

1. Overview of Scope of IIC E&S Review The environmental and social review for the CBC Solar PV project (“the Project”) was based on a desk review of relevant documentation as provided by the client during October 2016. No site visit has been undertaken. The documentation reviewed included mainly Quality, Safety, Health and Environment (QSHE) policy, procedures and programs.

2. Environmental and Social Categorization and Rationale The proposed operation is categorized as a Category C according to the IIC’s Environmental and Social Sustainability Policy, as it is likely to result in very limited or no adverse environmental or social impacts or risks.

3. Environmental and Social Context This project consists of a senior secured loan of up to US\$1,000,000. The objective of the loan is to fund the installation of a rooftop solar PV system at CBC's main bottling factory in Nassau, Bahamas. The project will result in the addition of 1,153 kW of solar photovoltaic panels on the rooftop of CBC's factory. The total project cost is of approximately US\$1,800,000, which is the total cost of the solar PV system. The system will be one of the first and the largest solar PV installations in Bahamas and will reduce CO2 emissions by 24,530 tons over 25 years of operation, by displacing electricity from the grid. Caribbean Bottling Company (Bahamas) Ltd. (CBC) and its predecessor companies have serviced the Bahamas with Coca-Cola products for over 75 years. The project will have an outsized demonstration effect for other firms to invest in solar PV to reduce emissions in the country, reduce costs, and improve competitiveness. The IDB Group supported CBC with a technical cooperation funding a feasibility study of the Solar PV undertaking, which was completed in March 2016.

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

4.1 Assessment and Management of Environmental and Social Risks and Impacts

a. E&S Assessment and Management System CBC has a QSHE policy approved in June 2016, which expresses its commitment to Quality, Food Safety, Health and Safety and Environment principles and is binding for management, staff and contractors; as well as an integrated risk management approach. CBC holds an ISO 9001 certified quality management system and the FSSC 22000 Food Safety System Certification. The latter includes compliance with the core programs of the HSE program, Quality Control Standard Operating Procedures and Prerequisite Programs as required by this certification. CBC follows the Coca Cola OSHAS and Environment standards. The company is presently preparing for OSHAS 18000 (Occupational Health and Safety Management Systems) and ISO 14000 (Environmental Management Systems) certifications. The environmental and social management system also includes provisions for emergencies (Fire Control and Prevention Plan; Incident Management Program, which in turn includes ample procedures for emergencies including hurricanes; labor, product or process related incidents, vehicle accidents and others) ; waste management (Waste Management and Waste Disposal Procedures); and occupational health and labor safety (Fall Protection and Electrical Safety Standard Operating Procedures; First Aid and Personnel Hygiene Procedures). The person responsible for the Environmental and Social, Health and Safety issues is the Quality Systems Manager.

b. Identification of Risks and Impacts While some risk assessment has been carried out in preparation for the different certifications and QSHE programs outlined above, CBC is currently in the process of finalizing a comprehensive risk assessment of its processes, identifying risks and mitigation strategies and assigning levels of risk after mitigation measures are in place with a rating derived from a formula rating the severity and likelihood. The main risks derived from the Solar PV project, are adequately mitigated by implementation of the above-mentioned procedures for fall protection and electrical safety. The main risks of this Project are related to occupational health and labor safety during the construction of the PV solar panels and maintenance, as it requires working in heights and with electrical installations. The electrical system already complies with the necessary standards and no upgrades will be necessary in order to implement the Solar PV system installation.

4.2 Labor and Working Conditions

a. Working Conditions and Management of Worker Relationships

i. Human Resources Policies and Procedures The company has established a Health, Safety and Environment Training Program to ensure that all staff have the knowledge and competence to follow out the safety procedures and policies. All personnel receive awareness training on all facets of the safety program through the HSE awareness training, which is conducted annually as a refresher training to all staff and to all

new staff upon orientation. Additionally a more comprehensive training is conducted on the specific safety requirements and procedures for specific roles and responsibilities.

**4.3 Resource Efficiency and Pollution Prevention** As an energy efficiency project, the objective is precisely to achieve a savings effect in the energy consumption and thus greenhouse gas emissions originated by CBC's operation as a bottling company. The system will be one of the first and the largest solar PV installations in the Bahamas and will reduce CO<sub>2</sub> emissions by 24,530 tons over 25 years of operation, by displacing electricity from the grid. For its standard operational processes, the company has in place Waste Management, Waste Water Management, Energy Efficiency and Water Resource Sustainability Plans and Procedures.

**4.4 Community Health, Safety and Security a. Community Health and Safety** The CBC facility is located in an industrial/ commercial area, surrounded by a private access road and parking as well as administrative adjacent facilities of the company. The area is adjacent to a major highway. Due to the location, no negative impact to communities is expected during installation and maintenance of the Solar PV system.