



Portland Caribbean Fund II

Environmental and Social Due Diligence

Summary Report

**Outsourcing Management
Limited / iteIBPO**

Portland Private Equity conducted an environmental and social review prior to investment. The management team at Outsourcing Management Limited (OML), traded as itelBPO, is committed to working towards international best practices and is working closely with Portland. A summary of the environmental and social review is provided in the following chapters.¹

Contact information

Yeashkark Allen is the Environmental, Health and Safety Officer at OML. Please contact him if you have any suggestions, comments or concerns regarding OML's environmental and social performance.

Yeashkark Allen

yeashkark.allen@itelbpo.com

Portland's Environmental and Social Officer is Douglas Hewson whom you can also contact concerning the project's ESG performance.

Transaction background

Portland Caribbean Fund II will invest US\$4.5 million as common equity into OML to retire existing preference shares, provide working capital and pay out founding shareholders. Our investment will represent 15% of the fully diluted ordinary shares of OML.

General company information

OML began operations in 2012 and has become the region's largest BPO company in Jamaica and the Caribbean employing over 2,400 people. The company currently serves industries such as hospitality, financial services, healthcare, telecom and utilities. Its registered office is in St. Lucia and headquarters are in Freeport Montego Bay, Jamaica. In 2017, OML gained access to the US and Mexican markets through a strategic acquisition of Granada Corporation. Out of its seven office locations in Jamaica, Bahamas, USA, and Mexico four have data centers. The offices are located in developed commercial areas, and lease agreements are in place.

Environmental and Social Review

This investment is considered a category C project as the sector, sites and operations of the company indicate that minimal or no adverse environmental or social risks and/or impacts are to be expected. Thus, the applicable environmental and social requirements are the exclusion list and respective national laws and regulations. The exclusion of all exclusion list activities was ensured. Investment agreements included ESG provisions, including the exclusion list, reference to the IFC Performance

¹ Disclaimer: Please see and refer to the **Terms of Use** at www.portlandpe.com.

Standards, and reporting requirements. First Annual Monitoring Report will be due September 2020.

The review process consisted of appraising information related to environmental and social issues provided by the company and independent research. As the environmental risks of the company's operations are considered minimal, the focus was set on the social risks. Thus, the due diligence included the review of the Human Resources (HR) handbooks per country, and questions on any potential impact on the surrounding communities and other stakeholders.

Labor related information

OML has 2,435 employees in Jamaica, Bahamas, USA and Mexico. Approximately 1,500 people are employed in Jamaica; the smallest office is in Mexico with about 20 employees. As for the gender distribution, 1,685 employees are women versus 750 male employees. Additionally, OML employs currently 1,174 people under the age of 25 years.

The revision of the HR handbooks per country showed that main labor related requirements are covered as per the IFC Performance Standard on Labor and Working Conditions.

Resource Efficiency and Pollution Prevention

The main impact of the company is related to normal office waste and the use of energy and water, which are not significant.

Community Health, Safety and Security

Security personnel is engaged at all locations, but the USA. All personnel is unarmed. The security services in Jamaica are provided on a shared basis by a third party and own employees. Background checks were performed and training was provided. In the Bahamas, security guards are own employees; background checks and training were conducted. In Mexico, security services are provided by the landlord of the perimeter, and it was confirmed that contractor is a reputable third party.

Conclusion

As this investment is rated as a category C project with minimal adverse environmental and social impacts and risks, no environmental and social action plan was necessary. The company will provide the finalized HR handbook for Mexico and from 2020 on the Annual Monitoring Report on a yearly basis.