September 12 to 16, 2022, and follow up calls with the CEO, CFO, Division Managers, and Assistant Managers and their teams. During the site visit, IDB Invest's environmental and social team met with BPI's management team, government authorities (Labor Department, Coastal Zone Management Unit, Country Planning and Development Department), BPI's contractor (Berth 5 Projects Limited /Preconco), BPI's consultants (Baird and Ms. Goodridge), and BPI's tenants (vessel owners and Atlantis Submarine).

### 2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B (Medium-Risk) operation according to IDB Invest's Environmental and Social Sustainability Policy ("ESSP"), since its potential environmental and social impacts and risks are generally limited to the Project site, are largely reversible, and can be managed via measures that are readily available and feasible to implement in the context of the operation.

The Project's most important potential environmental and social ("E&S") impacts during its construction phase are, among others, the following: i) ecological impacts (i.e., impacts to corals as a result of dredging); ii) generation of noise, dust, and air emissions from equipment and piling installation; iii) generation of solid (hazardous and non-hazardous) waste; iv) wastewater generation; v) impacts to worker health and safety; and vi) possible impacts to community health and safety related to an increase in vehicular traffic.

The Performance Standards ("PS") triggered by the Project are: PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; PS4: Community Health, Safety, and Security; and PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

### 3. Environmental and Social Context

The Port is situated on the northwestern end of Carlisle Bay, Barbados, in an approximately 40-hectare plot in St. Michael Parish. It is bordered by the Atlantic Ocean with an enclosed cruise ship harbor to the west and a shallow draught harbor to the north and northeast. The Port is land-connected with nearby commercial and residential areas, including Westbury Housing Avenue, New Orleans, Brandon Beach, Pile Bay, Trevor's Way, and Carlisle Bay.

Some of the facilities within the Port are: i) a cruise terminal operated by Barbados Cruise Terminal Inc. ("BCTI"), a separate company of which BPI owns 40%; ii) customs; iii) an incinerator; iv) four molasses storage tanks (for rum production); v) a flour mill; vi) a cement company; vii) cold storage of Bico Ltd. (a food and ice cream company); viii) headquarters of the Barbados Investment & Development Corporation ("BIDC"), a government agency in charge of fostering trade; ix) a sugar storage area; x) a shallow draft harbor ("SDH"), which is under construction; and xi) two 1 megawatt ("MW") substations, which will be replaced in the next year. The development of a Haul Out Facility ("HOF") and the construction of a new bulk handling facility ("BHF") or aggregated terminal are expected in the next couple of years in the Port area. In addition, BPI expects the Barbados National Petroleum Company ("NPC") to lease a Port area to install a Liquefied Natural Gas ("LNG") plant near where the flourmill and cement companies are located.

The Port currently handles cargo and cruise ships in the same berths, which during cruise ship season, from October to April, challenges Port operations. During this period, cargo ships dock at the Port at night while cruise ships utilize the berths during the day. Throughout the rest of the year, the Port services cargo ships during the day. Cargo operations account for approximately 80% of the revenue generated at BPI. Approximately 75% of cruise vessels are call-in vessels (i.e., they arrive in the morning and leave at night) and 25% are home port vessels (i.e., they stay at the Port for two-days and at the end of their journey, they are cleaned, and then new passengers embark).

Berth 6 is designed to be a 313m long and 25m wide elevated, piled, supported deck structure constructed of concrete elements such as piles and a combi-wall that will serve multiple purposes, including load bearing of a landside longitudinal crane beam, retention of new fill and a reclaimed area. There will also be a submerged, below berth revetment constructed to serve as scour protection/swell mitigation. The construction of Berth 6 will require the dredging of approximately 24,000 m<sup>3</sup> of marine soil, all of which will be used as fill material for the berth. Dredging is expected to occur over a period of two to four months. In addition to the new berth, there is an upland development package included in the Project comprising construction of 25,000m<sup>2</sup> container stacking hard standing area inclusive of all requisite infrastructure (e.g., lighting, potable water, electrical feeds, drainage).

The main national regulations applicable to the Company are the Marine Pollution Control Act (Cap 392A), National Conservation Commission Act (Cap 393), Coastal Zone Management Act. (Cap 394), Health Services Act (Cap 394, Cap 44), Quarantine Act (Cap 53), Employment Rights Act (2012-9), Safety and Health at Work Act (Cap 2005-12), and Accidents and Occupational Disease (Notification) Act (Cap 338). The main international regulation is the International Convention for the Prevention of Pollution from Ships ("MARPOL") of the International Maritime Organization ("IMO") and its main applicable resolutions.

As part of the requirements for Berth 6 construction, a Marine Impact Assessment ("MIA") was developed in 20017. The MIA includes a description of the Project, a description of the existing environment (physical and biological), a legislative and regulatory framework, identification of potential impacts, mitigation measures, and a monitoring program.

Based on the MIA recommendations, on September 1, 2022, the Barbados Prime Minister’s Office (“PMO”) granted BPI permission for: i) the construction of a new berth and container park extension; and ii) the retention of an existing berth and ancillary structures at Bridgetown Port. The permit contains 14 conditions, including: i) deploying turbidity barriers during construction; ii) washing the wave breaker boulders; iii) managing the Port’s waste; iv) mapping dredging activities (i.e., area, transition zones, donor site, and volume of fill material); v) performing coral transplantation and inventory (including colonies in the Project influence area); vi) performing the post-transplantation monitoring of corals (for 2 years); vii) undertaking water quality monitoring (daily during construction); viii) implementing a robust water quality program; and ix) implementing marine pollution mitigation measures. BPI, with a selected contractor for the construction of the berth (Berth 5 Projects Limited/Preconco), is developing a plan to comply with PMO’s conditions. The plan includes information from the MIA commissioned by Berth 5 Projects Limited in 2017.

### 3.1 Contextual risks

Barbados is a small island (430 km<sup>2</sup> of land) in the North Atlantic Ocean and is the easternmost island in the Caribbean Lesser Antilles. About 31% of the country’s Gross Domestic Product is from tourism, with an important focus on tourism from cruise ships. Although Barbados is a high-income country, according to the World Bank’s classification, and generally has a lower rate of violence than its Caribbean neighboring countries, it is not free of crime.

According to the Barbados Police Commissioner, in 2021 the country experienced 5,392 offenses, including 32 murders (17 including the use of firearms) and 962 offenses related to drugs. Although these numbers constitute a reduction compared to 2020, the Commissioner is concerned about administrative and operations business continuity due to an operational staff deficit of 278 police officers<sup>1</sup>. From January to August 2022, 26 murders were registered, of which most took place in St. Michel Parish (18), followed by Christ Church (3), St. Joseph (2), St. George (1), St. Philip (1), and St. Peter (1). Most murders were by firearm (19), mainly affecting males between 25 and 34 years of age and during weekdays (73%).

BPI’s Emergency Response Plan includes scenarios for armed intrusion and civil disturbance, as well as security and operational threats. Since the beginning of 2022, the Port is using drone technology to increase security in its premises, detecting trespassers through thermosensitive technology.

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

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

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

On February 8, 2022, BPI acquired ISO 9001:2015<sup>2</sup> certification, which involved the development of 102 procedures. In addition, during 2020 and 2021, with an external consultant’s support, BPI developed an Environmental and Social Management System (“ESMS”) for the Port. The ESMS includes a manual, a

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<sup>1</sup> <https://barbadostoday.bb/2022/03/31/crime-down-in-2021/>.

<sup>2</sup> ISO 9001 is the internationally recognized Quality Management System (QMS) standard.

Sustainability Policy, 10 management programs, and six compliance assurance procedures. BPI's ESMS aims to provide a methodological approach for managing socioenvironmental risks and impacts in a structured and continuous manner, reducing the impacts of Port operations on the environment, workers, and surrounding communities. The ESMS also aims to ensure compliance with legal and other requirements undertaken by BPI, according to the applicable E&S Reference Framework (i.e., local law and the IFC Performance Standards), and to promote solid and sustainable socioenvironmental performance through the effective application of a system that allows for continuous improvement of the processes developed by BPI. The ESMS applies to all facilities within the Port of Barbados and processes developed by BPI regarding Port operations, including the activities of the Passenger Terminal, managed privately by the Bridgetown Cruise Terminal Inc., and other outsourced activities that are developed within the maritime terminal and in supporting activities (facilities).

Although the Board of Directors of the Port approved the ESMS and its incorporation into the Company's operational process on December 21, 2021, its implementation and complementarity with ISO 9001 and previous Port procedures is proving to be challenging. To foster an adequate implementation of existing Port procedures (i.e., ESMS, ISO 9001), BPI will conduct an ESMS implementation gap analysis and develop an implementation plan.

#### 4.1.1.b Policy

BPI has developed and adopted a Sustainability Policy, an Environmental, Social, Health and Safety ("ESHS") Policy<sup>3</sup>, and a Quality Management System Policy<sup>4</sup>. Furthermore, its environmental and social commitment is stated in its webpage<sup>5</sup>, where the Company aims at being by 2030 the "most innovative, green maritime hub in the world".

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

The Marine Impact Assessment (2017) identifies the main environmental impacts associated with the Project's construction stages. These impacts are mostly local, direct, of small magnitude, and of short duration. The main impacts identified in the MIA are: i) noise; ii) traffic; iii) dust; iv) turbidity; v) coral reef damage; vi) channel erosion; and vii) solid waste generation. The MIA proposes brief mitigation measures for each impact.

As part of its ESMS, BPI developed a Risk Identification, Assessment and Management Procedure. The procedure establishes a formal risk assessment process for all BPI activities (routine and non-routine), a documented, structured, and systematic process comprising: i) the identification and analysis of risks; ii) an assessment of these risks against an appropriate standard of acceptability; and iii) established risk control strategies.

The procedure includes hazard identification, risk analysis (assessment, frequency, consequences, and control criteria), assessment of current control measures, and guidance for target-risk assessment and management for BPI's current and future operations (i.e., bulk terminal). Furthermore, as part of ISO

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<sup>3</sup> <https://barbadosport.com/eshs-policy-pdf/>.

<sup>4</sup> <https://barbadosport.com/qms-policy-pdf/>.

<sup>5</sup> <https://www.barbadosport.com/about-us>.

9001:2015, BPI developed an Occupational Health and Safety -Risk Assessment procedure. BPI will update and expand MIA's risk assessment, including physical climate risks, for Berth 6 's construction and operational phases, and propose a mitigation plan to address each risk and impact identified.

#### 4.1.c.i Direct and indirect impacts

The MIA includes a brief identification of direct and indirect impacts regarding the Project's construction works. Direct impacts related to Berth 6 construction are those on Benthic communities (corals), noise, turbidity, and dust (marine water quality). The only indirect impact detected, with limited alteration, is to oceanographic conditions (wave and current patterns) given that the width of the channel leading to the Shallow Draft area will be reduced by 7%.

#### 4.1.c.ii Analysis of alternatives

Since the Project involves upgrades to an existing facility, no alternatives analysis was conducted. The alternative to Berth 6 is the logistical arrangements BPI has been applying for cargo and cruise ships operations, separating times of service, especially during cruise ship season.

#### 4.1.c.iii Cumulative impact analysis

At the end of 2021, BPI hired a consultant engineering company (Baird) to conduct a Coastal Study (including wave and circulation modeling) to assess the design and impacts of the following four projects to take place at the Port: i) a Shallow Draft Harbor; ii) a Haul Out Facility; iii) Berth 6; and iv) a Bulk Handling Facility or Aggregate Terminal. The study was completed in June 2022. The objective was to provide key information to the designers and builders to support the permitting and detailed design of the four projects. The study included guidance on the selection of design criteria for the projects, the development of design waves and design water levels for each project, and an assessment of project impacts on waves, hydrodynamics, and sediment transport in the nearshore areas and along the shorelines adjacent to (north and south of) the Port. The study focuses on physical and meteorological aspects, however, without considering environmental and social value components. Baird's Coastal Study will be updated into a Cumulative Impact Assessment of the Project following IDB Invest standards<sup>6</sup>.

#### 4.1.c.iv Gender risks

According to the United Nations ("UN") Women Multi Country Office, in the first half of 2020, during the COVID-19 lockdown period, Barbados experienced a 38% increase in incidents of domestic violence<sup>7</sup>. Violence against women in Barbados has been qualified as a "significant" social problem and a "serious social concern" by the UN High Commissioner for Human Rights. According to a survey performed in 2012 by the UN Development Program ("UNDP") on citizen security, in which over 11,000 male and female adults in seven Caribbean countries were interviewed, 9.6% of respondents in Barbados had been subject to punching, kicking, or other physical violence by a household member over 16 years of age<sup>8</sup>.

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<sup>6</sup> Paez Zamora et.al. 2022. Practical Guide for the Assessment and Management of Cumulative Impact in Latin America and the Caribbean. And IFC. 2013. Good Practice Handbook: Cumulative Impact Assessment and Management. Guidance for the Private Sector in Emerging Markets.

<sup>7</sup> <https://gisbarbados.gov.bb/blog/domestic-violence-increased-with-covid-19/>.

<sup>8</sup> <https://www.refworld.org/docid/50b47bfc2.html>.

Barbados has a strong legal framework that promotes, enforces, and monitors gender equality. According to UN Women (2022), 83.3% of legal frameworks in Barbados focus on gender equality under the Sustainable Development Goals indicator, with emphasis on violence against women<sup>9</sup>. In 2012, 69.9% of women of reproductive age (15-49 years) had their need for family planning satisfied with modern methods.

In 2022, Barbados scored 0.83 in the gender gap index area of economic participation and opportunity, indicating that females are at a 17% disadvantage in the economy compared to men (a 1% gap increase compared to 2021). Furthermore, during 2022 Barbados scores 0.85 in estimated earned income, which means that, on average, women in Barbados earn 15% less than men<sup>10</sup>.

#### 4.1.c.v Gender Program

BPI has a Sexual Harassment Policy that applies to all employees and provides a framework for a complaints mechanism, reporting, and resolution of any cases of sexual harassment. The Port also has a Code of Business Conduct and Ethics that requires all employees to observe high standards of business and personal ethics in the execution of their duties and responsibilities. In addition, the Memorandum of Agreement with BPI's Workers Union establishes equal opportunity among all employees.

#### 4.1.c.vi Climate change exposure

Barbados, being a small island located in the easternmost part of the Caribbean Archipelago, is highly vulnerable to hurricanes and particularly susceptible to the potential impacts of climate change. Physical and natural disaster risk exposure is high and transition risks are low for the Project. Regarding physical risks, the Project site is exposed to both acute and chronic natural hazards particularly related to its coastal location.

Barbados is prone to tropical storms and hurricanes, with the season lasting from June through November. The most recent hurricane to strike Barbados was Harvey, in the summer of 2017, which led to power outages (mostly in Christ Church, Saint Joseph, St. Lucy, and St. Michael), flooding, and damage to some roads and bridges (especially in Saint Andrew and Saint Joseph)<sup>11</sup>. Even storms without powerful winds can cause extensive flooding damage through sheer quantity of rainfall due largely to inadequate drainage infrastructure. There is also high tsunami exposure.

As a developing economy relying on sectors vulnerable to climate patterns such as tourism, agriculture, and fishing, Barbados would be greatly affected by rising sea levels, changes in rain patterns and temperatures, and increasing intensity of natural disasters. According to the Intergovernmental Panel on Climate Change ("IPCC"), average temperatures in the Caribbean have increased by 0.1° to 0.2°C per decade over the past three decades. Rainfall patterns have also shifted, with the number of consecutive

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<sup>9</sup> <https://data.unwomen.org/country/barbados>.

<sup>10</sup> <https://www.statista.com/statistics/803773/barbados-gender-gap-labor-market-category/#:~:text=In%202022%2C%20Barbados%20scored%200.832,economy%20in%20comparison%20to%20men>.

<sup>11</sup> <https://climateknowledgeportal.worldbank.org/country/barbados/vulnerability#:~:text=Hurricane%20season%20takes%20place%20during,as%20hurricanes%2C%20and%20occasional%20landslides>.

dry days expected to increase. Additionally, sea level rise has occurred at a rate of about two to four centimeters per decade over the past 33 years, a trend which presents risks to the availability of freshwater resources, with direct impacts on the largely coastal population of Barbados dependent on tourism and agriculture.

Given these challenges, Barbados has various programs and policies in place to become more resilient to the impacts of climate change. These include the Barbados Comprehensive Disaster Management Country Work Program 2019-2023 and the National Coastal Risk Information Planning Platform (“NCRIPP”), both of which are mentioned in the country’s updated Nationally Determined Contribution (2021). As per its National Communication, both tourism and coastal resources and settlements are considered adaptation priority sectors, with the impacts on cargo and cruise ship accommodation in the Bridgetown Port being mentioned as areas of concern. Overall, the Project is consistent with the adaptation actions and priorities of Barbados.

In terms of chronic climate-related hazards, the Project faces high exposure to sea level rise as well as moderate exposure to fresh water supply scarcity and a 25% to 50% increase in the number of days under drought under a high emissions pathway scenario (RCP 8.5) towards the end of the 21st century. BPI, in the design of Berth 6, will include climate change risks considerations and introduce resiliency measures. BPI’s Coastal Study already included scenarios of sea level rise from 0.25 to 1 meter, based on IPCC estimates. The Berth 6 design could benefit from scenarios and data already produced by BPI.

#### 4.1.d Management Programs

As part of its certification process under ISO 9001:2015, BPI developed 102 procedures that address Digital Innovation and Development (5), Engineering Services (9), Finance (8), Human Resources (14), Internal Audit and Quality Assurance (16), Management Information Systems (3), Marine Services (11), Property Management and Maintenance (7), Security Services (6), and Terminal Operations (23). BPI is in the process of training and implementing these procedures in Port operations.

BPI’s ESMS includes a Sustainability Policy, a Manual, six Compliance Assurance Procedures, and 10 Management Programs and Plans. The compliance procedures cover the following topics: i) Critical Analysis; ii) Internal Audit and Non-Compliance Management; iii) Reference Framework Update; iv) Management of Change; v) Risk Identification, Assessment and Management; and vi) Document and Milestone Management. The Management Programs and Plans include: i) Waste Management Plan; ii) Emergency Response Plan; iii) Stakeholder Engagement Plan; iv) Water and Wastewater Management Plan; v) Air Quality and Emission Management Plan; vi) Occupational Health and Safety Management Plan; vii) Labor Management Procedure; viii) Construction and Decommissioning Management Procedure; ix) Community ESHS Risks and Impacts and Security Management Procedure; and x) Hazardous Products Management and Pollution Prevention Procedure.

In addition to the ESMS management and ISO 9001 procedures, BPI has the following management programs, all of which are applicable to Port operations: i) Corporate Communications Plan (which includes an executed action plan); ii) Memorandum of Agreement (with the local labor union); iii) Sexual Harassment Policy; and iv) Whistle Blower mechanism.

BPI is in the process of integrating and implementing all these management programs into Port operations.

#### 4.1.e Organizational Capacity and Competency

The Port's employees are organized into the following seven levels of responsibilities and decision-making capacities: i) CEO and CFO; ii) Division Managers; iii) Managers; iv) Assistant Manager; v) senior supervisors; vi) supervisors; and vii) general staff.

BPI has appointed the Assistant Manager of Safety, Health and Environment, within the Human Resources Division, as the person responsible for overseeing the E&S performance of the Port and ESMS implementation. This includes occupation health and safety ("OHS") management, including of the Engineering, Procurement and Construction ("EPC") contractor and for any works (or contractors) necessary during Operations and Maintenance ("O&M") of the Project. BPI has increased the personnel dedicated to environmental and OHS management to three people supervised by the Assistant Manager, two of which were hired in Q3 2022.

BPI has an Annual Training Program that include topics such as health and safety, pendulum and Octopi training, marine operations, a small boat coxswain course, and radio operations. This year, BPI introduced trainings through a computer system on health and safety that employees can take at their own pace and that are targeted to their own duties.

#### 4.1.f Emergency Preparedness and Response

BPI has an Emergency Response Plan ("ERP"), updated in October 2022 for the Port, which provides comprehensive, practical, and structured guidance for responding to emergencies. The ERP involves other agencies operating within the Bridgetown Port (Coast Guard, Defense Force, Police, Fire/explosion, Bridgetown Port Security Services). Emergency management is divided into four phases: Preparedness, Mitigation, Response, and Recovery.

BPI's ERP states that communication is vital to the successful management of any incident. All available forms of communication (e.g., social media, telephone, fax, and radio) should be utilized to exchange information into and out of the affected area. During emergencies, a temporary press center may be established as designated by the Manager, Security Services after consultation with the CEO, and Manager responsible for Corporate Communications. BPI has an Emergency Response Team responsible for evacuation, internal rescue operations, medical assistance, and incident containment. The ERP establishes specific roles and responsibilities and training requirements. The ERP includes procedures for the following potential scenarios: i) general evacuation; ii) bomb threats; iii) hurricane preparedness and response; iv) earthquake response; v) Tsunami response; vi) accidents, injuries, and illnesses on the job; vii) hazardous materials spills or exposure; viii) oil spill contingency plan and response; ix) man overboard, recovery, and persons in the water; x) vessel grounding or stranding; xi) vessel collision; xii) threat of infectious disease on vessels; xiii) vessel evacuation; xiv) shutdown of information systems; xv) fire and explosion response; xvi) security and operations threats; xvii) armed intrusion and civil disturbance; and xviii) volcanic ashfall response. In 2021, La Soufrière volcano in St. Vincent erupted multiple times, covering Barbados in ash. No casualties were reported. After this incident, BPI added volcanic eruption as a scenario in its ERP.

#### 4.1.g Monitoring and Review

BPI has established procedures to monitor and measure the effectiveness of management programs within the ISO 9001 framework (Internal Audit and Quality Assurance procedures). As part of its ESMS, BPI, with the help of an external consultant, developed six compliance assurance procedures that include a set of key performance indicators to measure the effectiveness of its environmental, social and health and safety procedures. Some of these procedures consider involving representatives of stakeholder groups (including communities) to participate in monitoring activities. The Port has also developed a compliance matrix for legal and contractual obligations.

In addition, BPI monitors its social media presence (Instagram and Facebook) and produces a monthly report for internal use that includes reach (more than 5,000 people, mainly females), likes/reactions, comments, and shares of media presence. BPI's image is largely positive, and the Company often receives requests for employment opportunities.

#### 4.1.h Stakeholder Engagement

BPI applies a variety of engagement methods to build relationships, gather information, consult, and disseminate Port information, such as: i) formal letter reports (focusing on government agencies); ii) emails; iii) telephone calls; iv) social media; v) traditional media (TV, radio, print); vi) formal meetings; vii) townhall meetings; viii) site visits; and ix) surveys. BPI produces monthly reports on social media to assess top performing posts, requests for information, and response to sponsor ads.

As part of its Stakeholder Engagement Framework, BPI identified five stakeholder groups: i) communities; ii) customers (commercial companies and individuals); iii) government and regulatory agencies; iv) industry partners (e.g., social partners, BCTI, shipping lines, cruise lines, Port Agencies, and cruise/cargo transport intermediaries); and v) internal stakeholders (i.e., Board of Directors, management, employees).

In 2021, with the support of an external consultant, BPI enhanced its Stakeholder Engagement Framework to develop a Stakeholder Engagement Plan ("SEP") that includes the following sections: i) requisites and regulations (i.e., local requirements and international standards); ii) roles and responsibilities; iii) stakeholder mapping, prior consultation, and communication activities; iv) stakeholder engagement program during a specific project; and v) performance indicators and reporting requirements.

BPI is frequently engaging some of its five stakeholder groups to keep them informed about the Company's operations. For example, BPI holds monthly meetings with its tenants (vessel owners and businesses) affected by the Shallow Draught Harbor expansion to listen to and resolve their concerns. BPI has also engaged the Agency of Port Health, the Environmental Protection Department, and the Coastal Zone Management Unit to inform them about the decommissioning of its incinerator and finding alternatives to the open burning of waste.

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

As part of the Stakeholder Engagement Plan, BPI has adopted a grievance mechanism that allows any person or organization to send comments or complaints in person, by phone, by email, or by regular post. The grievance is recorded and acknowledged within five working days and responded to within 20 working

days. The external grievance mechanism will be socialized and adjusted based on lessons learned from its implementation to make it more functional.

BPI has a webpage and presence on social media, and conducts external communications via email, phone, and social media comments and messages. The Company publishes an annual report and an annual handbook including externally audited financial statements and a description of its operations and future projects. All this information is available on BPI's webpage.<sup>12</sup>

In addition, the Port has a Whistleblower Policy<sup>13</sup> open to all stakeholders and the public in general to create awareness, provide guidelines, and encourage stakeholders to safely report illegal or unethical practices not aligned with the Company's Code of Business Conduct and Ethics. Claims under this mechanism could be anonymous using a confidential ethics hotline.

#### 4.1.j Ongoing Reporting to Affected Communities

According to BPI's Corporate Communications Management team, many residents from the Port's surrounding areas may not be aware of the Berth 6 construction. During its site visit, IDB Invest noted that the BPI Shallow Draught Harbor's (marina) tenants (vessel owners and Atlantis Submarine) were unaware of BPI's plans to build Berth 6 or that a MIA had been developed. After the Project was described to them, their main concern was related to traffic control and safety, especially during the Port's operations.

BPI will conduct a townhall meeting (which could be in a virtual format) with the five stakeholder groups identified in the SEP, including representatives from all surrounding communities. BPI will prepare a non-technical explanation of the Project and share it with surrounding communities and all additional stakeholder groups.

## 4.2 Labor and Working Conditions

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

BPI employs 503 people, of which 134 are female. Approximately 30 people hold management positions, half of which are women. Approximately 90% of BPI staff belong to communities surrounding the Port (Westbury Housing Avenue and New Orleans). The Company does not employ migrant workers.

The Company has a detailed Memorandum of Agreement ("MOA") with the Barbados Worker's Union ("BWU") and The Barbados Employers' Confederation (dated 2008-2011), which is currently under negotiation. The MOA outlines worker rights related to hours of work, wages, overtime, compensation, personal protection equipment provisions, and benefits upon beginning the working relationship and when any material changes occur. The MOA also includes criteria for hiring, dismissals, performance evaluation, and a formal grievance procedure for workers. The MOA serves as the Company's Human Resources Policy and related procedures.

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<sup>12</sup> <https://www.barbadosport.com/annual-reports>.

<sup>13</sup> <https://barbadosport.com/whistleblower-policy-pdf/>.

BPI has a Sexual Harassment Policy that applies to all Company staff and provides a framework for a complaints mechanism, reporting, and resolution of any sexual harassment cases. The Company has, as part of its ISO 9001:2015 certification, policies for recruitment, such as hiring, discipline, and grievance processes.

Approximately 80% of the labor force pay fees to BWU and the Company meets with their leaders monthly. Every worker (unionized and non-unionized) is provided with his or her contract, the MOA, a copy of the Sexual Harassment Policy, a job description, and a password to access the Company's online systems.

#### 4.2.b Protecting the Workforce

The minimum age to work at BPI is 18 years old, and a retirement age at 65 years is applied to general staff per the Company's pension plans. There is a maximum age limit of 45 years for staff employed in docker, operator, and heavy-duty operator positions. As part of the Labor Management Plan, BPI formalized the minimum age required to work at the Company in its recruitment and onboarding policies, including its commitment to not employing forced (non-voluntary) labor. The objective of the plan is to ensure compliant working conditions and support infrastructure with regard to BPI's reference framework, namely the International Labor Organization ("ILO") Code of Practice for Safety and Health in Ports (2016), the IFC Performance Standards (specifically PS2: Labor and Working Conditions), the Barbados Safety and Health at Work Act (2005), the Memorandum of Agreement (MOA), and BPI's Sexual Harassment Policy.

#### 4.2.c Occupational Health and Safety

BPI follows the country's Safety and Health at Work Act (2005), which provides national guidelines for a safe and healthy work environment. BPI's MOA with BWU is in alignment with these guidelines. The MOA outlines procedures for handling accidents, injuries, and illnesses on the job.

BPI's Emergency Response Plan ("ERP") outlines training opportunities provided to staff, including on general evacuation, fire, first aid, bomb threats, hurricane alerts, hazardous materials ("HAZMAT"), and oil spill response. The ERP also outlines investigation and reporting procedures for occupational accidents, diseases, and incidents at the Port that compliments its guidelines on emergency prevention, preparedness, and response.

The Company applies safety training to its staff using an online system. Basic fire safety is a component of this training that is applied to BPI's Assist Emergency Personnel unit. Employees at the Company have been trained, assessed, and certified annually since 2017. Additionally, firefighting training and HAZMAT fire training are provided to staff through the Barbados Fire Service and the Barbados Technical Educational Vocation and Training ("TVET") Council. BPI has in place security fire points (fire extinguishers, fire-safety exits, and smoke detectors) at its administration building. In addition, in 2023 BPI will host a fire brigade permanently at the Port.

The Port recorded 50 accidents from January through September 2022, mainly related to mobile equipment, workers being struck by or against something, and slips, trips, and falls. Work accidents are reported on an annual basis and are disaggregated by month, department, and type of accident. During this period, the number of lost workdays was 238 and the reported Lost Time Injury Frequency Rate ("LTIFR") was 4.73, a decrease from last year.

In Port operations, pedestrian traffic is separated from vehicles. This separation and signaling has been reinforced and updated after a fatality of a visitor in 2019 by a Port vehicle.

Each employee receives a routine medical examination paid for by the Company. General workers in the Maintenance and Cleaning Department and incinerator workers receive two medical examinations annually. The most common health issues experienced among employees are asthma and respiratory issues, diabetes, and hypertension. BPI provides a Group Medical Plan (insurance) for assistance with medical, dental and vision care for employees, retired employees, and their immediate families. Membership in the Medical Plan is compulsory for eligible employees during employment. The cost of maintaining the plan is shared equally between each employee and BPI.

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

BPI uses several outside contractors to perform various tasks at the Port. BPI selected Berth 5 Projects Limited/Preconco as the contractor for Berth 6. BPI and Berth 5 Projects Limited are currently negotiating a turnkey contract, which includes mitigation measures to comply with conditions of the Prime Minister's Office.

The Company requests that contractors provide their own Health, Safety, and Environment ("HSE") officer or supervisor on site. Outside contractors are also briefed on BPI's HSE policies and procedures and the Company's HSE officer conducts routine Project inspections. Contractors are also covered by the MOA and they follow the same terms and conditions applied to Port employees.

#### 4.2.e Supply Chain

No member of the surrounding communities are suppliers of the Company. BPI has a procurement policy and its Labor Management Procedure prohibits child and forced labor which is extended to suppliers.

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

The Port has a peak demand of close to 2 MW and has two main substations, to which diesel generators supplied by 4000-liter, above-ground, fuel storage tanks are connected to provide backup generation. BPI acquires its electricity from the Barbados national grid supplied by Barbados Light and Power ("BL&P") at both substations (#1 and #2). At Substation 2, two PV systems totaling 495 kW have been installed; these are grid-tied systems with a buy-all sell-all agreement in place with BL&P. In addition, BPI has a 20,000-liter tank at a workshop area, mainly as a backup energy system. The Company is in the process of switching its equipment from the use of diesel to low sulfur gasoil. It also has medium-term plans to switch all cargo and container handling equipment to electric powered energy rather than diesel.

##### 4.3.a.i Greenhouse gases

As of October 2022, the Port has two electrical rail mounted Ship to Shore (“STS”) cranes, one electrical mobile crane, and 14 straddle carriers (electrical and diesel-electrical). The Port plans to completely shift to full electric or hybrid equipment in the next eight years.

BPI is required to calculate its greenhouse gas (“GHG”) emissions and prepare a report on the results. The first report will be completed in 2023.

#### 4.3.a.ii Water Consumption

All potable water provided to BPI is from the municipal supply grid. Sanitary or municipal sewage waste is treated at a public wastewater treatment facility. Pumping stations are located within and on the outskirts of the Port to assist in the movement of sewage into the treatment plant located approximately one mile from the Port. In addition, plans are in place to reuse some of the treated effluent from the Barbados Water Authority (“BWA”) Bridgetown Sewage Treatment Plant for flushing sewer lines.

BPI collects rainwater from some of the Port’s roofs to use in cooling systems for cargo and containers. The Port also uses rainwater to clean its solar photovoltaic (“PV”) systems. Sea water was used to cool the old incinerator.

#### 4.3.b Pollution Prevention

As part of the ESMS, BPI developed, with the support of an external consultant, a Waste Management Plan, a Water and Wastewater Management Plan, an Air Quality and Emissions Management Plan, and a Hazardous Product Management and Pollution Prevention Procedure.

The Waste Management Plan establishes the guidelines and practices for the management of solid waste generated by the operations of the Port, both for Port operational activities and for the ships (cargo and cruise) that leave their waste at the Port. This plan describes BPI’s procedures to: i) identify, segregate, and determine the final destination of solid waste streams that are managed within the Port; ii) guarantee the prevention of pollution associated with solid waste generation; iii) ensure compliance with legal and regulatory requirements and good environmental practices; and iv) prevent business and liability risks arising from the treatment and final disposal of solid waste. The Water and Wastewater Management Plan establishes guidelines for the management, treatment, and control of liquid effluents, as well as for the management of water consumption in the activities and services of the Port. This Plan applies to BPI, its contractors, and its suppliers that operate within the Port and whose activities require water consumption, whether for drinking or industrial use, and have the potential to generate liquid effluents as outputs of these activities. The Air Quality and Emissions Management and Monitoring Plan aims to reduce air emissions associated with BPI’s activities, including fugitive emissions (such as dust from solid bulk cargo, volatile organic compounds, and greenhouse gases), to protect air quality and the health of port workers and local communities, and address climate change stressors. BPI is in the process of implementing these plans, which apply to contractors and subcontractors.

The construction of Berth 6 will require the dredging of approximately 24,000 m<sup>3</sup> of sediment, all of which will ultimately be used for filling in the construction of the new berth. Before dredging begins, BPI will perform testing (physical and chemical) of the sediment to be dredged. The dredging will cause the suspension of solids in the water body, thus daily water quality monitoring was recommended by the PMO

permit. BPI will develop a water quality monitoring plan for Berth 6, building on existing management plans and considering PMO recommendations.

#### 4.3.b.i Wastes

The Port collects solid waste from cruise and cargo ships, as well as for its own operation. The waste, consisting mainly of paper, plastic wrap, dry food waste, plastic bottles, aluminum cans, plastic food containers, and glass, had been burned in an incinerator on site since the 1990s. In 2022, however, the incinerator reached the end of its useful life, and BPI is now in the process, with IDB Invest support, of procuring a new one with advanced emission controls. The new incinerator will use state-of-the-art technology that will comply with local regulations and the General Environmental, Health and Safety (“EHS”) Guidelines of the IFC. In the interim, the Port is currently burning solid waste in an open pit, which is sited such that the prevailing easterly winds blow the smoke directly out to sea<sup>14</sup>. All ash from burning is currently treated as non-hazardous waste and is transported into the local Saint Thomas landfill for final disposal.

BPI will assess alternatives to open pit burning of its waste, some might include: i) request the permission of the relevant authorities to dispose of collected waste in active landfills; ii) minimize the collection of international waste and stop the collection of any domestic waste until the new incinerator is functional; and iii) extend the life cycle of the current incinerator. According to BPI’s management, Barbados’ legislation establishes that waste categorized as international cannot leave Port premises and must be burned.

#### 4.3.b.ii Hazardous Materials Management

The Hazardous Product Management and Pollution Prevention Procedure establishes the systematic control of hazardous products used in Port operations and/or transferred from vessels to the Port storage areas to prevent pollution and control possible spills during handling, storage, use, and disposal of these products. The document includes procedures for hazardous products management, mitigation and control measures, environmental supervision, corrective actions, implementation, and monitoring. From January through September 2022, the Port used 484,038 liters of diesel.

#### 4.3.b.iii Pesticide Use and Management

For rodent control, the Company has a pesticide management approach using traps surrounding the areas of the harbor. No chemical pesticides are utilized by the Company.

### 4.4 Community Health, Safety and Security

#### 4.4.a Community Health and Safety

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<sup>14</sup> The waste burned from January through September 2022 totaled 2,712 m<sup>3</sup>.

The Westbury Housing Avenue and New Orleans communities, located upwind from the Port and with an aggregate population of about 3500 inhabitants, are the communities nearest to the Port. The Port has not received any complaints in the last year regarding Port operations from these communities.

BPI handles oil-based products that are imported and exported through the Port and supplies bunker fuel to vessels. To prevent and manage oil spills, the Company has an Oil Spill Contingency Plan and Response and follows the National Oil Spill Contingency Plan (“NOSCP”). These emergency response procedures are outlined in the Company’s ERP.

The construction of Berth 6 will increase traffic in the area and might disturb residents and local businesses, even though piles are already on site. BPI will develop a traffic management plan with the participation of residents and local business owners. BPI’s tenant from the Shallow Draft Harbor has expressed concerns about traffic flow during Berth 6 operations. BPI will therefore develop a Maritime Traffic management plan for the operation of Berth 6.

#### 4.4.b Security Personnel

BPI has a security department and uses an unarmed in-house security force. All security personnel are covered in BPI’s MOA and follow the same terms and conditions applied to Port employees. For all new security employees, the Company issues truth verification testing, conducts a background check, and requires a police certificate of character and a medical evaluation.

#### 4.5 Land Acquisition and Involuntary Resettlement

The land for the construction of the incinerator and the PV facility is state owned and under the custody of BPI. As a result, no land acquisition was required for the Project and no involuntary resettlement is anticipated.

#### 4.6 Biodiversity Conservation and Natural Habitats

##### 4.6.a General

Even though the site is a result of dredging and land reclamation performed in 2002, healthy coral formations are present in the footprint of the future berth and in surrounding waters, including just outside of the shipping channel entering the Port. According to the Coastal Zone Management Unit<sup>15</sup> (“CZMU”), coral reefs are the most important ecological asset of Barbados. In July 2020, the CZMU developed an Integrated Coastal Zone Management Policy Framework (2020-2030) (“ICZMF”)<sup>16</sup> to assess potential climate and disaster risks and improve planning and management of coastal zones. Corals serve five main ecosystem services: i) supporting services (coastal protection, biodiversity habitat, nutrient recycling); ii) products (food, biomedical); iii) employment and livelihood (fisheries, tourism); iv) recreation and aesthetic beauty (scuba diving, sport fishing); and v) education/spiritual inspiration (teaching, cultural rituals, creative inspiration). The CZMU identifies three main reef types in Barbados, fringing reefs, bank reefs, and

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<sup>15</sup> A government agency that aims to ensure that the coast retains its vital and pivotal role in the economic, social, and physical development of Barbados.

<sup>16</sup> <http://www.coastal.gov.bb/ICZMPlan>.

patch reefs, each with specific benthic components. The CZMU established 47 monitoring sites for coral reef health and assembled a Reef Health Index (“RHI”) with a score from 1 (very poor) to 5 (very good). On average, coral health in the islands is established at 2.7 RHI. The country’s National Management Priority is therefore biodiversity conservation and coastal habitat restoration, which emphasize coral health.

The ICZMF includes an assessment of benthic habitat, which indicates the presence of corals around coastal areas. The coastal zone of the whole perimeter of the Island has been divided into eight subareas. BPI is in Sub Area 7, sheet A36<sup>17</sup>, indicating preliminarily that the seabed within the harbor area is generally comprised of sand with some localized areas of coral reef patches.

#### 4.6.b Protection and Conservation of Biodiversity

##### 4.6.b.i Natural Habitat

No terrestrial natural habitat remains in the Port’s Area of Influence (“AOI”). Likewise, the Shallow Draught Harbor (marina) component of the Port consists of a man-made harbor under intensive industrial and commercial use.

The BPI Shallow Draught Harbor’s (marina) tenants, some of which are tourism operators, have indicated that the marine tourism destination nearest to the Port is the reef visited by the Atlantis Submarine, which is a few kilometers to the northeast.

##### 4.6.b.ii Critical Habitat

The MIA found that the existing revetment structure within the Project’s direct construction footprint has, since the structure’s construction in 2002, been colonized by various coral species. Thus, in line with requirements of the Project’s PMO permit, will develop and implement a Coral Relocation Plan with the goal of achieving, for each species of impacted coral, a net population gain.

To establish the coral baseline conditions in the rest of the Project’s AOI, BPI is in the process of commissioning a photographic baseline survey. Concurrently, the Company has commissioned a study to model the behavior of the sediment plumes predicted to be generated by the Project’s dredging activities under various wave and current scenarios. The results of these two interrelated studies will inform the development of management procedures expected to result in the complete avoidance of indirect impacts to corals in the AOI. BPI will include these procedures, anticipated to hinge on the proper deployment of turbidity curtains and the regular monitoring of water quality parameters during dredging activities, as obligations of the dredging contractor.

##### 4.6.b.iii Legally Protected Areas and Internationally Recognized Areas

The Project is located within an existing Port, in land classified as an industrial area that does not include any internationally or nationally designated protected area.

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<sup>17</sup> [http://www.coastal.gov.bb/sites/default/files/ICZM%20Plan\\_Vol2\\_Seg3.pdf](http://www.coastal.gov.bb/sites/default/files/ICZM%20Plan_Vol2_Seg3.pdf).

#### 4.7 Indigenous Peoples

No indigenous communities are located near the Port, and the Project is not anticipated to impact any Indigenous Peoples.

#### 4.8 Cultural Heritage

The jurisdiction of the Port has no recorded history of archeological artifacts.

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

The documentation relating to the Project can be accessed at the following links:

BPI Annual Reports: <https://www.barbadosport.com/annual-reports>

BPI Handbook: <https://www.barbadosport.com/barbados-port-handbook>