

Environmental and Social Review Summary (ESRS) Four Points – Guyana

Original language of the document: English
Issuance date: July 2022

1. General Information of the Project and Overview of Scope of IDB Invest’s Review

Caribbean Green Building, Inc. (“CGBI” or the “Company”) proposes to construct a 172-room hotel, retail center, and adjacent convention center in the Houston neighborhood of Georgetown, Guyana (the “Project”). The Government of Guyana issued a solicitation for hotels based on a study that indicated the need to add approximately 2,000 hotel rooms in the Georgetown area and received approximately 30 expressions of interest. The Project was one of five selected by the government and currently moving forward.

The Project site is ideally located to cater to the growing business community. It is hoped that the hotel will also draw diaspora visitors (former residents returning to visit family and friends) and ecotourists (staying in Georgetown before and after traveling south to the country’s jungle region). The site is also ideally located next to the new four-lane Mandela-Eccles Access Road, which will eventually connect Ogle Airport near the city center to Cheddi Jagan International Airport to the south. The Government of Guyana intends to site a private hospital next to the Project site.

The hotel will be a Four Points by Sheraton, which is a Marriott brand. It will be operated by Eurobuilding (“EB”) Hotels Group, which currently operates hotels in Venezuela, Argentina, Ecuador, and the United States. The hotel will include: i) a 42,410 square feet retail area with 20 to 25 small shops, including a rooftop restaurant; ii) three meeting rooms; iii) a large fitness center; iv) a pool; v) a bar that can be accessed from both the pool area and the hotel lobby; and vi) a hotel restaurant and kitchen. The hotel’s retail center is designed to cater to hotel guests (creating a self-contained ecosystem) as well as neighboring communities. The adjacent convention center will be 18,170 square feet, including administrative rooms and back of the house areas. The convention center is designed to service events attended by hotel guests (e.g., business and government conferences) as well as social events attended by local community members (e.g., weddings and concerts).

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according to IDB Invest’s Environmental and Social Sustainability Policy, since it will likely generate, among others, the following impacts: i) air emissions; ii) water consumption; iii) solid waste; iv) wastewater; v) noise and vibrations; and vi) occupational health and safety impacts. These impacts are deemed to be of medium intensity and are generally limited to the Project site, are largely reversible, and can be mitigated via measures that are readily available and feasible to implement in the context of the operation.

The Performance Standards (“PS”) triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and iv) PS4: Community Health, Safety and Security.

Since the land was unoccupied and purchased from the government (and therefore no involuntary resettlement is anticipated), the Project site was utilized until recently to grow sugarcane, and no indigenous communities or cultural heritage will be affected by the proposed activities, PS5: Land Acquisition and Involuntary Resettlement, PS6: Biodiversity Conservation, PS7: Indigenous Peoples, and PS8: Cultural Heritage have not been triggered.

3. Environmental and Social Context

3.1 General Characteristics of the Project’s Site

The Project site is approximately 5 acres (2.02 hectares), bounded to the west by the new Mandela-Eccles Access Road and to the north by Cane View Avenue in the residential community of South Ruimveldt Gardens. The areas to the east and south are former sugarcane fields that are currently undeveloped. The Project site was historically utilized to grow sugarcane. Aerial photographs indicate that the site was sugarcane fields until as recently as 2011. The site was thereafter abandoned and slowly began to return to natural vegetation, with some trees appearing by 2018. This vegetation was removed in early 2022 as part of the Project.

3.2 Contextual Risks

The Project is not located in an area of state-based or non-state violence, but there have been incidents of one-sided violence in the country (29 deaths since 1989) and in Georgetown (12 deaths) associated with the Buxton gang¹. The homicide rate of Guyana is moderate, ranked 12th out of 22 countries in Latin America at 15.2 per 100,000 inhabitants². The last incident of terrorism with fatalities (12) in the country occurred in Bartica in 2008³. Guyana ranks slightly below average (42.45 out of 100 in 2020) in political stability and the absence of violence/terrorism⁴.

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

4.1 Assessment and Management of Environmental and Social Risks

4.1.a E&S Assessment and Management System

Marriott’s “Serve 360” sustainability and social impact platform aims to align the Company’s activities with the United Nations Sustainability Development Goals (“SDGs”). The platform consists of the following four coordinates, each of which is tied to specific SDGs: i) Nurture our World; ii) Sustain Responsible Operations; iii) Empower through Opportunity; and iv) Welcome All and

¹ [UCDP - Uppsala Conflict Data Program \(uu.se\)](https://ucdp.uu.se/).

² [Latin America & the Caribbean: homicide rates 2020, by country | Statista](https://www.statista.com/statistics/1111111/latin-america-homicide-rates-2020/).

³ [GTD Search Results \(umd.edu\)](https://umd.edu/gtd/).

⁴ [WGI 2021 Interactive > Home \(worldbank.org\)](https://worldbank.org/wgi/).

Advance Human Rights. Each coordinate has 2025 Sustainability and Social Impact Goals. Progress towards achieving these goals is reported in Marriott's annual Serve 360 Report, which is aligned with Global Reporting Initiative ("GRI") Standards and includes recommendations from the Sustainability Accounting Standards Board ("SASB") and the Taskforce on Climate-related Financial Disclosures ("TCFD") frameworks.

The Nurture our World coordinate includes support for employee wellness, community investment, and environmental programs. The most recent Serve 360 Report indicates that support for community investment programs included COVID-19 response and disaster relief in 2021. Support for environmental programs included the planting of trees, the protection of mangroves, rainforests, reefs, and wildlife, and fishery improvement. The Sustain Responsible Operations coordinate covers resource efficiency and pollution prevention, the Empower through Opportunity coordinate focuses on diversity, equity, and inclusion, and the Welcome All and Advance Human Rights coordinate consists of programs to support human rights, including human trafficking awareness.

As a franchise holder, the Hotel will be required to participate in Marriott's Environmental and Sustainability Hub ("MESH"), which is a Serve 360 environmental reporting system, and to report to Marriott twice a year through this system.

4.1.b Policy

As required by the franchise, the Hotel will comply with all Marriott policies and procedures and will be audited yearly for compliance. Marriott's Sustainability Policy commits to: i) building and operating sustainable hotels; ii) communicating and reporting on its progress; iii) developing innovative sustainability initiatives; iv) educating and training externally and internally; and v) integrating sustainability throughout its supply chain. It also commits to managing, measuring, and minimizing its negative impacts regarding the following topics: i) biodiversity and ecosystem protection; ii) carbon footprint and climate change mitigation; iii) natural resource conservation; iv) waste and pollution management; and v) water risk issues.

4.1.c Identification of Risks and Impacts

4.1.c.i Direct and indirect impacts and risks

CGBI was not required by the Government of Guyana to conduct a formal Environmental and Social Impact Assessment ("ESIA") for the Project. The Environmental Permit⁵, however, lists the following impacts for which mitigation measures are required to be developed in the Environmental and Social Management Plan ("ESMP"): i) water quality; ii) air quality; iii) solid waste; and iv) socio-cultural resources. An initial draft of the ESMP includes an environmental and social ("E&S") risk and impact matrix that identifies: i) 15 land, soil, and vegetation impacts; ii) eight groundwater impacts; iii) four surface water impacts; iv) four socio-economic impacts (three of which are positive); v) three noise and vibration impacts; and vi) 20 human health and safety impacts. The matrix lists mitigation

⁵ Environmental Permit No. 20210920-CGBHC, December 2021.

measures for each of these impacts, most of which are the implementation of listed management plans. The final ESMP will include a more detailed E&S impact analysis.

4.1.c.ii Analysis of alternatives

The Project site was selected by the Government of Guyana from several alternatives contained in a study of the need for additional hotel rooms in the Georgetown region.

4.1.c.iii Cumulative impact analysis

A preliminary cumulative impact analysis indicates that no material cumulative impacts are anticipated for the Project.

4.1.c.iv Gender risks

There is a significant gender gap, defined as the differential and unequal access to economic, political participation, educational, and occupational opportunities based on sex or gender, in Latin America and the Caribbean. This gap is reinforced by pervasive cultural norms regarding acceptable roles for men and women and is exacerbated by weak legal protections and/or inadequate social response. The gender gap leads to gender discrimination, unequal access to public services, educational differentials, pay and labor gaps, and lagging political participation rates. The gender gap index for Guyana is tied for 12th out of 26 countries in the region at 0.73⁶.

Gender-based violence and harassment (“GBVH”) is also a significant problem in Latin America and the Caribbean, which has the highest rate in the world. Brazil, Mexico, Argentina, Peru, El Salvador, and Bolivia represent 81% of global cases. Twelve women are murdered a day in the region⁷. GBVH in Latin America has been exacerbated by the COVID-19 pandemic, as indicated by a significant increase in phone calls to domestic abuse hotlines in many countries in the region⁸.

No specific gender risks have been identified for the Project.

4.1.c.v Climate change exposure

There is high exposure to a variety of acute and chronic natural hazards in Georgetown. Specifically, there is moderate to high exposure to both sea level rise and to riverine flooding and moderate exposure to tsunamis in the city. There is also high exposure to heatwaves under both lower emission (RCP⁹ 4.5) and higher emission (RCP 8.5) pathways over the course of the 21st century. The area is historically highly exposed to droughts, influenced by the El Niño Southern Oscillation. Under RCP 8.5, there is a further increase of more than 50% in terms of projected days of drought occurrence and a moderate change in rainfall patterns under one climate model. There is also high

⁶ [Gender gap index in Latin America 2021 | Statista.](#)

⁷ [Number of femicides in Latin America by country 2019 | Statista.](#)

⁸ [COVID-19: rise of gender violence in Latin America | Statista.](#)

⁹ Representative Concentration Pathway (RCP) 4.5 is a stabilization scenario in which the radiative forcing level stabilizes at 4.5 W/m² before 2100 by employment of a range of technologies and strategies for reducing greenhouse gas emissions.

exposure to freshwater supply scarcity both historically and considering scenarios that factor in climate change. According to the ND-GAIN Index¹⁰, Guyana is in the most climate-vulnerable third in the region.

Part of the reasoning behind the Project's location in Houston, approximately 3 miles south of the coast and 2 miles east of the Demerara River, is to limit the hotel's exposure to flooding and sea level rise. The Project site is located above sea level, whereas most of downtown Georgetown is below sea level.

The transition risk exposure of the hotel industry at large is considered low, although ambitious decarbonization scenarios may lead to a decline in tourism involving long distance flights because of an increase in taxation on flight tickets. However, the Project's exposure is considered moderate.

4.1.d Management Programs

CGBI is in the process of developing an Environmental and Social Management Plan ("ESMP") to comply with Guyanese laws and regulations, the Project's Environmental Permit, and IDB Invest's Environmental and Social Sustainability Policy. The ESMP will include the following plans: i) biodiversity management and monitoring plan; ii) water management plan; iii) sediment and erosion plan; iv) air quality management plan; v) noise management plan; vi) bushfire management plan; vii) blasting management plan; viii) traffic management plan; ix) health and safety management plan; x) emergency response plan; xi) solid waste management plan; xii) community grievance mechanism; xiii) chance find procedures; xiv) stakeholder engagement/public disclosure plan; and xv) social assessment and management plan.

4.1.e Organizational Capacity and Competency

CGBI has an E&S Manager that is responsible for developing the ESMP, as well as monitoring its implementation during construction. The E&S Manager currently has a team of six people, including environmental, social, and health and safety specialists, as well as an ecologist. CGBI also has a specialist who is working on obtaining EDGE¹¹ certification (Level 1 or Level 2, depending on the results of a cost-benefit analysis) for the hotel. The Project has hired a specialist contractor to provide security during construction. There is currently a single security guard on site.

4.1.f Emergency Preparedness and Response

The ESMP will include an emergency response plan, which is currently under development.

4.1.g Monitoring and Review

The ESMP will include a monitoring and evaluation plan, which is currently under development.

¹⁰ The ND-GAIN Country Index summarizes a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience.

¹¹ EDGE (Excellence in Design for Greater Efficiencies) certification has the goal of reducing the environmental impact of buildings in three areas: direct energy consumption, water consumption, and the energy footprint of construction materials.

4.1.h Stakeholder Engagement

In May 2022, CGBI held public consultation meetings with residents of the South Ruimveldt Gardens residential community (a middle-class neighborhood of mostly professionals) to inform them about the Project and to obtain their input. A total of 45 residences were identified within the Project's direct area of influence ("AOI"). In preparation for the meetings, each resident was provided with a Notice of Construction Project information sheet that contained a list of phone numbers to contact in the event of questions or complaints. The Project made direct contact with 26 households, and notices were left in the mailboxes of the remaining 19.

The principal concern expressed by residents during the meetings was that the Project would have similar impacts as the recent Mandela Road extension project, namely: i) damage to residential roads from heavy duty vehicles; ii) blocked drains resulting in flooding of residential properties; iii) noise from vehicles, particularly in the early morning; and iv) damaged property from vibrations. The residents reported that the Government of Guyana did not adequately address these complaints or address the damage upon completion of the road construction. A follow up meeting has been scheduled for the coming weeks.

The ESMP will include a social assessment and management plan, as well as a stakeholder engagement/public disclosure plan. These plans are currently under development.

4.1.i External Communication and Grievance Mechanisms

The ESMP will include a community grievance mechanism, which is currently under development.

4.1.j Ongoing Reporting to Affected Communities

The stakeholder engagement/public disclosure plan will include procedures to provide ongoing reporting on the Project to affected communities.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

4.2.a.i Human resources policies and procedures

EB Hotels has an "Associate Handbook" that was developed for its United States operations. The handbook includes sections on: i) worker grievances; ii) equal opportunity and non-discrimination; iii) workplace harassment; iv) accommodations for workers with disabilities; v) employment status; vi) recording time; vii) breaks; viii) overtime; ix) pay periods; x) payroll deductions; xi) benefits; xii) paid time off; xiii) holidays; xiv) leave (personal, military, jury duty, voting, and family and medical); xv) worker's compensation; xvi) work schedules; xvii) uniforms; xviii) lactation/breastfeeding; and xix) workplace violence prevention. The handbook also includes an "Associate Acknowledgment Form" that each worker must sign acknowledging that they have read and understand the handbook. EB Hotels will prepare a revised version of this handbook that will be specific to and comply with the labor laws and regulations of Guyana.

CGBI will also develop a Human Resources (“HR”) Policy for the Project to apply to construction-phase contractors and subcontractors.

4.2.a.ii Working conditions and terms of employment

The working conditions and terms of employment of EB Hotels employees, which comply with international requirements, are set forth in the Associate Handbook.

4.2.a.iii Workers’ organizations

Marriott’s Human Rights Policy Statement supports freedom of association and the right to collective bargaining.

4.2.a.iv Non-discrimination and equal opportunity

EB Hotels’ Associate Handbook prohibits discrimination or harassment on the basis of: i) race; ii) sex; iii) color; iv) religion; v) national origin; vi) veteran status; vii) age; viii) marital status; ix) uniformed military status; x) citizenship status; xi) disability; and xii) any other legally protected status. This policy, which protects employees from discrimination and harassment by other employees, vendors, and customers, applies to: i) recruitment; ii) selection; iii) hiring; iv) promotion; v) transfers; vi) termination; vii) any other personnel action; viii) compensation; ix) benefits; and x) company programs (including training).

4.2.a.v Retrenchment

Construction will be performed by local contractors who are expected to largely utilize existing employees. As a result, no material retrenchment impacts are anticipated.

4.2.a.vi Grievance mechanism

EB Hotels’ Associate Handbook describes procedures for employees to make general complaints, as well as separate procedures for workplace harassment. For general complaints, employees are encouraged to first report to their immediate supervisor. If unsatisfied with the outcome, they should report to the Assistant General Manager. If still unsatisfied, they should report to either the General Manager or HR Department. If the employee is uncomfortable reporting to any of these people, he or she can complain directly to the HR Department. Complaints are treated as confidential. The procedure for workplace harassment is similar. The main differences are that employees are encouraged to lodge their grievance in writing, and the procedure explicitly states that the company has a strict policy against retaliation for employees reporting workplace harassment.

4.2.b Protecting the Workforce

Marriott's Human Rights Policy Statement states its acknowledgement and respect for the principles contained in the United Nations Universal Declaration of Human Rights; supports and upholds the elimination of discriminatory practices in all aspects of employment; and promotes diversity and inclusion within its business operations.

4.2.b.i Child labor

Marriott's Human Rights Policy Statement states that the company does not recruit child labor or support any kind of forced, bonded, or compulsory labor. It provides training on human trafficking awareness and prevention, implements a no fees recruitment policy, and supports freedom of association and the right to collective bargaining, although none of the Hotel's employees are currently affiliated with a union.

4.2.b.ii Forced labor

Marriott's Human Rights Policy Statement states that the company does not support any kind of forced, bonded, or compulsory labor. It provides training on human trafficking awareness and prevention and implements a no fees recruitment policy.

Marriott's Modern Slavery Statement includes procedures to identify, manage, and provide training to employees on the following risks: i) sex trafficking in operations; ii) labor trafficking in operations; iii) labor trafficking in the supply chain; and iv) labor trafficking in the construction phase. Marriott's Global Procurement Supplier Conduct Guidelines includes requirements on anti-discrimination, prevention of forced labor and human trafficking, prevention of child labor, prevention of unethical recruitment, freedom of association and collective bargaining, and workplace conditions. Marriott is on track to reach its goal to ensure 100% of on-property associates receive human rights training, including on human trafficking, responsible sourcing, and ethical recruitment, by 2025.

4.2.c Occupational Health and Safety

The ESMP will include a health and safety management plan, which is currently under development.

4.2.d Provisions for People with Disabilities

EB Hotels' Associate Handbook prohibits discrimination or harassment on the basis disability. In addition, the handbook has a section on accommodations for workers with disabilities. The section states that the company is committed to providing reasonable accommodations for any employee with a physical or mental disability if the disability affects the performance of job functions.

4.2.e Workers Engaged by Third Parties

CGBI will construct the steelwork for the hotel, with a contractor to install slabs to complete the superstructure. A separate contractor, which will have multiple subcontractors, will complete the construction of the hotel and convention center.

CGBI will develop and implement a Contractor Management and Assurance Plan (“CMAP”) to monitor the EHS performance of its contractors and subcontractors and ensure that they comply with Guyanese laws and regulations, internal plans and procedures (including the ESMP), and IDB Invest’s Sustainability Policy.

4.2.f Supply Chain

CGBI has a program to strengthen supplier sustainability practices, strengthen local procurement, and support development of the circular economy.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

4.3.a.i Greenhouse Gases

Greenhouse gas emissions during the Project’s construction will be limited to vehicles and construction equipment.

During operations, the hotel is planning to purchase and install 900 solar panels of 320 watt peak (“Wp”) to generate 1.44 megawatt hours (“MWh”) per year of electricity (assuming 5.5 hours of sunshine a day) in an on-grid system. The hotel will not be able to sell excess electricity back to the grid, so the solar panels are designed to produce just enough electricity to power the hotel during the day. At night, the hotel will utilize three 600 kilowatt (“kW”) diesel generators, one of which will be a backup on standby. The hotel is also considering rooftop farming to provide fresh vegetables to the hotel restaurant and reduce the urban heat island effect.

4.3.a.ii Water Consumption

The Project intends to utilize an onsite well for water and to reutilize it as much as possible to reduce water consumption. Specifically, treated gray water will be reutilized in toilets and for watering gardens. The Hotel is expected to utilize approximately 45,000 gallons of water and to produce approximately 35,000 gallons of wastewater per day.

4.3.b Pollution Prevention

4.3.b.i Wastes

The ESMP will include a solid waste management plan, which is currently under development.

Wastewater will be addressed in the ESMP’s water management plan. During operations, the hotel will have its own wastewater treatment plant. Wastewater will be fully treated before being discharged into a canal along the border of the Project site. This canal leads to a series of other canals before eventually discharging into the Demerara River.

4.3.b.ii Hazardous Materials Management

CGBI will develop a Hazardous Materials Management Plan for the Project.

4.3.b.iii Pesticide Use and Management

The use of pesticides is not anticipated for the Project.

4.4 Community Health, Safety, and Security

4.4.a Community Health and Safety

The Project's most significant potential impacts to community health and safety are dust, noise, vibrations, and traffic. The ESMP will include management plans with measures to mitigate each of these impacts. These plans are currently under development.

4.4.b Security Personnel

CGBI has hired a specialist contractor to provide site security during construction. There is currently one un-armed security guard on site who carries a cell phone and has been instructed to contact the police in the event of any security incident.

4.5 Land Acquisition and Involuntary Resettlement

The Project site was uninhabited and purchased from the Government of Guyana. As a result, the Project will not result in any involuntary resettlement.

4.6 Biodiversity Conservation and Natural Habitats

The Project site was historically utilized to grow sugarcane. Aerial photographs indicate that the site was sugarcane fields until as recently as 2011. The site thereafter slowly began to return to natural vegetation, with some trees appearing by 2018. This vegetation was removed in early 2022 as part of the Project. The Project will therefore not involve the conversion of any natural or critical habitat. The ESMP will nevertheless include a biodiversity management and monitoring plan, which is currently under development.

4.7 Indigenous Peoples

The Project is not located near any indigenous communities and is not anticipated to impact any Indigenous Peoples.

4.8 Cultural Heritage

There is no known cultural heritage at the Project site. The ESMP will nevertheless include chance find procedures, which are currently under development.

5. Local Access of Project Documentation

Information on Marriott's "Serve 360" sustainability and social impact platform can be accessed at the following website: <https://serve360.marriott.com/sustain/>.