



Portland Caribbean Fund II

Environmental and Social Due Diligence

of Diverze Assets Inc.

Portland Private Equity conducted an environmental and social review prior to investment. The project's management team is committed to implement the identified environmental and social corrective measures and is working closely with Portland on its implementation. A summary of the environmental and social review is provided in the following chapters.¹

Contact information

Zander Melville is the Environmental and Social Officer at Diverze Assets Inc. Please contact him if you have any suggestions, comments or concerns regarding Diverze Assets's environmental and social performance.

Zander (Alexander) Melville

Email: amelville@tropicalbattery.com or amelville@chukka.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 up to USD 8M into Diverze Assets Inc. (DAI), resulting in a 35% minority position. DAI is a holding company consisting of three business lines with headquarters in Jamaica and St. Lucia. The holding company is only a financial structure, where each individual company operates independently having a completely different business focus with own operational procedures. The operating companies are Chukka Caribbean Adventures Limited (Adventure Tourism), Tropical Battery Company Limited (Battery Distribution), and Diverze Properties Limited.

General company information

Diverze Assets Inc is a holding entity with three operating companies:

1. Chukka Caribbean Adventures: leading nature adventure excursion operator in the Caribbean, offering activities in Jamaica, Belize and the Turks & Caicos Islands.
2. Tropical Battery: a 67 year old, Jamaican brand and #1 national retailer and distributor of automotive and consumer battery products; as part of the company's corporate social responsibility 10% of profits go towards cleaning up the environment and education projects.
3. Diverze Properties: about USD 7M of commercial real estate (related to Chukka and Tropical Battery businesses) and other properties available for development.

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

Environmental and Social Review

This is a category B project as specific impacts may result that are site-specific and can be avoided, reduced or mitigated by adhering to generally recognized performance standards and guidelines. The exclusion of any exclusion list activity was ensured. The review was adapted to the holding structure; hence each business line was separately reviewed against the respectively applicable IFC Performance Standards.

For Chukka, IFC Performance Standards 1 through 4, 6 as well as 8 for one location (Good Hope Estate) were verified. Compliance with Performance Standards 5 and 7 was not verified, as no land acquisition occurred in the last years (all properties are owned for a long time) or resettlement of people was ever necessary, nor were Indigenous People in the surrounding project areas. Additional relevant provisions of the International Adventure Travel Guide Qualifications and Performance Standard of the Adventure Travel Trade Association as well as of the ISO 21101:2014 for Adventure tourism (Safety Management System) were included in the review. Both standards are specific to the adventure tourism business incorporating all relevant issues, with the ISO standard focusing on safety.

For Tropical Battery, IFC Performance Standards 1 through 4 were verified.

For Diverze Properties, IFC Performance Standard 6 was reviewed; Performance Standard 1 is linked to Chukka, as properties are adjacent to a company location (Chukka Cove Farm).

The due diligence consisted of appraising environmental and social information (including all environmental permits/licenses) provided from the company based on several questionnaires, conference calls and further independent research.

The Environmental and Social due diligence identified areas of improvement and compliance gaps with IFC Performance Standards. To close these gaps an Environmental and Social Action Plan was developed and agreed on.

Main Action Plan items are the nomination of an E&S officer and the establishment of E&S teams for both Chukka and Tropical Battery, and the development and implementation of an Environmental and Social Management System.

The implementation will be ensured in an on-going dialogue between Portland Private Equity and the company, and yearly annual monitoring reports are to be provided.