



Portland Caribbean Fund II

Environmental and Social Due Diligence

**of Productive Business
Solutions Limited**

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

Mario Pons is the Environmental and Social Officer at Productive Business Solutions. Please contact him if you have any suggestions, comments or concerns regarding the group's environmental and social performance.

Mario Pons
Email: mario.pons@grouppbs.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 US\$15M as common equity into Productive Business Solutions Limited (PBS) to further strengthen the company's capital base and provide working capital to facilitate continued expansion in the Caribbean and Central America. Our investment will be through the underwriting of US\$15Mn in a proposed US\$20Mn IPO, resulting in an approximately 22% equity share position.

General company information

PBS is a Barbados registered IBC with operations conducted in 14 territories in the Caribbean and Central America. PBS' primary activities include the distribution of printing equipment and business machines, document management, graphic communication, management services, information technology, security infrastructure, and software integration. PBS is the largest Xerox distributor in the western hemisphere and also distributes for a number of other multinational information technology brands including Cisco, Oracle, HP and L3. PBS is 100% owned by Facey Group Limited, the latter being part of Musson Group of Companies.

All locations of the 14 subsidiaries are in urban areas, with the following facilities: Jamaica (1 warehouse), Cayman (1 warehouse), Belize (1 warehouse), Curacao & Aruba (1 warehouse), Barbados (1 warehouse), Guatemala (2 warehouses, 1 data center, 1 print shop), El Salvador (1 warehouse, 1 print shop), Honduras (1 warehouse, 1 print shop), Nicaragua (1 warehouse, 1 print shop), Costa Rica (1 warehouse, 1 print shop), Panama (3 warehouses, 1 print shop), Dominican Republic (1 warehouse), and Global Products Alliance USA (1 warehouse).

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

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standards and guidelines. The exclusion of any exclusion list activity was ensured. The review was adapted to the structure of the company with 14 subsidiaries in the Caribbean and Central America.

IFC Performance Standards 1 through 4 were verified, with a focus on Performance Standards 1 and 2. Performance Standards 3 and 4 were verified partly, as most requirements do not apply.

The due diligence consisted of appraising information related to environmental and social issues provided by the group and its subsidiaries 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 a group-wide E&S officer and the establishment of E&S teams for each territory, 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 group, and yearly annual monitoring reports are to be provided.