

1. Overview of Scope of IDB Invest E&S Review The focus of the E&S review was to ensure that operations in both Jamaica and Haiti conform to the IDB Invest Sustainability Policy, and, where appropriate, propose mitigation measures that will be included in the Environmental and Social Action Plan to ensure compliance. 2. Environmental and Social Categorization and Rationale Since the Project can produce negative impacts of low-to-medium magnitude that can be avoided or mitigated following generally recognized performance standards and criteria, it has been classified in Category B, according to IDB Invest's Sustainability Policy. The main E&S risks identified were related to Work and Labor Conditions (PS2), Efficient use of Resources and the Prevention of Contamination (PS3), Health and Community Safety (PS4). This projects triggers IFC performance standards PS1, PS2, PS3, and PS4. IFC PS5, PS6, PS7, and PS8 do not apply since the Project will not produce any relevant impacts on biodiversity conservation or natural habitats, is not located near indigenous territories, will not affect any indigenous community, and will not generate any impacts on cultural heritage. The Project does not anticipate any resettlement as part of the financing. 3. Environmental and Social Context The proceeds of this corporate loan will be used for general operating capital for operations in Jamaica and Haiti and for the purchase of land the Client is currently leasing for farm operations in Haiti. There are no anticipated works to be conducted for the project. The Jamaican operations consists of corporate offices, a feed mill, a Hi-Pro farm and hardware store, and a large poultry processing plant. The processing plant has several production capabilities; one for value added products (chicken nuggets, chicken hot dogs, etc.),, and a broiler processing facility. The facilities are located in an industrial area in St. Catherine's along the main artery (T1) to May Pen and Clarendon, Jamaica. The processing site has 4 anaerobic and 6 facultative ponds for wastewater treatment. In addition to the wastewater system the site houses its own power generation plant using heavy fuel oil (HFO) on one turbine that produces up to 5 MW (and an additional one for emergencies of 5MW), however the plant's maximum load has peaked at 3.8 MW. Additional capacity is sold back to the Jamaican electrical grid. The facilities have been in production for the past 60 years when the company began. The Client, like other poultry operations around the world, uses a contract farmer system to satisfy its poultry processing needs for broilers, eggs, and chicks. It currently contracts 62 farmers to raise chickens for broilers and produce both fertilized and non-fertilized eggs for chicks and eggs for consumption. The farmers are scattered across several parishes including St. Catherine's, Clarendon, and some in St. Andrew. The plant itself processes an average of 100,000 broiler chickens per day in addition to another 200,000 kg of value added products. In Haiti, the client operates a large farm with a processing facility that produces non-fertilized eggs for consumption and receives eggs to hatch for the pullet market approximately 40 minutes north of Port au Prince. In addition to the farm operations, the Client operates a large feed mill and egg processing facility as well as a small broiler 'buy-back' program from farmers that buy the Client's chicks and raise them. 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 The current management system for the Jamaican operations is in general compliant with PS 1. All of the processing facilities in Jamaica are ISO 14001:2004 and 9000 certified. They are currently in the process of re-certifying under the new ISO 14001:2015 rules and have an established Hazard Analysis and Critical Control Points (HACCP) plan. The current environmental management system includes plans that address: solid waste management, hazardous waste management, water consumption and management, air emissions, energy consumption, packaging, further processing, laundry, emergency procedures, waste water and sewage, maintenance, refrigeration maintenance, and plant sanitation. While the main processing plant and corporate offices are ISO certified, the majority of their suppliers are not. Only 10 out of the 62 contract farmers are ISO 9001 certified. The Client is currently working on phasing in the remaining farmers into the ISO certification. The ESMS system for Haiti lacks an integrated system in order to be compliant with the IDB Invest sustainability policy. The Client has been working to extend its ESMS system from its Jamaican operations to its Haitian operations but setbacks due to country context has prevented it from being

able to fully implement such a system. b. Policy The Jamaican operations have an extensive array of policies that detail its mission, values, environmental policy and its commitments to fulfill them. In addition, they have robust policies on occupational health and safety as well as in human resources. As the main operations deal with managing poultry, the Client has an animal welfare policy that details how live animals have to be handled and slaughtered. The policy also describes the procedures for disposal of unusable pullets. The contract farmers are consulted in best practices to ensure minimum space requirements, good shelter, and the promotion of natural behaviors. The methods are in accordance with guidelines set out by the USDA, FAO, and other similar institutions.

c. Identification of Risks and Impacts The Client's environmental and social management system (ESMS) has the ability to detect and manage risks and impacts originating from all its facilities and production in Jamaica. This system is in the process of implementing additional tools in order to ensure risks with the surrounding community are adequately identified and managed. Operations in Haiti currently do not have a robust environmental management system.

d. Management Programs The client has a series of environmental health and safety management plans that aid in the mitigation against identified risks. The plans for the processing facility, which are part of the overall ESMS, include:

1. An industrial waste management plan that details procedures for handling, storing and disposing waste from the processing plant. It includes specific procedures to handle bio waste such as carcasses, offal material, unusable product, etc.
2. A hazardous waste management plan, which details procedures for handling, storing and disposing of hazardous materials.
3. A domestic waste management plan in order to manage office waste.
4. The Client's energy consumption procedures, that provide detail as to how the company manages its energy consumption.
5. The processing and plant sanitation procedures that provide instructions for various procedures to safely operate the plant.
6. The water management plan that describes the waste and residual water treatment systems for processing and the corporate offices
7. Air emissions procedures to calculate emissions for the Jamaican facility
8. A grievance mechanism that describes procedures for logging and resolving both internal and external complaints.
9. A Hazard Analysis and Critical Control Plan (HACCP) that details the control points for the processing plant.

Each of the management plans are well integrated into the ESMS and satisfy the requirements of IFC PS 1.

e. Organizational Capacity and Competency The JBGL staff is well organized to handle the environmental and social risks that emerge over time in their Jamaican operations. The Haitian operations are also well organized with technical capacity being filled in by Jamaican staff and well-trained Haitian counterparts.

f. Emergency Preparedness and Response The Jamaican operations have a series of emergency procedures that fit within the client's overall General Emergency Action Plan. The various procedures, manuals, and plans include a hurricane procedures manual, oil spill prevention, spill prevention, hot work procedures, response to ammonia release, vulnerability analysis procedure. This type of emergency response system will need to be implemented in the processing facilities in Haiti.

g. Stakeholder Engagement The Client has a robust stakeholder engagement process. It has extensive communications with the surrounding community including a variety of other local businesses. JBGL has a good stakeholder mapping and engagement process. Even though the framework for how to carry the stakeholder analysis out is robust, there still some information that needs to be completed in order to be fully in conformity with PS1. JBGL keeps in close contact with several local communities. The client has a stakeholder engagement plan that will be finalized. The Project has a functioning grievance mechanism that is set up to receive grievances from both external and internal complainants, but that has to be updated in order to enable it to capture complaints anonymously, include an internal procedure to record new complaints and document how and when they are resolved, and include an anonymous call-in number or equivalent.

4.3 Labor and Working Conditions

a. Working Conditions and Management of Worker Relationships The processing facility currently employs around 900 workers while the feed mill employs another 200. Working conditions for laborers in both facilities are in compliance with IDB Invest policy and there is a good worker - employer relationship. JBGL has a robust human resources policy that describes many of the procedures typically expected on this type of operation. The management has

a good relationship with the workers evidenced by the policies that control working conditions and worker rights. b. Protecting the Workforce There is no evidence of child labor nor forced labor in any of JBGL operations. c. Occupational Health and Safety The Client has a robust OHS system. The OHS plan details all the typical risks in meat processing facilities and procedures for resolving them. This risk assessment is extended for contractors who are not directly employed by the Client. JBGL has a good system of recording and documenting accidents of all types. d. Workers Engaged by Third Parties Contractual agreements with workers engaged by third parties are obligated to follow the same environment and health and safety policies and procedures set out by the client. e. Supply Chain As mentioned before, JBGL works with 62 contract farmers from which only 10 are ISO 14001 or 9001 certified. In order for the Client to ensure its full compliance with PS2, it needs to implement a supply chain risk assessment in order to manage the environmental and social risks associated with their contract farmers particularly around waste management.

4.4 Resource Efficiency and Pollution Prevention

a. Resource Efficiency

- Greenhouse Gases Air emissions are within the observed limits for the NEPA (National Environment & Planning Agency) license. Additional parameters will be included in the monitoring program if needed.
- Water Consumption The client uses a 3-well water system from which well 3 is the only one that is in use. Well 1 was decommissioned in 2011 and well 2 is used as a backup. Despite the fact that the NEPA license allows JBGL to use a daily average of 719,869 US gallons, the company only uses 580,800 US gallons per day. The NEPA license will expire in 2019.

b. Pollution Prevention

- Waste The company has an effective waste management policy. Currently, it has a contract with a third party to collect, treat, and dispose of waste from the processing facilities and the feed mill. The Client constantly monitors and receives reports from the waste removal and disposal company. To date, the latter do not show any non-conformity with IDB Invest sustainability policy.
- Hazardous Materials Management Hazardous materials are also managed by a third party company. The contractual agreements requires the disposal company to have an effective ESMS and the disposal of any hazardous materials is monitored by the Client through its own ESMS system.

4.5 Community Health, Safety and Security

The Client has implemented biosecurity procedures in order to maintain health and safety for its workers, products and the surrounding community. The procedures include disinfecting of incoming cars and trucks and provisions to ensure that all personnel working in the plant have the required personal protection equipment (PPE) and have sufficiently disinfected and washed themselves to prevent any disease to be transmitted outside or inside of the plant.

- Security Personnel The client has developed a security management plan that satisfies the requirements of the IDB Invest policies. The contracted security personnel follow detailed processes and procedures that range from handling of firearms to how to interact with local authorities if they apprehend an individual. The training these personnel receive is up to date and sufficient to manage the risks involved in contracting security personnel.

4.6 Land Acquisition and Involuntary Resettlement

No individual or group will be required to relocate or be resettled as a result of this project.

4.7 Biodiversity Conservation and Natural Habitats

This project will not impact biodiversity or any natural habitats.

4.8 Indigenous Peoples

This project does not impact indigenous people in any way.

4.9 Cultural Heritage

This project does not have any identified impacts on cultural heritage.

5. Local Access of Project Documentation

(www.jamaicabroilersgroup.com)

6. Environmental and Social Action Plan (ESAP).

Please see attached document.