

SUMMARY OF INVESTMENT, CLASSIFICATION AND ENVIRONMENTAL AND SOCIAL STRATEGY

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A. Investment Summary tab

Disclosed Date:	October 21, 2020
Project Name:	DHHS Working Capital Revolver
Project Number:	13134-01
Investment Type:	Working Capital Revolving Loan
E&S Category:	C
Projected Board Approval Date:	November 20, 2020
Company name (Borrower):	Doctors Hospital Health System Limited
Sponsoring Entity: (if any)	N/A
Sector:	Health
Financing Requested:	5,000,000
Financing Currency:	USD
Project Country:	The Bahamas
Team Leader:	Charlene Small
For inquiries about the Project, contact:	Client Contact name: Dennis Deveaux Title: CFO Phone number: (242) 302 4600 Email address: dennisdeveaux@doctorshosp.com

B. Environmental and Social Review

1 Overview of the operation

Doctors Hospital Health System (“DHHS” or the “Company”) is the largest private hospital in The Bahamas, with two campuses on the island of New Providence. It provides inpatient and outpatient services including acute care. The Company has been operating for over 50 years, with 500 associates and 200 physicians.

The proposed transaction consists of an uncommitted, unsecured revolving working capital line (the “Project”) to support Doctors Hospital Health System’s working capital needs as it responds to the COVID-19 pandemic.

2 Scope of IDB Invest's environmental and social review

The Project's environmental and social analysis consisted of an assessment of DHHS's environmental and social performance, including a documentary review, a teleconference call with the Company, and a virtual Environmental and Social Due Diligence ("ESDD") visit conducted between August and September 2020.

Based on the information reviewed, the Project triggers the following Performance Standards (PS): PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; and PS4: Community Health, Safety, and Security.

3 Environmental and social classification and its justification

In accordance with IDB Invest's Environmental and Social Sustainability Policy, the Project has been classified in Category C because its incremental impacts are deemed to be low (almost negligible) and can easily be managed.

4 Environmental and social risks

4.1 Assessment and Management of Environmental and Social Risks and Impacts

In accordance with national legislation¹, DHHS is required every year to obtain an operation license from the local Hospital and Health Care Facilities Licensing Board ("HHCFLB") that monitors, regulates, and inspects hospitals and health care facilities in The Bahamas. This license contains several requirements and actions aimed at reducing and mitigating possible environmental and social risks and impacts (as provided by local law). DHHS also obtains an accreditation from Joint Commission International ("JCI"), to certify the Company's health and safety practices against Key Performance Indicators ("KPIs") and physical inspections. The Company's compliance with these two requirements is ongoing, as it can be observed in the annual reporting it sends to the corresponding authorities.

DHHS's risk management system is comprised of many elements. There is an In-House Counsel who is responsible for Enterprise Wide Risk Management and a Vice President ("VP") for Quality, Safety and Accreditation for the Company. Environmental activities are the responsibility of Director of Operations, who reports to the Company's Chief Executive Officer ("CEO"). DHHS implements several policies and plans to identify and manage potential risks and impacts. Plans include orientation, training, reporting, monitoring and review (evaluation) components.

4.2 Labor and Working Conditions

Labor aspects and conditions are well regulated in The Bahamas in terms of standard working hours, vacation, maternity and family leaves, contracts of employment, dismissals, and workers' compensation, among other aspects. Being The Bahamas is signatory to various International Labor Organization ("ILO") conventions, its national legislation² prohibits child labor and forced or unpaid

¹ Hospitals and Health Care Facilities Act, 1998 and Hospitals and Health Care Regulations, 2000. The Bahamas.

² Employment Act, 2001 and Trafficking in Persons -Prevention and Suppression- Act, 2008. The Bahamas.

labor, as well as discrimination against workers, based on race, creed, sex, marital status, political opinion, age or HIV/AIDS status, among others. The Bahamian legislation allows for freedom of association, collective bargaining, and industrial relations rights in the country.

The Company complies with national requirements for labor and working conditions and implements these through an Equal Employment Opportunity (“EEO”) mandate within its DH Associate Handbook. This Handbook outlines the Company’s general Human Resources (“HR”) guidelines and includes a conflict resolution procedure for expressing and addressing grievances that is managed by local Coordinators and can be escalated to the Vice President of Human Resources. Although the grievance mechanism is not anonymous, the Handbook stipulates that no staff will be discriminated, retaliated against, or penalized for using the procedure. Staff at DHHS are provided with basic guidelines for professional behavior in the workplace via an “I am Doctors Hospital” brochure on the Company’s expected code of conduct.

DHHS has a general Health and Safety Policy for ensuring staff health and hygiene and also applies a Standard Precautions Policy for the effective use of Personal Protective Equipment (“PPE”) and hygiene protocols, to reduce the risk of transmission of microorganisms between patients and staff. The Company provides free PPE to its staff. It also has a specific PPE Policy that outlines training on the proper selection, donning, maintenance, and removal of such equipment.

4.3 Resource Efficiency and Pollution Prevention

The Company has pollution prevention policies and systems in place that attest to its environmental and social management as per the requirements of the HHCFLB and national laws. DHHS has a general Collection, Storage and Disposal of Waste Policy that provides the correct method of collecting, storing and disposal of regular and hazardous wastes at its facilities. Also, the Company applies a Disposal of Sharps Policy, a Chemotherapy Handling Policy and Hazardous Material Plan to control and manage hazardous materials which can include, genotoxic, infectious, radioactive, sanitary, and medical wastes (sharps). The Hazardous Material Plan has many elements, including; i) labelling, waste storage and isolation guidelines, inspection and ventilation procedures (for corrosives and flammables) that are managed by appropriate and trained staff; ii) transportation guidelines, which includes securing and labelling of contents; iii) use of commercial and licensed waste contractors for treatment and final disposal; and iv) waste monitoring through inspection, documentation and evaluation (with JCI accreditation standards) and the use of manifests.

Assigned and trained (environmental services) staff daily collect and mechanically compact regular wastes and store these at a designated waste area on-site. Hazardous wastes are packaged, placed in large red bio-hazard bins, sealed, labeled by the lab department, and then collected and stored in a designated bio-hazard area by environmental services staff on-site. Third-party licensed contractors collect regular and hazardous wastes for processing and final disposal off-site, in accordance with local laws. Medical wastes are specifically treated at a certified off-site medical waste treatment facility, and both hazardous and medical wastes are picked up five (5) times per week by licensed contractors.

The Company’s Hazardous Materials Committee³ are responsible for implementing the Hazardous Material Plan and efforts are made to reduce the use of hazardous materials.

³ Managers of Environmental Services, Materials Management and Lab.

Liquid wastes are disposed of via the municipal sewerage system and there are no national regulatory requirements for pre-treatment of wastewater before discharge. As such, DHHS does not have an on-site wastewater treatment facility will update its Hazardous Material Plan to minimize the entry of hazardous wastes into the wastewater stream. Since the Project is a commercial transaction focused on working capital, it will neither generate pollution nor demand the use of natural resources.

4.4 Community Health, Safety, and Security

The Company employs several policies and manuals to avoid or minimize the risks and impacts to community health, safety, and security. DHHS has a general Emergency Management Plan that identifies mitigation, preparedness, response, and recovery requirements for potential disasters (external and internal). The Plan includes emergency training requirements, organizational responsibilities, communication, and notification protocols, among others. An annual Hazard Vulnerability Analysis and structural integrity assessment are conducted, and the Company also conducts annual emergency exercises which may include community-wide application.

DHHS collaborates with national authorities for plans and responses to any emergencies that may occur within the community, participates in national disaster events (e.g. emergency drills) and contributes to post-drill reviews with such agencies. DHHS also has a Risk Heat Map that broadly identifies potential environmental and social risks to its operations and categorizes them in terms of probability and severity.

The Company has in place a Safety and Security Management Plan that extends to all guests, staff, and visitors, and outlines general activities to reduce the likelihood of injuries, property damage and to provide safe facilities. It includes organizational responsibilities, risk assessment and surveillance mechanisms and reporting procedures, among others. DHHS also implements a Fire Safety Plan that includes all patients, staff, and visitors, and that outlines proactive measures and necessary equipment to be used should fire or hazards occur. This plan includes: i) annual inspection of facilities by HHCFLB personnel and national Fire Services (as necessary) for compliance with local regulations; ii) maintenance and testing requirements for Fire Safety systems, equipment, and components; iii) ongoing training and orientation to Fire Safety procedures to staff; iv) reporting and investigation protocols; and v) organizational responsibilities to ensure regulatory compliance with national laws and the Building Code.

To minimize the potential for the transmission of infectious diseases among staff and to protect patients and visitors, DHHS also implements a Reporting Personal Illnesses Policy that outlines general procedures for staff to report communicable diseases.

5 Proposed management measures

The information sent by DHHS to the HHCFLB for its licensing requirements and to JCI for its accreditation indicate that the management measures applied by the Company are being implemented as planned and in accordance with local regulations. These are evidenced per the annual approvals and recommendations provided through these certification and accreditation institutions.

6 Environmental and Social Action Plan

No.	Aspect	Action	Deliverable	Compliance Date
PS3: Resource Efficiency and Pollution Prevention				
3.1	Pollution Prevention	Update the Hazardous Material Plan to include procedures and policies to minimize the entry of hazardous wastes into the waste-water stream, which will include i) wastes from genotoxic treatments and ii) large quantities of pharmaceuticals.	<ol style="list-style-type: none"> 1. Copy of the updated Hazardous Material Plan. 2. Evidence of Implementation. 	<ol style="list-style-type: none"> 1. 90 days after signature of the loan agreement. 2. Annually, through an Environmental and Social Compliance Report (ESCR).

C. Additional Information

For questions about the Project contact Doctors Hospital Health System Limited

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In addition, as a last resource, affected communities can access IDB Invest's Independent Consultation and Investigation Research (ICIM) in the following way:

Phone number: +1 (202) 623-3952
 Fax number: +1 (202) 312-4057
 Address: 1300 New York Ave. NW Washington, DC. USA. 20577
 Email: mecanismo@iadb.org or MICI@iadb.org