

# RESILIENT VALUE CHAINS IN THE CARIBBEAN

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# TABLE OF CONTENTS

<b>Executive Summary</b> .....	09
<b>Key Findings</b> .....	10
<b>Recommendations</b> .....	12
<b>1. Introduction</b> .....	15
<b>2. Background and Context</b> .....	25
<b>The Caribbean Economy</b>	
Tourism .....	26
Real Estate .....	26
Financial Services .....	27
Food Systems .....	27
<b>3 Analysis of Selected Companies</b> .....	29
Context for Analysis .....	29
Investments in Sustainable and Inclusive Practices and the Link to Resilience .....	29
Investments in Sustainable and Inclusive Practices .....	30
Value Chain Resilience Facilitated through Sustainable and Inclusive Practices .....	32
<b>4. Recommendations And Implementation Guidelines</b> .....	37
<b>5. Case Studies</b> .....	40

Case	
<b>01</b> J. Wray & Nephew Ltd	
.....	42



Case	
<b>02</b> Jakes Hotel and Spa	
.....	52



Case	
<b>03</b> Grace Kennedy, Food Processors (Canning) Ltd.	
.....	62



Case	
<b>04</b> AML Foods Ltd	
.....	72



Case	
<b>05</b> UNICOMER (Trinidad & Tobago)	
.....	82



References .....	92
Appendix: SDG linkages in the companies studied .....	94

# ACRONYMS

An aerial photograph of a tropical coastal town. In the foreground, a concrete bridge with several pillars spans across a body of water. The water is a vibrant turquoise color. To the right of the bridge, there is a cluster of colorful buildings with red and blue roofs. In the background, a large green golf course is visible, followed by several tall, modern buildings. The ocean is a deep blue, and the sky is clear and bright.

<b>AML Foods</b>	Abaco Markets Limited
<b>CARICOM</b>	Caribbean Community
<b>COVID 19</b>	Coronavirus Disease 2019
<b>GDP</b>	Gross Domestic Product
<b>GFPC</b>	Grace Food Processors Canning
<b>GKL</b>	GraceKennedy Limited
<b>GVC</b>	Global Value Chain
<b>NGO</b>	Non-Governmental Organization
<b>RVC</b>	Regional Value Chain
<b>SDG</b>	Sustainable Development Goals
<b>SME</b>	Small and Medium Sized Enterprise

# EXECUTIVE SUMMARY

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This study of Resilient Value Chains in the Caribbean was commissioned by IDB Invest in collaboration with Compete Caribbean. It examines five companies in the Caribbean Region that deliberately adopted and developed inclusive and sustainable business models, practices, and mindsets across their value chains, which improved their resilience to market disruptions and/or economic shocks, while contributing to the Sustainable Development Goals (SDGs).

Similarly, the study showed that these firms were better able to contain the potential negative impacts of market disruptions on their value chains. Where an explicit corporate policy was absent, operational practices were still guided by sustainability concerns. The study also found that subsidiaries of larger multi-national corporations were more likely to have clear sustainability policies and practices. Thus, they were better able to leverage the resources of their parent companies to effectively cope with challenges and quickly build capacity to adapt and transform their operations to maintain viability. One firm – Jake’s Hotel – explicitly conveyed their deliberate adoption of a sustainable business model and how such decision ultimately supported their resilience, particularly in light of the impact of the COVID 19 pandemic on the tourism sector.

The findings of this study are useful to increase corporate awareness on assertive policies, programs, models and decision-making at the local and regional levels in order to increase uptake on sustainable practices that ultimately enhance value chain resilience while driving impact.

# KEY FINDINGS



Value Chain	Sustainability Grading*	Resilience
 <p><b>Rum Manufacturing (J Wray &amp; Nephew Ltd.) Jamaica</b></p>	Good sustainability practices that align with relevant SDGs.	Although the COVID-19 pandemic resulted in severe shifts within the spirits markets -prompting major declines in revenues- Campari, J. Wray and Nephew's parent firm indicated that the company is financially strong and its operations remain resilient. Guided by the parent company's risk management and mitigation strategies, the firm implemented timely changes which improved operational efficiency and boosted exports. Being part of a larger international corporation thus contributed to J Wray and Nephew Ltd's resilience.
 <p><b>Hospitality and Tourism (Jakes Hotel &amp; Spa) Jamaica</b></p>	Good sustainability practices that align with relevant SDGs.	Concentric diversification was critical to Jakes' ability to withstand the effects of the COVID-19 pandemic. The hotel's in-house restaurant with its strong local customer base, provided revenues for the business and in the wake of the pandemic, Jakes diversified its revenue streams to include agro- processing and real estate.
 <p><b>Food Processing &amp; Canning (Grace Kennedy Food Processing Ltd.) Jamaica</b></p>	Good sustainability practices that align with all of the relevant SDGs.	The Grace Kennedy Group reported that all business segments recorded improved performance in 2020, compared to 2019 (pre-COVID). This exceptional achievement demonstrates the group's resilience and ability to withstand significant exogenous shocks to its operations. Being a part of this group significantly boosted GK Food Processing's resilience, as they capitalize on the risk mitigation and management strategies of their parent company. This includes implementing policies and processes to improve operational efficiencies.
 <p><b>Retail Food (AML Foods) The Bahamas</b></p>	Limited sustainability practices that align with a number of the SDGs.	The firm's operational practices encourage agility to support resilience, with its forward buying strategy significantly accounting for AML's ability to continue operations when challenged by external shocks.
 <p><b>Retail and Distribution (Unicomer) Trinidad &amp; Tobago</b></p>	Good sustainability practices that align with a number of the SDGs.	Unicomer TT is a strong technologically driven entity with significant cash reserves. Thus, it was able to adapt quickly to the initial impacts of COVID 19 and support business continuity. The firm's retail and distribution operations benefit from being a subsidiary of a large multinational corporation, capitalizing on risk management and mitigating mechanisms to support resilience.

\*Good sustainability practices: Firm has a sustainability policy in place; actively incorporates sustainability practices throughout their operations (e.g. energy efficiency, climate smart technologies, equal pay for equal work); and adheres to or exceeds regulatory requirements and standards on environmental protection. Fair sustainability practices: Firm does not have an explicit sustainability policy in place, but incorporates such considerations in its strategic plan; incorporates some sustainability practices throughout their operations; and adheres to regulatory requirements and standards on environmental protection. Limited sustainability practices: Firm has no sustainability policy in place and provides no evidence of incorporating such considerations in its strategic plan, incorporates few sustainability practices throughout their operations; and adheres to regulatory requirements and standards on environmental protection.

# RECOMMENDATIONS

Caribbean firms' value chains are extremely susceptible to exogenous shocks, namely climatic events (hurricanes and droughts), economic shocks (inflation and exchange rate devaluation), and pandemics such as COVID-19. As a result, these firms need to adopt strategies to mitigate the impact of such shocks across their operations. This study proposes the following recommendations:

## Short Term Recommendations (one to three years)

- ✓ Develop a sustainable growth strategy and resilience plan to guide all processes and operations of the value chain.
- ✓ Advocate for a strong environmental policy framework that supports climate-smart best practices along the value chain.
- ✓ Employ strategies that improve mechanization, accelerate adoption of smart technologies and apply innovation to facilitate efficiencies and resilient systems.
- ✓ Access sustainable finance and other ESG driven funds to assist underwriting costs related to adopting renewable and clean energy technologies.
- ✓ Reduce exposure to localized shocks via diversification of demand and supply through domestic and international geographies and supplier diversification.

## Medium Term Recommendations (three to five years)

- ✓ Build in mechanisms to support availability of substitutions, including identifying alternate suppliers of raw materials and modifying product specifications where feasible to incorporate more readily available inputs.
- ✓ Align with sustainable international and industry best practices, obtain certification that recognizes sustainable development practices and increase capacity to respond to disruptive risk (hence, increasing supply chain resilience).
- ✓ Prioritize capacity building and increase absorptive capacities of SMEs in anchor company's value chains.
- ✓ Take urgent action to combat climate change and manage its impacts by measuring emissions (particularly scope 3) and promoting developments in renewable energy and adaptation.

# 01.

## INTRODUCTION

Global Value Chains (GVC) have been the backbone of major shifts in capital and resources across the world. Along global trade routes, there has been an intensification of international value chains with cross-border production shared among several countries and regions. While this intensification may improve trading efficiency, it has also increased the cross-border impact of socio-economic and environmental events. The Caribbean Region has not traditionally been a major driver of international market trends or production. Hence, shifts in GVC trigger legitimate concerns for the region. Without deliberate planning and research, it may not be able to compete effectively in emerging cross-border production, distribution, and management arrangements.

International fragmentation<sup>1</sup> creates opportunities for Caribbean firms to participate in goods and services markets previously closed to them. It is also an opportunity to access new raw materials sources and production methods in order to shift their position within the value chain.

The Region -mainly comprised by economically open, small and island

countries- regularly deals with threats to its economic stability due to a limited negotiating power in the international economic system. In addition, the Region is especially threatened by global climate change and extreme weather that are expected to have negative economic, environmental and social impacts. Thus, assessing and adopting sound sustainability practices is relevant for Caribbean companies' survival in international value chains.

Research and repositioning within the region have been supported by development assistance partnerships such as the Compete Caribbean Partnership Facility. The Region has also attempted to retool and align itself for growth through targeting specific sectors, fostering sector clusters (with backward and forward linkages), research, strategic alignment of investment and partnerships, coaching and strategy coordination.

<sup>1</sup> The term international fragmentation refers to global companies whose supply chain (suppliers and manufacturers) is spread out in different countries, allowing the company to produce goods in a more cost-effective manner.





# Background to the Assignment



Thirteen Caribbean countries<sup>2</sup> have benefitted from technical assistance grants and investment funds through the Compete Caribbean Partnership Facility. Aimed at building the productive capacity of regional private sector firms, the facility, jointly funded by the Inter-American Development Bank (IDB), the UK’s Department for International Development, and the Government of Canada, has funded initiatives supporting clustering initiatives, business climate reforms, and policy reforms. The objectives of the Facility are highly complementary to the work of IDB Invest, which provides financing options and technical assistance to Latin American and Caribbean firms seeking to sustainably improve productivity and competitiveness.

The Compete Caribbean Facility acknowledges the value of

mainstreaming sustainability considerations throughout firms’ operations. There is significant evidence demonstrating that firms’ long-term competitiveness and profitability are positively linked to the adoption of and adherence to sound economic, social, and environmental policies and practices. However, studies of how anchor companies in the Caribbean integrate sustainable practices along with its SMEs suppliers are limited. Given the extensive geographic reach of the Compete Caribbean Facility, and the accompanying range of initiatives in support of value chain development including SME’s, the findings of this study will yield valuable insights and recommendations for regional firms hoping to build a stronger, realistic business case for mainstreaming sustainability across their value chains.

<sup>2</sup> Belize, Jamaica, Trinidad & Tobago, Bahamas, Guyana, Dominica, St. Vincent & the Grenadines, Surinam, St. Lucia, St. Kitts & Nevis, Barbados, Grenada, Antigua & Barbuda.

# Methodology and Approach

The study was carried out over an 8-month period in 2021. An initial desk study was conducted, during which 27 Caribbean medium to large firms were reviewed against the following selection criteria:

**Table 1:**  
Long List Selection Criteria

Long List Selection Criterion	Short List Criterion	Final List
Lead firm based and operating within the Caribbean.	Company’s operations are based in selected countries in the region.	Company registered in a country within the region and with activities along the value chain in different countries in the region.
Lead firm is an actor in a regional or global value chain.	Publicly available information on company shows business model and approach in line with GVC.	Known willingness of company to participate in research on the company’s value chain and approach.
Operates in a country with agreement with Compete Caribbean.	Participation in sector and activities supported by IDB and Compete Caribbean Program.	Participation in a Compete Caribbean project.



**Table 2: Long List of Firms**

	Company Name	Location of Operation	Sector	Business line	Compete Caribbean beneficiary (Y/N)
1	Belize Sugar Industries Limited	Belize	Agriculture	Sugar	Y
2	Unicomer TT	Trinidad y Tobago	Manufacturing	Furniture production	Y
3	Nestlé Caribe	Regional	Agro-processing	Dairy	N
4	Sandals Resort International	St Lucia and the Bahamas	Hospitality and Tourism	General	N
5	Rainforest Seafoods	St Vincent / Suriname	Agriculture	Fisheries	N
6	Jamaica Teas Limited	Jamaica	Agro-processing	Teas	N
7	Mavis Bank Coffee Factory	Jamaica	Agriculture	Coffee	N
8	Grace Kennedy and Company	Jamaica	Agro-processing	Sauces and condiments	N
9	Seprod Group	Jamaica	Agro-processing	Dairy	N
10	Sagicor Bank	Jamaica	Financial Institution	Financing for Women-Owned SMEs	N
11	Trade Winds Citrus	Jamaica	Manufacturing	Beverages	N
12	Banks DIH Limited	Guyana	Manufacturing	Beverages	N
13	Diageo (Red Stripe)	Jamaica	Manufacturing	Cassava	N
14	Windward Islands Farmers Association	Dominica, St. Lucia, Grenada, and St. Vincent and the Grenadines	Agriculture	Bananas	N
15	Jamaica Producers	Jamaica	Agriculture	Bananas and Pineapples	N
16	Massy Distribution	Barbados	Retail	General	N
17	Couples Resort	Jamaica	Hospitality and Tourism	Food/craft and souvenirs	N
18	AML Foods	The Bahamas	Retail	General	N
19	Caribbean Bottling Company	The Bahamas	Manufacturing	Beverages	N
20	Surrey Hotel Management Limited	Jamaica	Hospitality and Tourism	General	N
21	ANSA McCal – Alstons Marketing Company Ltd	Trinidad and Tobago	Distribution –Food Wholesaler	General	N
22	Jake’s Hotel and Spa	Jamaica	Hospitality	General	N
23	Goddard Catering Group	Barbados	Hospitality	Airline catering	N
24	Harris Paints International	Barbados	Manufacturing	Paints	N
25	Sunwing Travel Group	St Lucia	Hospitality	General	N
26	Barbados Dairy Industries Ltd	Barbados	Agro-Processing	Dairy	N
27	J. Wray and Nephew Ltd	Jamaica	Manufacturing	Rum and Spirits	N

Following the identification of potential study firms, a qualitative questionnaire (with over 100 semi-closed questions) was designed to capture information and understand how sustainable and resilient their GVCs are. Five (5) firms consented to participate in the study

and were interviewed using the questionnaire as a guide. Responses to the questionnaires were supported by review and analysis of existing company publicly available records, national, regional, and international trade, and industry statistics.

**Table 3: List of Firms, Countries, and Industry Sectors**

	Name of Firm	Location of Operation	Sector/Industry
2	Unicomer TT*	Trinidad and Tobago	Manufacturing, Retail and Distribution
3	Grace Food Processing (Canning)	Jamaica	Agro- processing
4	AML Foods	The Bahamas	Retail
5	Jake’s Hotel and Spa	Jamaica	Hospitality
6	J. Wray & Nephew Ltd	Jamaica	Spirits

\*d Unicomer TT – is an IDB Invest clients under the Compete Caribbean Facility.

The research employed a modified Global Value Chain analytical framework<sup>3</sup> to analyze the sample of the five companies’ relationships, production, decision-making and adaptation along the value chain; incorporating cross-case analysis. The framework facilitated a

detailed understanding of the firms’ operations through a GVC lens<sup>4</sup>. The study used a mix of primary and secondary data collected through questionnaires and semi-structured interviews (conducted virtually due to COVID-19 related restrictions).



<sup>3</sup> This framework was developed by Gereffi, Humphries and Sturgeon. It assesses GVCs from both global (top down) and local (bottom up) perspectives. Gereffi, G., Humphrey, J. and Sturgeon, T. (2005) The Governance of Global Value Chains. Review of International Political Economy, 12, 78-104.<http://dx.doi.org/10.1080/09692290500049805>.

<sup>4</sup> In the context of research, activities - both on the supply and demand side, are generally spread out across different countries using an inter-firm network across the region and beyond. Using the GVC analytic framework, one can view through a cross-case analysis, the sequence of value- adding, from design and concept development through to end-use and disposal through a singular lens allowing for clearer understanding and comparison.

**Table 4: Global Value Chain Analytical Framework**

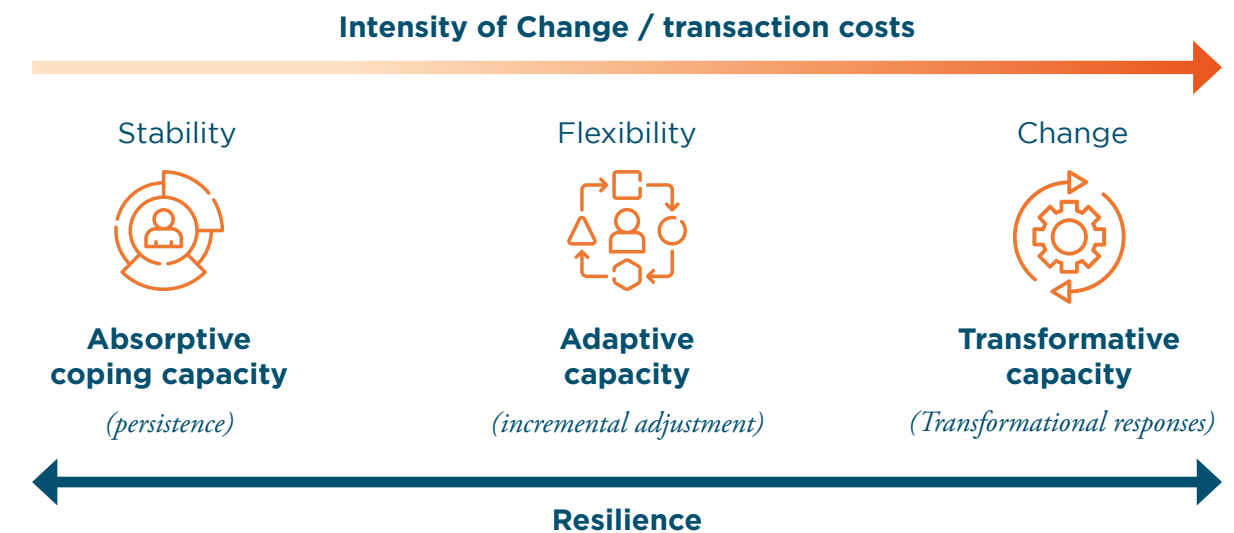
Global Level	Local Level
<p><b>Input Output</b></p> <ul style="list-style-type: none"> <li>Assessing the firm's main segments and activities in transforming raw materials (inputs) into products, namely (i) Production (plant, machinery and labor); (ii) Distribution and marketing (mechanisms for getting goods and services to market); and (iii) Post-use activities (processing and disposal).</li> <li>Identifying the firm's dynamics and structures under each segment (global or domestic; ownership type; size; operation level).</li> <li>Assessing how global innovation trends and practices influence the firm's production (R&amp;D).</li> </ul>	<p><b>Upgrading</b></p> <p>How firms move to higher value products and activities in the GVCs.</p> <p>Upgrading typology includes (i) Process: improving production through innovation or reorganization, (ii) Product: transitioning to more advanced products and services; (iii) Functional: acquiring new functions to improve skill content; and (iv) Intersectoral/chain: move into new but complementary industries.<sup>5</sup></p>
<p><b>Geographical Scope</b></p> <ul style="list-style-type: none"> <li>Analysis of trade flow at each stage of the value chain.</li> <li>Firm data (information from industry publications, company data and national statistics).</li> <li>Geographic scope of operation for the entity (subnational, national, regional, or global).</li> </ul>	<p><b>Local Institutional Context</b></p> <p>Conditions and policies that shape respective country's participation in the stages of the value chain:</p> <ol style="list-style-type: none"> <li>Labor costs</li> <li>Infrastructure availability</li> <li>Social context governing the availability of human resources, including female labor participation and access to education</li> <li>Institutional strength (regulations, subsidies, policies and laws, security, ease of doing business)</li> </ol>
<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>How the value chain is controlled and coordinated.</li> <li>Rules, standards.</li> </ul>	<p><b>Stakeholder Analysis</b></p> <ul style="list-style-type: none"> <li>Main industry actors in the value chain</li> <li>Companies</li> <li>Industry associations</li> <li>Workers</li> <li>Educational institutions</li> <li>State agencies</li> <li>The governance of the relationships between and among the above</li> </ul>

\*Adapted from Global Value Chain Analysis: A Primer, Gereffi, Gary & Karina Fernandez 2016.

<sup>5</sup> Gereffi, Gary & Fernandez-Stark, Karina. (2016). Global Value Chain Analysis: A Primer, 2nd Edition.

Firms answered questions on how or why decisions are taken, the impact of these decisions on communities and countries, and about any social, environmental, or economic/commercial impact of those decisions on Caribbean value chains. Comparative analyses of the firms involved two levels (i) alignment with the Sustainable Development Goals (SDGs), and (ii) assessment of their resilience under the OECD (2014) *Guidelines for Resilience Systems Analysis*<sup>6</sup>.

**Figure 1: Resilience Systems Analysis**



## Scope of the Study

- Identify companies with sustainable-defined as economically viable, socially responsible and environmentally friendly - practices in place throughout their value chains and determine any benefits or disadvantages of having sustainable practices.
- Assess the companies' efforts, challenges, and successes in building inclusive and sustainable value chains and determine whether a correlation can be made between inclusive value chains and increased resiliency to market disruptions and economic shocks.
- Provide recommendations on how the case studies' findings may be extrapolated to other countries and sectors in the region, regarding improvement in their value chain sustainability and resilience.

<sup>6</sup> The OECD (2014) *Guidelines for Resilience Systems Analysis* measure firms' capacities to absorb shocks, adapt to changes and ultimately transform their operations to cope with, manage, and successfully navigate challenges posed by exogenous shocks.

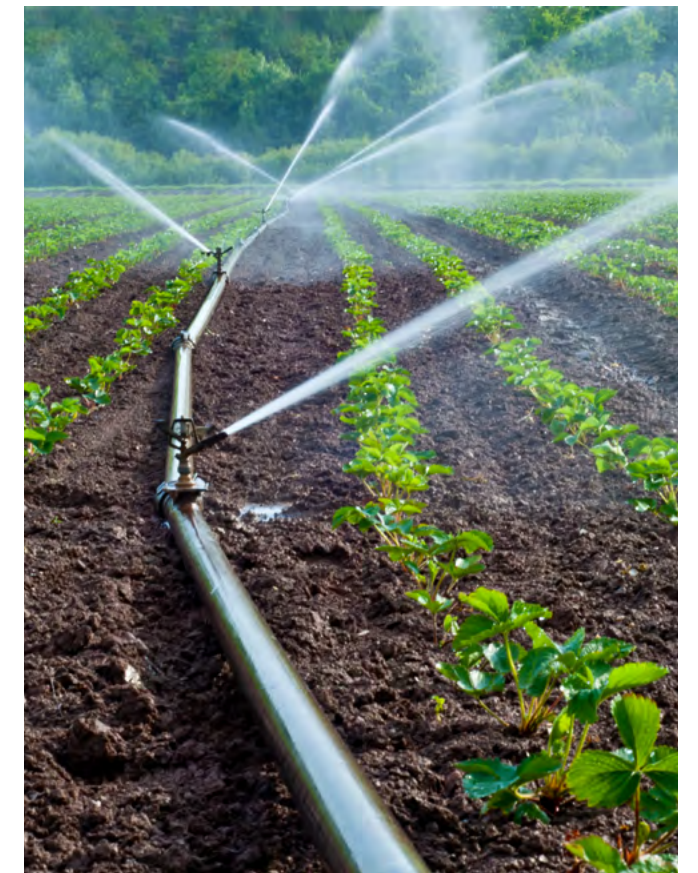
## Limitations to the Study

1. The sample size of the study is small (five companies from various sectors, countries and sizes), and the COVID-19 pandemic impeded in-person interviews and site visits (no direct observation was possible). In addition, firms' ability to participate was also limited due to COVID-related operational challenges.
2. Despite the consulting team's efforts to prevent disrupting businesses (by avoiding unnecessary information requests), some firms were hesitant to disclose information they considered sensitive or confidential.
3. Only three companies provided complete data (J Wray and Nephew Ltd. Jakes Hotel and Spa and Grace Food Processors (Canning) Ltd). Where possible, to improve accuracy, primary data was triangulated with publicly available information.



## Report Structure

Section 2 provides a brief context of the Caribbean economy, particularly countries and sectors related to surveyed firms. Section 3 provides a comparative analysis of the findings through the lens of the SDGs and critically reviews sustainable practices' impact on the firms' resilience. Recommendations and implementation guidelines are included in Section 4. Section 5 (the case studies) provides an in-depth exploration of each firm's GVC and specific recommendations to improve their operations' sustainability and resilience.



# 02.

## BACKGROUND AND CONTEXT: THE CARIBBEAN ECONOMY

The Caribbean is a diverse region with significant economic potential and growth opportunities. It is characterized by small land mass islands with small populations and largely open economies.

The Region's Gross National Income (GNI) per capita varies from around US\$800 to over US\$30,000 across the region (World Bank 2021). As is the case for the majority of countries globally, the Small and Medium Enterprise (SME) sector is a critical economic engine for the Caribbean. At least 40% of the region's GDP derives from SMEs which account for almost 70% of employment in the region. Besides advancing SDG 8 (Decent Work and Economic Growth), SMEs in the Caribbean also play an essential role in addressing persistent social and environmental issues such

as food insecurity (SDG 2), social and gender inequality (SDGs 10 and 5), and environmental sustainability (SDGs 7, 13, 14 and 15)<sup>7</sup>.

Tourism, real estate, infrastructure, financial services, and food systems, among others, were the four (4) sectors identified as key growth drivers in the Caribbean, as they are investable opportunities due their contribution to national and/or regional GDP, availability of physical resources, labor skills meeting market demand and the potential for regional value chains.

<sup>7</sup> This framework was developed by Gereffi, Humphries and Sturgeon. It assesses GVCs from both global (top down) and local (bottom up) perspectives. . Gereffi, G., Humphrey, J. and Sturgeon, T. (2005) The Governance of Global Value Chains. *Review of International Political Economy*, 12, 78-104.<http://dx.doi.org/10.1080/09692290500049805>.

## Tourism

Tourism is a key sector in nearly all Caribbean countries, mostly due to its geographic location in the Caribbean Sea. The region is often regarded as one of the most tourism-dependent regions in the world<sup>8</sup>. It accounts for over 13.9% of the region's GDP (2019) (\$59 billion) and provides 2.4 million jobs (15.2% of regional population)<sup>9</sup>. Tourism employs the greatest percentage of women in any formal industry sector (SDG 8.5). According to the Authority on World Travel & Tourism, the 2019 GDP growth projection in the Caribbean was 3.4% -- just below the global travel and tourism growth of 3.5%. In certain Caribbean countries tourism contributed to significant GDP growth in 2019<sup>10</sup>.

The Caribbean was severely impacted by the near halt in tourism due to COVID-19. The economy contracted an estimated 8.6% in 2020. Many jobs were lost, and a recent survey suggested that poverty headcounts are rising (World Bank)<sup>11</sup>. The progression of the pandemic and vaccination efforts will have a major impact on the speed and scope of recovery of the sector.



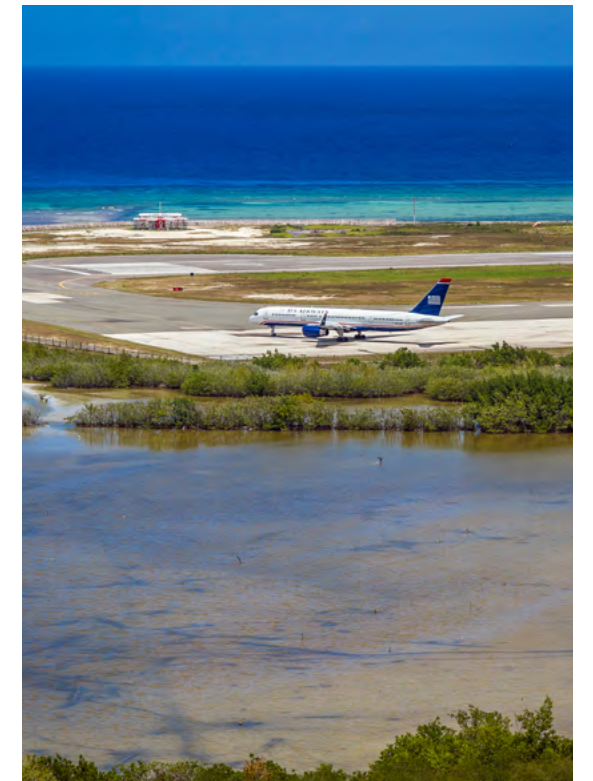
## Real Estate

Both residential and commercial real estate markets saw significant growth despite the pandemic. Such growth is not surprising. Real estate markets in the Caribbean, particularly within the hotel industry, have consistently been able to weather past natural disasters. Indeed, the region showed significant growth in new hotel projects. The Caribbean is a destination favored by US investors, who are attracted by the region's incentives and limited restrictions on foreign ownership. Various tax incentives and investment programs by Caribbean governments also spur growth, particularly within low-income communities.



## Financial Services<sup>12</sup>

Financial services in the Caribbean are frequently associated with offshore banking services operating out of the Cayman Islands, Bahamas and the Dutch Caribbean, linked to high-net-worth individuals. Prior to COVID-19, alongside tourism, financial services was as a primary sector for the Caribbean. The sector is large compared to the sizes of the economies it serves. Its total assets (excluding offshore banks) amount to 124% of the regional GDP. The sector is strongly positioned as a growth sector within local capital markets, as it operates in close proximity to hospitality, energy, and infrastructure across the region. Despite the foregoing, access to capital remains a key challenge to domestic Caribbean SMEs. In Jamaica and Barbados, for example, almost 40% of SMEs report credit access as an issue.



## Food Systems

Food systems represent a promising, yet challenging growth opportunity in the Caribbean. The sector lies at the intersection of agriculture (food security), the region's "blue economy"<sup>13</sup> and climate resilience. COVID-19 exacerbated food insecurity as the region continues to depend on food imports and increased investments in domestic culturally appropriate and sustainable food production centered on small farmers are needed.



<sup>8</sup> <https://wtcc.org/Portals/0/Documents/Reports/2018/Caribbean%20Recovery%20Report%20-%20Full%20Report%20-%20Apr%202018.pdf?ver=2021-02-25-182520-540>.

<sup>9</sup> The prevalence of tourism ranges across Caribbean countries, with strong footholds in the Bahamas (accounting from more than half of the GDP and half of direct and indirect employment), Barbados (15% of GDP), and Antigua and Barbuda (expressing similar levels to that of Barbados).

<sup>10</sup> Dominica (43.6%), Anguilla (19%), St. Kitts & Nevis (14.6%), Puerto Rico (10.1%), Barbados (9.7%), and St. Vincent and the Grenadines (9%).

<sup>11</sup> <https://www.worldbank.org/en/country/caribbean/overview#1>

<sup>12</sup> Financial services include banking and capital markets, insurance, and the investment management subsectors.

<sup>13</sup> The "blue economy" concept emerges as a unique opportunity to address sustainable management of oceans and marine ecosystems countries, as well as a promising avenue for economic diversification and sustainable growth.



# 03.

## ANALYSIS OF SELECTED COMPANIES

### 3.1. Context for Analysis

Sustainable business models explore how organizations adapt their business architecture to create economic, social and environmental value, while minimizing risks. Traditional value chain approaches, in contrast, pay scant attention to social and environmental objectives. The notion of Sustainable and Inclusive Value Chains<sup>14</sup> arose as a way to include such objectives as well as the usual financial performance-related aspects.

This study uses the SDG framework<sup>15</sup> as one of the core elements of the methodology to assess the surveyed firms' practices. The SDGs promote economic growth, social inclusion and environmental protection through the adoption of comprehensive policies, programs, practices and initiatives. Companies that incorporate sustainable development practices have assessed the business benefits

deriving from their adoption, including ensuring their business remains relevant and competitive.

### 3.2. Investments in Sustainable and Inclusive Practices and the Link to Resilience

The COVID-19 pandemic showed how naturally occurring phenomena can create extraordinary shocks to all aspects of human existence and how the world's current interconnectedness (in terms of resources, value chains, transactions, etc.) exacerbates such shocks. Based on the measures taken by the companies surveyed, the study examined how five companies in the Caribbean that have adopted a range of sustainable and inclusive business models, practices, and mindsets across their value chains, are more resilient to economic shocks in the medium and long term.

<sup>14</sup> Defined as a "positive or desirable change in a value chain to extend or improve productive operations and generate social benefits such as poverty reduction, income and employment generation, economic growth, environmental performance, gender equity and other development goals.(Doherty and Kittipanya-Ngam, 2021)."

<sup>15</sup> Whereas an overall increase in a country's wealth is a worthwhile goal, the SDGs encourage all actors in society – private sector, policymakers, civil society and individuals - to ask the following questions: Who benefits, and is the average person in a country gaining from the growth, or are just a few wealthy people reaping all the rewards? The SDGs push for programs that specifically target marginalized social groups, which often include women, ethnic and racial minorities, people with disabilities and un/underserved populations (such as MSMEs); aimed at leaving no one behind.

## Investments in Sustainable and Inclusive Practices

Sustainable value chains operate on a triple bottom line. They at the same time (i) are profitable at different stages (economically sustainable), (ii) have a broad-based positive impact for society (socially sustainable), and (iii) are positive or neutral in its impact on the natural environment (environmentally sustainable) (Niven, 2014). In assessing the sustainability of the value chains in the study, the analysis paid particular attention to the following SDGs<sup>16</sup>:

- SDG 3 – Good health and well being
- SDG 5 – Gender equality
- SDG 7 – Affordable and clean energy

- SDG 8 – Decent work and economic growth
- SDG 9 – Industry, innovation, and infrastructure
- SDG 11 – Sustainable cities and communities
- SDG 12 – Responsible consumption and production
- SDG 13 – Climate action

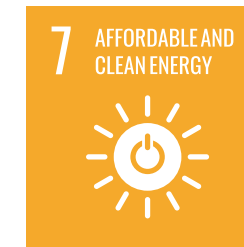
As anchor companies, all five organizations have invested in sustainable and inclusive practices in their value chains. Please see below an analysis on the corporate adherence to the SDGs. Individual company analyses provided in Appendix 1.



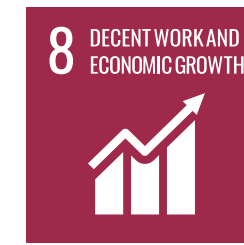
**SDG 3 (Good health and well-being):** Value chains included in the study implemented sustainable and inclusive practices in ensuring health and well-being for its staff, largely through the implementation of occupational safety and health policies, with some providing additional insurance benefits. All companies in this study have such policies and practices in place. A minor exception is Jakes Hotel, that had traditionally provided a healthcare plan for its employees, but suspended it due to the effects of COVID 19. One company – Grace Kennedy Food Processors – went further by mitigating risks through the Company’s robust Quality Control Systems, Business Continuity Plan and insurance, which supported staff well-being in a context of shock.



**SDG 5 (Gender equality):** The surveyed firms demonstrated a fairly gender-balanced workforce, with women having greater representation at the clerical and administrative levels, and less visibility at the management/executive levels. Employees received equal pay and promotion opportunities, regardless of gender. In fact, a few companies (e.g., Unicomer and Jakes Hotel) boast women accounting for over 50% of executive and management positions.



**SDG 7 (Affordable and clean energy):** The surveyed companies implemented various energy saving measures, ranging from low-cost activities such as practicing energy conservation (Jakes Hotel) or adopting alternative fuel sources (J Wray & Nephew Ltd.), to major investments such as installing photovoltaic systems (Grace Kennedy Food Processors). JWN has a photovoltaic system for electricity generation (54,000kWh of electricity per month) and the operation of plants for wastewater treatment (500 cubic meters), and solid waste recycling (more than 700 tons).



**SDG 8 (Decent work and economic growth):** All five companies provided safe workspaces and implemented policies that respect the rights and dignity of employees. Most integrate small businesses in their supply chain, often supporting SMEs sector by facilitating business development and technical upgrading.



**SDG 9 (Industry, innovation and infrastructure):** Information Communications Technology (ICT) measures were implemented by surveyed firms, thus facilitating remote work, inventory management, sales and marketing. Many have also employed process re-engineering strategies as a cost-cutting measure.



**SDG 11 (Sustainable cities and communities):** The surveyed firms satisfy the objectives under SDG 11 through their corporate social responsibility (CSR) and volunteer activities.



**SDG 12 (Responsible consumption and production):** All of the studied companies have implemented a policy of recycle and reuse in their operations. The companies have also sought to implement responsible sourcing of raw materials, contributing to the preservation of local production.



**SDG 13 (Climate action):** Companies, particularly those connected to agricultural value chains, had sought to strengthen adaptive capacity to climate-related hazards and natural disasters. This was done mostly through measures to reduce carbon footprint.

<sup>16</sup> While these SDGs have been identified as being most relevant to this study, it should be noted that they interact with and are impacted by the other SDGs – the value of their implementation creates an overall positive effect.



# Value Chain Resilience Facilitated through Sustainable and Inclusive Practices

Resilience is the ability of households, communities and nations to absorb and recover from shocks, whilst positively adapting and transforming their structures and means for living in the face of long-term stresses, change and uncertainty (Mitchell, 2013). As per the OECD (2014) *Guidelines for Resilience Systems Analysis* the resiliencies of the studied value chains were analyzed based on three different types of capacities:

- **Absorptive capacity:** The ability of the value chain to prepare for, mitigate or prevent negative impacts, using predetermined coping responses in order to preserve and restore essential basic structures and functions. This includes coping mechanisms used during periods of shock. Examples of absorptive capacity include early harvest and delaying debt repayments.
- **Adaptive capacity:** The ability of the value chain to adjust, modify or change its characteristics and actions to moderate potential future damage and to take advantage of opportunities, so that it can continue to function without major qualitative changes in function or structural identity. Examples of adaptive capacity include diversification of livelihoods and introducing drought resistant seed.
- **Transformative capacity:** The ability to create a fundamentally new system so that the shock will no longer have any impact. This can be necessary when ecological, economic or social structures make the existing system untenable.


Examples of transformative capacity include the introduction of conflict resolution mechanisms, urban planning measures, and actions to stamp out corruption.



**Table 5: Key Findings from the Analysis**

Value Chain	Overall Resilience	Resilience During COVID-19
 <b>Rum Manufacturing</b> (J Wray & Nephew)	<p><b>Absorptive Capacity</b></p> <ul style="list-style-type: none"> <li>• Part of a large multinational corporation, with sufficient built-in redundancy in the Campari Groups production and operations systems.</li> <li>• Financial resources from accumulated surplus help to mitigate financial impacts due to unforeseen disruptions.</li> <li>• High level of technology employed in the Group enables the company's ability to continue its operations despite physical or electronic disruptions.</li> </ul> <p><b>Adaptive Capacity</b></p> <p>As a Caribbean agriculture-based operation, hurricane preparedness is a central plank to the resilience planning for the company. Robust and effective hurricane disaster management, business continuity, and recovery systems are in place to ensure that business systems remain resilient.</p>	<p>The onset of the worldwide response to the COVID-19 pandemic caused severe shifts within the spirits markets. This includes major lockdowns in the entertainment and tourism segments, which are the main drivers of consumption in the spirits market. Additionally, there has been a downturn in sales as the pandemic and its associated lockdowns kept more people indoors, and away from places like hotels, parties, bars, and clubs, where the bulk of the company's spirits are sold. However, the company has at its disposal financial resources from its accumulated surplus, and this helps mitigate the financial impact of any unforeseen disruptions.</p> <p>The company also had sufficient built-in redundancy in the Groups operations, combined with the use of high-level technology to mitigate against severe operational impact. This resilience is demonstrated in the fact that the company can continue its operations despite any physical or electronic disruptions.</p>
 <b>Hospitality and Tourism</b> (Jakes Hotel)	<p><b>Absorptive Capacity</b></p> <ul style="list-style-type: none"> <li>• A strong balance sheet with cash flows, accumulated profits and other resources.</li> <li>• Internationally, the hotel enjoys strong relationships, customer loyalty and goodwill, all of which helped to boost the hotel's resilience.</li> </ul> <p><b>Adaptive Capacity</b></p> <ul style="list-style-type: none"> <li>• Diversification of revenue streams, with accumulated profits and revenues from its in-hotel restaurant, Jack Sprat, which has a strong local customer base. The hotel also developed an Oyster Sauce for export, and the company plans to open another Jack Sprat restaurant in Kingston in the near future.</li> <li>• The hotel's technological capacity scaled by its linkage with the global tour operators and online travel agencies and its online digital platforms.</li> <li>• Ready access to local and international funding sources to enable rebound from major financial shocks.</li> </ul>	<p>The disruption caused by the COVID-19 pandemic has been far-reaching, negatively affecting all aspects of the global travel and tourism market. Jakes has demonstrated some resiliency, however, evidenced by the following:</p> <ul style="list-style-type: none"> <li>• Since the pandemic, the decline in revenues by the hotel is less than 50% in comparison with the hospitality industry average in the region of 70%-80%.</li> <li>• Although reduced occupancy and revenue levels forced the hotel to furlough staff, the hotel enjoys strong relationships with suppliers, customer loyalty and goodwill all of which has helped boost the hotel's resilience.</li> <li>• The hotel was able to stay afloat through revenues generated in its other product/service lines, most notably the Jack Sprat Restaurant, which enjoys strong local patronage.</li> </ul>

Value Chain	Overall Resilience	Resilience During COVID-19
 <b>Food Processing (Grace Kennedy Food Processors (Canning))</b>	<p><b>Absorptive Capacity</b></p> <ul style="list-style-type: none"> <li>Being part of the Grace Kennedy Group Ltd (the parent company), GK Food Processors Ltd has access to accumulated reserves and international credit to cushion it against unpredictable shocks.</li> <li>The GFPC maintains an organizational plan to maintain business continuity, including succession planning for critical roles that facilitate the resumption of operations after a disruptive event. Over time, the company has reviewed and adopted 'lessons learned' to effectively manage challenges posed by unexpected events.</li> </ul> <p><b>Adaptive Capacity</b></p> <ul style="list-style-type: none"> <li>The company has only been moderately affected by climatic events and has in place contracted alternate suppliers who can step in to fill the gap whenever the company is impacted by exogenous factors.</li> <li>Additionally, the GK Group ensures that it takes proactive action to protect its supply chain infrastructure. For example, the Grace Kennedy Food Distribution Warehouse was built to withstand category 5 hurricanes.</li> </ul>	<p>In February 2021, the GK group announced that all business segments recorded increased performance for 2020 compared to 2019 (pre COVID-19). The Group realized revenues of J\$115.4 billion, an increase of J\$12.3 billion or 12% over 2019. Profit before other income increased by J\$3.1 billion to J\$6.8 billion, an 82% increase over 2019. Profit after tax was J\$6.9 billion compared to J\$5.1 billion in 2019, an increase of J\$1.8 billion or 34.5%. These exceptional financial results demonstrate the Groups business resilience and its ability to withstand significant exogenous shocks to its business operations. As a subsidiary firm, Grace Kennedy Food Processing benefits from its parent company's robust financial position.</p>
 <b>Retail (AML Foods)</b>	<p><b>Absorptive Capacity</b></p> <p>No significant evidence of absorptive capacity was identified during the study.</p> <p><b>Adaptive Capacity</b></p> <ul style="list-style-type: none"> <li>A key strategy that AML uses is forward buying. At the start of every hurricane season, the company purchases enough stocks to last for the ensuing six to twelve months. While this strategy results in a high upfront capital outlay and increased storage costs, it has served the Company well by providing a buffer from exogenous shocks.</li> <li>Built-in redundancy in its supply chain, with substitute suppliers in mainland America.</li> <li>Warehouses are retrofitted with cooling systems and redundancies in the power supply and telecommunications, including generator backup.</li> <li>An integrated digital management system which would allow key personnel to remotely access inventory records and act accordingly.</li> </ul>	<p>The Covid-19 pandemic and the resulting changes in consumer behavior, demand and the accompanying restrictions catalyzed significant upheaval in the retail business.</p> <p>The retail sector has been increasingly forced to innovate to survive. Technology continues to reshape the sector and actors are faced with implementing online channels for sales, marketing, and payments. The holding of additional inventory, while expensive, has enabled the company's resilience during the pandemic, and the use of online sales management systems has allowed for business continuity.</p>

Value Chain	Overall Resilience	Resilience During COVID-19
 <b>Retail and Distribution (Unicomer, Trinidad and Tobago)</b>	<p><b>Absorptive Capacity</b></p> <ul style="list-style-type: none"> <li>The company and its suppliers have Business Continuity Plans ready in the event of disruptions. This enables critical functions of the organization to continue.</li> <li>Unicomer boasts a healthy balance sheet and cash flow which helps it withstand exogenous shocks.</li> </ul> <p><b>Adaptive Capacity</b></p> <ul style="list-style-type: none"> <li>The Group has diversification of its product and service offerings as a core principle and stretches across a wide geographical footprint.</li> <li>The migration to online platforms for taking and processing of orders and payments, and handling complaints and customer queries played a key role in helping the Company to withstand the exogenous impact of the COVID-19 crisis, which extended across its GVC</li> <li>Staffing and operations shifted as the company dealt with local lockdowns and work from home. This led to an increase in the demand for certain categories of home furnishings and appliances. To the extent possible, the company has adopted a work from home and online work strategy, leveraging the call center capacity and staff. Throughout its LAC operations, an estimate of 30-40% of staff now works remotely.</li> </ul>	<p>The public health measures initially implemented to manage the COVID 19 pandemic fueled demand for technology devices and increased usage of its online shopping platform.</p> <p>Unicomer responded to market demands quickly, increasing their inventories of laptops and tablets and driving customers towards their website for purchases.</p>

## 04.

RECOMMENDATIONS  
AND IMPLEMENTATION  
GUIDELINES

Based on the assessed literature and on a review of general sustainable and inclusive best practices for GVCs, the study proposed the following key recommendations to be adopted in the wider Caribbean. These recommendations are contextualized against the inherent vulnerabilities of Caribbean economies and firms and the readiness (based on literature) of Caribbean firms to adopt practices<sup>17</sup>.

**Table 6:** Recommendations and Implementation Guidelines

Recommendation	Implementation guideline Short (1 -2 years), Medium (3-4 years), Long Term (> 5 years)
<b>General governance, management, operational and policy recommendations</b>	
<p><b>1.</b> Developing a sustainability and resilience plan (sustainable growth strategy and resilience plan) to guide all processes and operations of the GVC. The plan should be aligned to industry best practice, trends and standards, ultimately contributing to material SDGs. It should include strong metrics and indicators of success which will be tracked by monitoring and evaluation systems.</p>	<p><b>Short term:</b> A sustainability growth strategy and resilience plan is required in the short term. Where such plans already exist, they should be updated every five years or sooner as the evaluation mechanisms and economic climate dictates.</p> <p>Monitoring should occur at quarterly intervals and evaluations should occur every 18 to 24 months.</p>
<p><b>2.</b> Employing strategies that improve mechanization, accelerate adoption of smart technologies, and apply innovation to facilitate efficiencies and resilient systems. Digital platforms are changing who participates in GVCs through increased modularization and reductions in communication costs, bringing in new players from developing economies and supporting SME participation in GVC.</p>	<p><b>Short Term to Medium Term:</b> The adoption of smart technologies and business processes increases competitiveness and thereby resilience. Immediate strengthening of these processes are recommended, and medium-term achievements are expected as resources may need to come on stream prior to full implementation.</p>

<sup>17</sup> Recommendations are made to facilitate increased resilience of the Caribbean countries and sectors to a) Market Disruptions occasioned by Environmental and/or Ecological Phenomena and Pandemics and b) Economic Shocks. Recommendations and associated timelines for implementation, outlined in no particular order, emerge from analysis of the companies, industry best practices and review of literature including the Global Value Chain Development Report 2021: Beyond Production (2021) Asian Development Bank, Research Institute for Global Value Chains at the University of International Business and Economics, the World Trade Organization, the Institute of Developing Economies – Japan External Trade Organization, and the China Development Research Foundation.

3. Reducing exposure to localized shocks via diversification of demand and supply through domestic and international geographic and supplier diversification. Expanding to other niche areas is also recommended. Strengthening concentric diversification by adding new products or services through the same distribution system is recommended. This would serve to enhance their competitiveness in these markets. Where possible there should also be steps to increase localization of production of essential supplies.

**Short Term:** Expanding through diversification should be applied in the short to medium term given that countries in the region brace for climate change related shocks annually and may also be impacted by unforeseen events e.g. pandemics. Increased localization of production will minimize risks from shocks e.g. global pandemics that may severely impact international trade.

4. Building in mechanisms to support availability of substitutions. With higher substitutability, sudden surges in domestic demand can be met via external supply. Substituting away from concentrated or politically unreliable firms/country suppliers and developing alternatives to unique suppliers with high input specificity can support substitutability.

**Medium Term:** Finding substitutes will require implementation during the medium term but it should be prioritized.

5. Maintaining and update a business continuity plan that accounts for a range of shocks that may impact the value chain. SMEs in the GVC should also have business continuity plans.

**Short Term:** This is essential for the short term and is required to support rapid return to normalcy.

6. Prioritizing capacity building and increasing absorptive capacities of SMEs to be able to benefit from GVC-mediated access to foreign research and development and simply to strengthen their capacities to participate in the GVC. Increasing capacities and opportunities for SME access to finance (loans/grants) is also important.

**Short to Medium Term:** Strong SMEs increase the resilience of the entire value chain. Evidence of capacities being built is anticipated in the medium term.

Global shocks often remind companies and individuals about how connected we are and the importance that should be placed on valuing individuals be it staff, partner SMEs or communities. Where companies, SMEs, farmers, or individuals sense that they are valued, they are keener to make sacrifices and provide support that will redound to the GVC.

7. Prioritizing gender equality, empowerment of women and girls and inclusivity as key sustainable development goals which should be embraced by all GVCs. Increasingly fair trading and broader principles of social and economic justice influence trade relations.

**Short Term to Medium Term:** This may require internal policy adjustments and hence up to the medium term for implementation is recommended. This, however, is an important parameter, especially for international markets that value gender equity.

#### Sustainable consumption and production best practices and recommendations

8. Institutionalizing a strong environmental policy framework that supports environmentally friendly best practices, including along the value chain, encouraging or requiring that goods and service providers also adopt sustainable practices e.g. minimize packaging and use of plastics, adoption of 'green' transportation and application of biological pest management practices where applicable. Where possible also partner with communities and stakeholders to meet company goals through CSR and other mechanisms.

**Short Term:** The deleterious effect of poor environmental stewardship is widespread and known. There is an urgency for GVCs to increase the extent to which they adopt such practices.

9. Obtaining international and industry best practice certifications that recognize sustainable development practices and can also serve as key marketing tools. Where applicable acquire certification that markets targeted niche areas and thereby strengthens resilience e.g. a Community Tourism enterprise acquiring certification that places more emphasis on cultural and community tourism alongside the more prevalent 'green' certification schemes.

**Short to Medium Term:** Some certification schemes may require more time to put systems in place.

#### Climate change mitigation and adaptation approaches

10. Taking urgent action to combat climate change and its impacts by regulating emissions, promoting developments in renewable energy and adaptation through:

**Short Term:** The climate change crisis is evident, and measures need to be taken to support compliance of countries with the National determined contributions towards reduction of emissions and to employ adaptation strategies.

- Employment of Mitigation Actions: All companies in the GVC should adopt climate-smart technologies and support practices to minimize their carbon footprints e.g. increase in use of renewable energy and biofuels. Not only does it represent industry best-practice but is aligned to SDG 13.

- Exploring and implementing carbon offset strategies through partnership with local environmental organizations to support the protection of mangroves, coral reefs, and the rainforest or to promote local environmental awareness (where applicable and appropriate for the business).

- Employing various climate adaptation strategies guided by national and sector specific climate change adaptation plans. These industries should be guided by these plans where they prioritize food security and production, freshwater resources, human health, key sectors and services and terrestrial and wetland ecosystems (where applicable to the given industry).

11. Accessing climate financing and other grant funds to assist in underwriting the costs of adoption of renewable energy technologies with a view to ensuring access to affordable, reliable, sustainable and modern energy for all. GVCs should support access to financing for SMEs within the value chain.

**Short Term:** Companies must put things in place to utilize more renewables given the '1.5 to stay Alive' climate change campaign led by Caribbean scientists<sup>18</sup>. Reduction in dependence on fossil fuel is encouraged and disruptions such as the Russia-Ukraine war remind us on the volatility of shifts in oil prices when shocks impact global markets.

<sup>18</sup> The Caribbean's push for this global warming target was partly informed by The UWI's Climate Studies research and modelling. Sparking a global campaign, it called on world leaders to limit global warming to 1.5 °C to prevent climate change's catastrophic effects.

# 5

## CASE STUDIES



CASE

01

J. WRAY &  
NEPHEW  
LIMITED  
(JWN)

Jamaica



# Company information sheet

**Name:** J. Wray & Nephew Limited (JWN)  
**Location:** Jamaica  
**Industry/sector:** Spirits and Alcoholic Beverage Production  
**Company type:** Limited Liability Company  
**Primary materials:** Multiple  
**Products:** Rum, Other Spirits, Wines, and other Alcoholic Beverages.  
**Primary market:** Worldwide



J. Wray & Nephew Limited (JWN) was established in 1825 and is a subsidiary of the Campari Group of Companies, a major player in the global branded alcohol beverage industry. JWN is the oldest rum manufacturing company in Jamaica, one of the largest exporters in the Caribbean, and has Jamaica's largest wine and spirits portfolio. The Company owns two estates which account for approximately 63% of all distilled spirits produced in Jamaica. Its products are exported to over 60 countries in the world. JWN's principal operations include the distillation of rum and other spirits; the aging, blending, and bottling of rum; the production of wines and other alcoholic beverages and the marketing, sales, and distribution of the

Company's brands as well as non-owned JWN represented brands in Jamaica. JWN attributes its productivity increases to its capital investments in IT and new equipment technology, efficient use of raw materials, and increasing training of all employees. JWN further increases its capacity by outsourcing elements of its operational infrastructure.

Use these images attached to replace the ones on pages 42-43 and 44 and used throughout JWN's section- consent for use is given on the conditions that the images will not be altered or used in any manner that brings the products or JWN into disrepute and we reserve the right to request that you remove or discontinue use of same at any time.

## Global Value chain analysis

*JWN produces a mixture of primary and high-end products, including rum and various other alcoholic beverages exported internationally, both on their own and as a part of Campari Group. JWN engages with local-based SMEs and has four tiers of operation suppliers, approximately 2,000 in total.*



### Stakeholders

Farmers, the Minister of Agriculture, Jamaica Rum and Spirits Trade Association. The West Indies Rum & Spirits Producers Association and the Spirits Pool Association,



### Value chain type

Regional and global hub for export. GVC modular operation. Suppliers are responsible for processing technology, and manufacturers use generic equipment to ensure uniform production. JWN is classified as an extra-regional company operating within the alcoholic beverages industry.

# Sustainability

**J. Wray & Nephew's sustainability practices reflect the sustainability policies of its parent organization, the Campari Group. The Campari Group publishes an annual sustainability report with a focus on four (4) key sustainability issues; 1) people, 2) responsible practices, 3) the environment, and 4) community involvement; these define the sustainability actions of JWN as it conducts its business operations in Jamaica. From these, some actions taking place are:**

- JWN is concerned about the environmental impacts of its business model. Therefore, as part of its Sustainability Strategy, it has implemented an Environmental Management System. For this purpose, it counts on the support of the Environment, Health & Safety Department, QHSE Compliance team, and the Learning & Development team to train the entire workforce.
- JWN has invested in a photovoltaic (solar) system that generates, on average, approximately 54,000kWh of electricity per month connected to resource-use efficiency.
- JWN sustainable best practices include solid waste reuse, soil amelioration practices, and the recycling of glass, cardboard, plastic, and wooden pallets. JWN reuses packaging materials. JWN operates a wastewater treatment plant designed to treat 500 cubic meters of trade effluent per day from the company's three locations and a solid-waste recycling plant that repurposes more than 700 tons of waste from the manufacturing process, including cardboard, glass, and plastic.



- JWN employees are encouraged to participate voluntarily in capacity training for an emergency response to spill events in the Joint Safety Committee.
- JWN has developed new processes to refine waste from its distillery operations. JWN has switched from fuel oil to LNG as a primary fuel 5.7% of JWN waste generated is recycled or re-used.
- JWN follows the waste disposal and environmental protection standards governed by the sustainability policies of the Campari group.
- JWN has policies on ethical sourcing of food and supplies and a QFS HSE Policy documenting the company's policies regarding waste disposal and environmental protection applied to outsourced suppliers and services. The company's performance to them is evaluated annually.
- In response to representation and community demands, JWN has developed new processes to process its field waste and waste from its distillery and sugarcane processing operations. JWN has switched from fuel oil to LNG as a primary fuel and invested in efficient sugar cane transportation at its New Yarmouth Estate operations. 5.7% of JWN waste generated is recycled or re-used.
- The Campari Code of Ethics guides the promotion of inclusion of

employees and other stakeholders in the company's strategic planning and operations. As part of the JWN socio-economic impact, 98% of the company's employees are permanent contractors. 38% of permanent employees are female, while 69% of the contractors are female. Female employees have equal access to training and promotion in JWN. The company provides healthcare, pension, and insurance benefits for its staff.




- BSI compliance is aligned with the fulfillment of SDGs 3, 5, 6, 7, 8, 9, 11, 12, and 13.

## As part of the JWN value chain upgrading:

- JWN conducts research and development on products, technology, and production processes, resulting in cost reduction, improved efficiencies and productivity, and better value delivered to customers. For example, the installed automated commercial water distillation plant and the microfiltration system for waste reduction and recovery of alcohol and chemicals from the wastewater to reduce environmental impacts.
- JWN dedicated teams work on research, development, and market research for product innovation, enabling the improvement of JWN products quality towards higher degrees of premiumization in response to growing trends.



# Resilience analysis

	Context	Actions/Option
 <b>Organization</b>	<p>The COVID -19 pandemic worldwide impacts production, and operation systems.</p>	<p>The pandemic impacts the company at a moderate level. The reasons are the high level of technology employed in the Group and with its customers and suppliers. The company has proven that despite physical or electronic disruptions JWN can continue its operation.</p>
 <b>Climate</b>	<p>In Jamaica, the increased activity during hurricane season leads to more intense rainfall activity.</p> <p>Climate change has impacted sugarcane production, especially in the New Yarmouth Estate area, as increased temperatures and higher evapotranspiration rates have impacted sugarcane yield and even have led to saltwater intrusion. More prolonged droughts and more intense rainfall have also impacted the planting and reaping cycles.</p>	<p>As a Caribbean agriculture-based operation, hurricane preparedness is a central plan of the resilience planning for the Company.</p> <p>Along the time JWN has developed and implemented effective hurricane disaster management, business continuity, and recovery systems to ensure that its business systems remain resilient. As an industry that is closely aligned to the tourism sector, the impact of storms and hurricanes on the sector is also a threat to its own survival</p>
 <b>Economy</b>	<p>The COVID -19 pandemic has caused severe shifts within the spirits market. It is included the major lockdowns within entertainment and tourism segments which are the major markets of spirits consumption. Additionally, the downturn in sales as the pandemic and its associated lockdowns everywhere keep people indoors.</p>	<p>The company used the disposal of financial resources from its accumulated surplus which helped to mitigate the financial impact of any unforeseen disruption.</p>

# Recommendations

- 01** Increased general availability of agronomical, advanced climate, and geography research to the sector through local and international partnerships that can lead to science-based decisions. Information asymmetry has reduced the ability of the farmers to make proper decisions on farming practices, global climate change, and human settlement patterns.
- 02** Pursue improvements in marketing and the establishment of linkages into other industries (functional upgrading) in parallel to its product and process upgrading to be able to maintain competitiveness in a shifting global landscape,
- 03** As tourism continues to be the primary source of revenue for Jamaica and the Caribbean, JWN could deepen linkages with tourism by pursuing medium long-term chain upgrading, which means forging stronger connections between the tourism and rum industries to increase sales and build brand awareness. However, JWN has an established tourist product that involves tours recommended as part of a potential expansion of its business. This could be done by partnering with cruise tourists, airlines, and tour companies to develop itself as a tourist destination. This may include the construction of vacation accommodations and restaurants at or near its distillery to provide a longer and more complete experience for tourists.





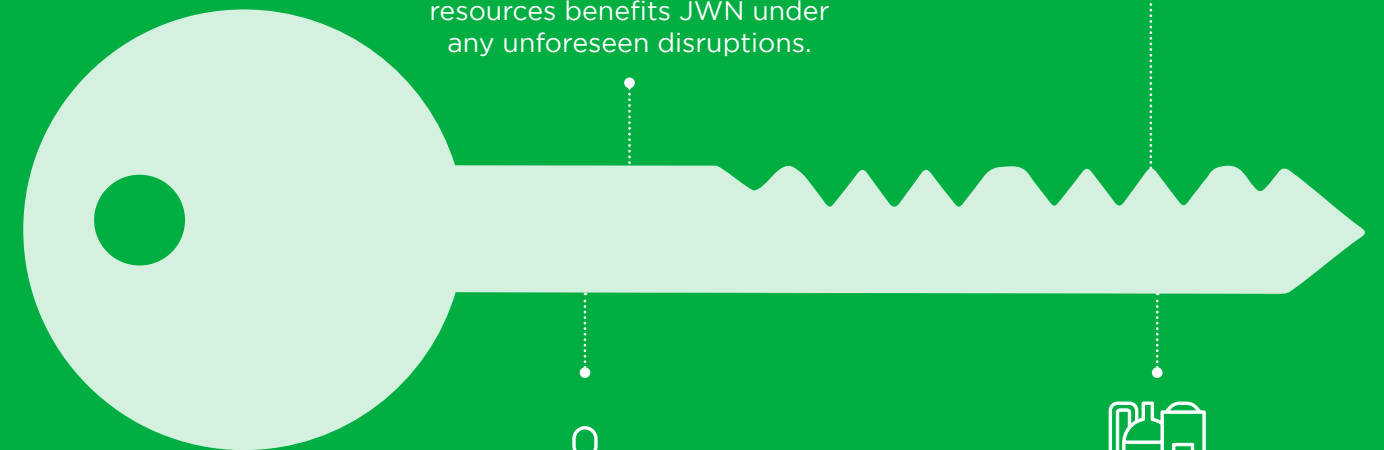
# Key findings



Climate change impacts on Jamaica are reflected in the hurricane seasons, the intense rainfall, prolonged droughts, and more, leaving agriculture and other activities more vulnerable. JWN has developed and implemented effective hurricane disaster management to ensure that its business systems remain resilient.



The COVID-19 pandemic had a moderate impact on JWN's organizational and economic spheres. The built-in redundancy in the Group operation, combined with high-level technology, helped mitigate the impacts. In addition, the use of their accumulated surplus resources benefits JWN under any unforeseen disruptions.



JWN sustainability policy focuses on people, responsible practices, environment, and community involvement. In that sense, JWN has implemented an Environmental Management system. Some examples are the photovoltaic system for electricity generation (54,000kWh of electricity per month) and the operation of plants for wastewater treatment (500 cubic meters), and solid waste recycling (more than 700 tons).



Research is central for JWN to improve the production process and productivity. As a result, they installed an automated commercial water distillation plant and a microfiltration system for waste reduction. As well, JWN work focuses on product innovation for product quality improvement.

CASE

# 02

## JAKES (HOTEL AND SPA)

Jamaica



# Company information sheet

**Name:** Jakes (Hotel and Spa)

**Location:** Jamaica

**Industry/sector:** tourism

**Company type:** limited liability company

**Services offered:** sustainable-travel cultural community tourism

**Primary market:** North America (Canada and the US) and the UK



Jakes Hotel is among the top five destinations in the Caribbean. Located on the famous Treasure Beach, Jakes operates in a niche leisure tourism market with a property comprising 75 rooms, cottages, and villas. Jakes Holding Limited owns the hotel. Jakes Hotel differentiates its product from the traditional all-inclusive hotels by offering ecotourism steeped in the whole Jamaican experience, from the food, the flora, the fauna, the people, and the geography. Jakes provides a sustainable-travel cultural community

tourism product with a complementary range of services: accommodation, three restaurants, diverse attractions, including the Lover’s Leap, and transportation. Jakes hosts additional activities such as literary festivals and triathlons. In addition, Jakes is a lead firm in the agro-business hospitality value chain comprising independent suppliers, community members, micro, small and medium enterprises (MSMEs) from which it purchases inputs in services and products.

## Global Value chain analysis

*Jakes is a provider of accommodation, attraction, and hospitality services. Jakes has been able to access and leverage information systems and know-how, achieve economies of scale, and increase its visibility in the market through its inter-firm relationship with intermediaries like global tour operators, travel agencies, destination management companies, and ground handlers. Jakes also relations with online booking travel agencies as Expedia facilitates real-time sharing of information on room availability, prices, and online payment.*



### Stakeholders

Ministry of Tourism, the Jamaica Tourist Board, and the Tourist Product Development Company. They create value, driving the supply side of Jake’s market as a destination. In addition, the Agency of the Government of Jamaica’s Ministry of Economic Growth and Job Creation and the Ministry of Culture, Gender, Entertainment, and Sports, and the Jamaica Hotel and Tourism Association. Expedia and other similar.



### Value chain type

Value chain type: Jakes is recognized in its market niche despite being a small hotel in the GVC. Jakes can expand bookings using partnerships with online travel agencies increasing its global competitiveness and profitability.

# Sustainability

As a key player in the niche cultural community tourism segment of the market, Jakes has designed strategies in keeping with its vision of not only achieving financial success but also ensuring that it has a positive socio-economic and environmental impact. Jakes has an energy conservation policy in practice for its operations and an active environmental impact policy; for the latest, Jakes implements reuse, reduce, and recycling procedures. From these, some actions are taking place:

- Jakes intends to migrate from the national grid by installing additional photovoltaic panels to power its operations entirely as part of its energy-saving strategy. Jakes currently generates energy from 90 photovoltaic panels and utilizes LED lighting and sensors to decrease energy usage. Jakes guests have the option to contribute to this effort by re-using their towels, robes, and linens.
- Jakes limited their supplier's products' packaging level and took the lead in a home-grown plastic and glass recycling program, acting as a central drop-off point for recyclable plastics and glass from the community.
- Jakes reduces the waste going to landfills by distributing the leftover food from the restaurant operation given to the hotel employees or delivered to feed the livestock from the community members. They also practice composting with the rest of the gardening plants.
- Jakes promotes low-carbon travel options, walking, cycling, and electric scooters.



- Jakes cares about water consumption and quality. However, because of the hotel location, one of the driest areas of Jamaica, Jakes receives potable water from the National Water Commission. Nevertheless, Jakes utilizes water management systems that reduce water pressure in the taps.
- Jakes with the community members act as community guards to protect the marine habitats and ecosystems - mangroves and the turtles that lay their eggs on the beach.
- The community is integral to Jakes' product offering, and the owner/chairman plays a critical leadership role in ensuring community development. Through BREDS, NGO founded by Jakes's chairman, it is possible to ensure the sustainable management of a fishing sanctuary to mitigate the impact of overfishing done in collaboration with the Jamaican Government. BREDS also established the Treasure Beach Sports Park, which is used as a recreational facility, building community capacity, and receiving training in climate change, disaster preparedness, and lately, sanitation training on prevention protocols for COVID-19.
- A solar pump irrigates the fields at the hotel facilities with recycling water.
- BSI compliance is aligned with the fulfillment of SDGs 5, 7, 11, 12, and 13.
- Jakes has outsourced its marketing function to a marketing specialist in New York. This enables the company to have a presence in this major market and provides redundancy in its booking and reservation system.
- Jakes optimizes its online visibility through search engine optimization, its website, and inter-linked social media platforms. In this way, the hotel can achieve organic growth.
- Jakes created market linkages with its global intermediaries, leading them to increase technological capabilities to improve its visibility to target markets and systems. As a result, Jakes improves its efficiency, making them viable in an intensely competitive market.
- Jakes has upgraded its end market by innovating and launching an international literary festival that attracts thousands of new guests, boosting the economy in the community and on macro levels.
- Jakes' catalytic effect on the community's chain-upgrading is evidenced by the influx of other accommodation service providers in Treasure Beach, forming a cluster resulting in Jakes's expansion of stocks of available rooms from 75 to 800. Jakes and these enterprises have a collaborative relationship involving them passing on bookings to each other's properties whenever they have overbookings or special events, such as weddings.

As part of Jakes's value chain upgrading trajectory:

# Resilience analysis

	Context	Actions/Option
 <b>Organization</b>	<p>The disruption caused by the Covid-19 virus has been far-reaching, negatively affecting all aspects of the global travel and tourism market.</p>	<p>The hotel was able to tap into the local market while maintaining its virtual presence in overseas markets in preparation for the borders re-opening.</p> <p>In the face of the COVID pandemic, this has become a captive market that has been locked in by border restrictions and quarantines. In addition, domestic demand for the hotel restaurant's gastronomic experience is strong.</p>
	<p>The local farmers and fishermen that are part of Jakes's value chain are encouraged to engage in sustainable practices. Additionally, the community knows and is aware of natural disaster warnings.</p>	<p>As a response, community farmers use alternative resilient climate change best practices. In addition, an informal Disaster Planning Committee has been created, which lobbies the Government to implement an effective drainage system to prevent flooding. Some members of a Fishermen's Cooperative collaborate to attain loans and retrieve their fish pots whenever there is a warning. Some take part in capacity training for preparing for such events and identifying alternative livelihoods boosting their resilience</p>
 <b>Climate</b>	<p>The hotel has been moderately disrupted by climatic events such as protracted drought; heavy rainfall from storms that cause flooding; rise in sea levels; and storm surges that have eroded beaches, destroyed road networks, crops, fish pots, and livelihoods. As a result, limiting access to suppliers, supplier delivery delays, technological incompatibility, facility closure, and communication delays. The impact of hurricanes has been especially extreme.</p>	<p>The hotel has a business continuity organization plan which it deploys to ensure that critical functions are resumed away from the property in the event of any disruptions. Jakes utilizes Cloud Systems services ensuring employees have online access to necessary information.</p> <p>The hotel has adequate insurance against property damage during the passage of hurricanes. Additionally, the hotel has ready access to funding to local and international funding sources to enable it to rebound from major financial shocks.</p>

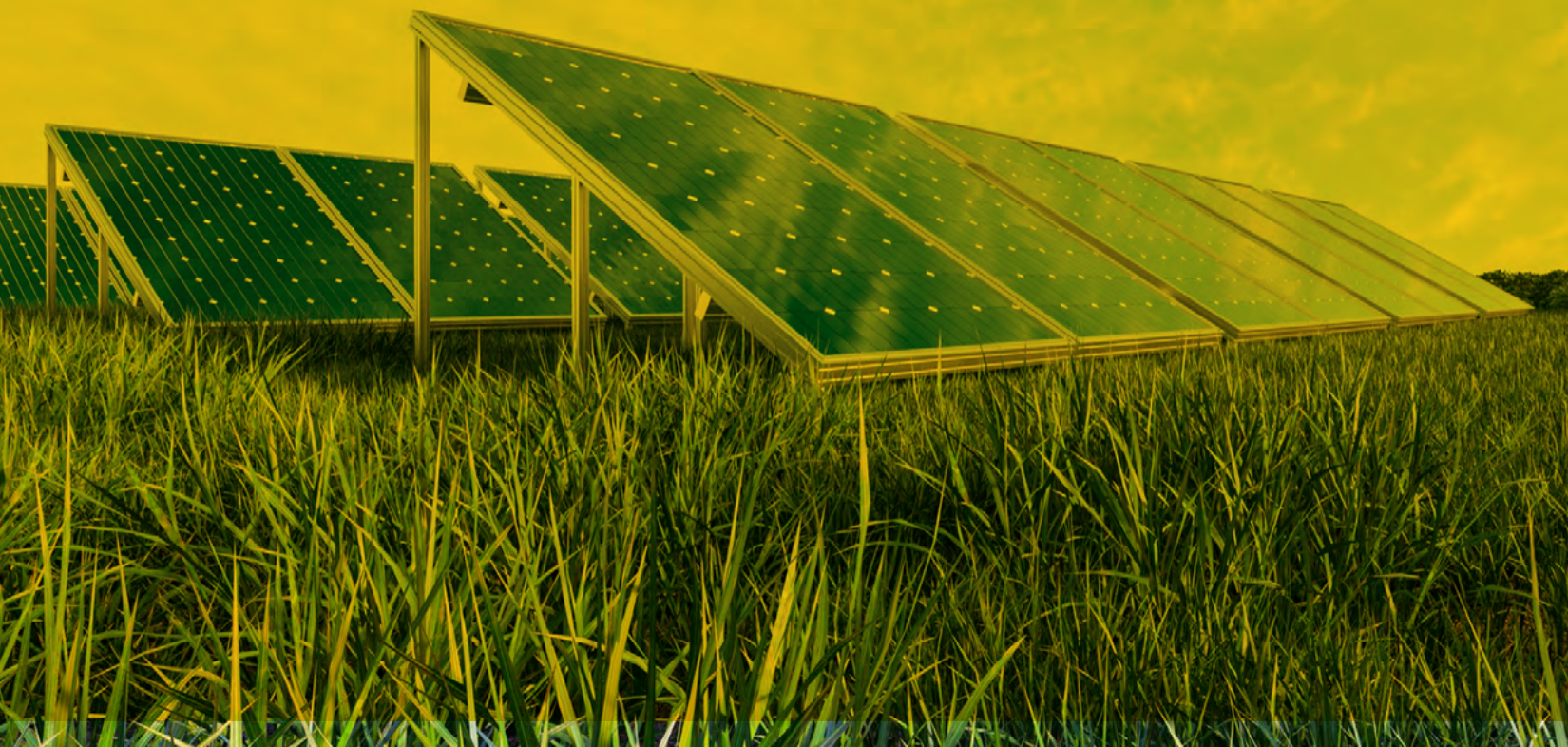
	Context	Actions/Option
 <b>Economy</b>	<p>The disruption caused by the Covid-19 virus has been far-reaching, negatively affecting all sectors of the global travel and tourism market with travel restrictions, flight and booking cancellations and heightened awareness of health and safety risks by tourists which have lessened their propensity to travel.</p> <p>It was exacerbated when Jamaica as well as the hotel clientele's home countries closed borders. As a result, occupancy and revenue levels have fallen drastically since March 2020 and the hotel has been forced to furlough staff.</p>	<p>Jakes has been able to cushion the financial fall-out from the COVID-19 virus with accumulated profits and revenues from its in-hotel restaurant, Jack Sprat, which has a strong local customer base. Jamaican customers have provided much-needed revenues for the business.</p> <p>Jakes's strong relationships and customer loyalty are led by the high quality of its personalized services and its integrated community network allows the hotel to act resiliently to COVID. Jakes's value chain success can be attributed to effective communication, trust, real-time dialogue, and collaboration with its suppliers, especially during disruptions.</p> <p>Jakes acted by diversifying its revenue streams, as an example, the hotel developed an Oyster Sauce for export, and the company plans to open another Jack Sprat restaurant in Kingston, in the near future.</p> <p>Jakes has also been agile in mitigating its industry risk by diversifying into the real estate and construction business. The hotel plans to develop a low-density housing project property and maintain it as conservation lands</p>
	<p>The impact of volatility in the currency markets has been negligible. The majority of Jakes' customers pay for their vacation package - usually accommodation and transport - on Expedia's digital platforms using either fiat or cryptocurrency.</p>	<p>Expedia deducts a commission from payments and remits the difference to Jakes via digital transfers. While Jakes earns revenues in hard currencies, the majority of inputs for its operations are denominated in the local currency. As such, the hotel minimizes losses from exchange fluctuations and the depreciation of the dollar.</p>

# Recommendations

**01** Seek global green certification that gives equal weight to cultural tourism and environmental considerations. Green Certification will help reduce tourist anxiety and mitigate concerns about safety, global footprint, and other traveling risks. It is also related to showing their positive, sustainable performance.

**02** Although renewable energy photovoltaic plants eventually pay for themselves, the initial investment costs are prohibitive, requiring significant financial outlays upfront. Assets of these types can significantly reduce cash reserves, stymie cash flows and render them vulnerable to exogenous shocks. Therefore, Jakes could seek to access climate financing and other grant funds to underwrite the costs of its renewable energy expenditure and implement this type of investment on a phased basis. Similarly, Jakes could explore the possibility of investing in water recycling systems.

**03** Jakes restaurants are already a local favorite, and the hotel could now seek to market staycations to boost occupancy levels at higher margins and capture local market share. The hotel could also tap into the local business market for retreats.



# Key findings



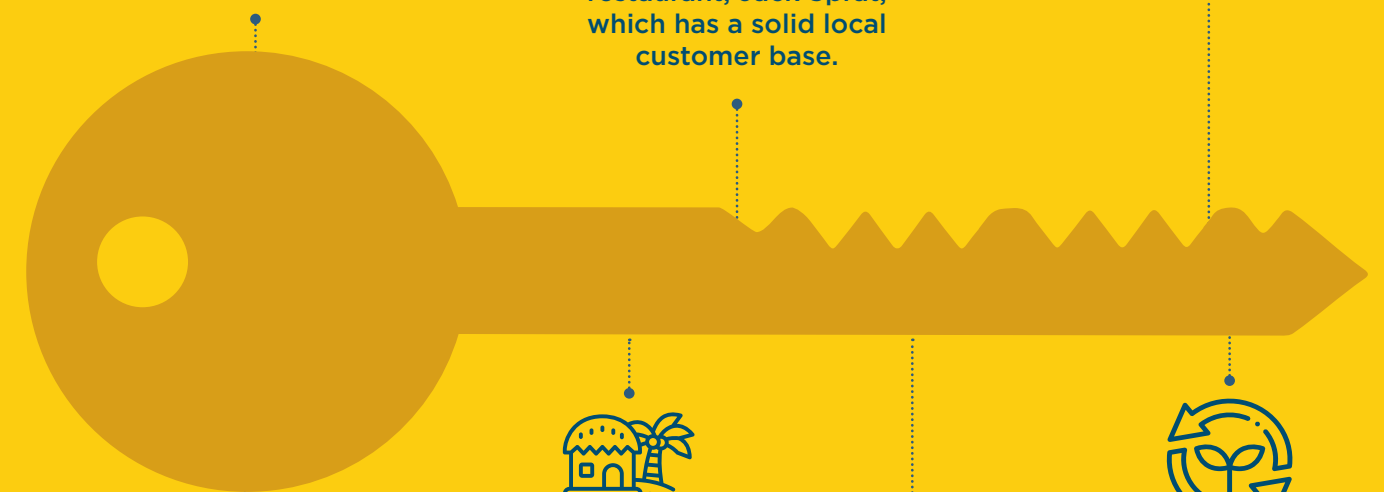
As a response to COVID disruptions, Jack invested in the diversification of its revenue streams. Jack created a comestible product for exporting and plans to open a new restaurant. In addition, Jakes mitigates its industry risk by diversifying into the real estate and construction business.



The hotel's resilience is partly due to its sustainable business practices. Jakes is insured against property damage during the passage of hurricanes. They also have access to funding to local and international funding sources to enable them to rebound from major financial shocks.



Jakes has been able to cushion the financial fall-out from the COVID-19 with accumulated profits and revenues from its in-hotel restaurant, Jack Sprat, which has a solid local customer base.



Jakes's upgrading examples include outsourcing marketing activities to a specialist firm to increase its presence in major markets. Jakes also made technological and systems improvements to their global, obtaining more visibility in target markets.



Jake's chain-upgrading is the result of forming a cluster. Jakes create a partnership that increases the stock of available rooms from 75 to over 800.



Jakes has an active environmental impact policy. Also, a program to reuse, reduce and recycle and reduce the amount of waste going to the landfill. In addition, Jakes has a water management system.



Jakes has a working plan to migrate from the national grid by installing additional photovoltaic panels to power its operations entirely. Currently operates 90 photovoltaic panels and uses LED lighting to reduce energy consumption.

CASE

03

**GRACE FOOD  
PROCESSORS  
CANNING  
(GFPC)**

Jamaica





# Company information sheet

**Name:** Grace Food Processors Canning (GFPC)

**Location:** Jamaica

**Industry/sector:** Food industry and Manufacturing

**Company type:** Division of GraceKennedy Limited, a Limited Liability Company

**Primary materials:** Raw agricultural materials

**Products:** Canned vegetables and sauces, and beverages.

**Primary market:** Jamaica, Caribbean, USA, UK, and Canada.



GFPC is a part of the Food division of GraceKennedy (GK) Limited – GK Foods. GK was established in 1922 and is a publicly listed company on the Jamaica and Trinidad and Tobago Stock Exchanges which operates in the areas of food manufacturing and distribution, and financial services, through its network of over 50 subsidiaries. GK owns GFPC’s brands and associated trademarks. GFPC currently produces value-

added canned vegetables, sauces, and beverages. In February 2021, GK announced the merger of GFPC and National Processors, another GK manufacturing facility. This merger will expand GFPC’s product line to dry mixes for soups, drink crystals, cereals, and meat alternatives. These are mainly functional products with stable demand and low variability and are profitable when produced in large volumes.

## Global Value Chain (GVC)

*GFPC has three primary tiers and 400 suppliers. GK Foods assists these suppliers by providing forecasts for planning purposes, making on-time payments, providing relevant specifications, providing feedback on the quality of service, and facilitating dialogue. GK Foods also handles all sourcing and procurement for GFPC’s raw and packaging materials from local and global sources. GFPC produces and sells standardized products that do not require supplier collaboration in product development. Presently, GFPC is operating at 67% production capacity. As a result, it also produces special orders for 3rd party brands. Approximately 6% of its total production costs are associated with logistics operations, while trading cost represents around 3%.*



### Stakeholders

(400) suppliers, Government of Jamaica, Bureau of Standards Jamaica, GK, and other companies it produces special orders for.



### Value chain type

Modular GVC. GFPC trades under bilateral, multilateral, and regional agreements. GFPC is responsible for the risks associated with manufacturing defects and mitigates them through its robust quality control systems and liability insurance.

### Value Chain Upgrading

The following are part of the GKFCP value chain upgrading:

- GFPC utilizes data analyses to inform projections and operational decisions. As a vertical organization, the Company’s systems are seamlessly integrated to allow collaboration and information flow, rapid responses to changing customer demands, and fast decision making.
- GFPC has adapted its technologies, processes, systems, and markets to new products and innovations such as Grace sweet potato products. The sweet potatoes are locally grown. GFPC also works with some of its suppliers to produce new products, for instance, the locally produced smoke flavour.

# Sustainability




**GK Foods has established policies in line with Environmental, Social, and Governance principles and the ethical sourcing of food and supplies. Additionally, all the businesses in GK are mandated to develop a business continuity plan. GFPC has integrated environmental concerns into its business model, and has implemented measures to reduce its carbon footprint. From these, some actions are taking place:**

- GFPC has adopted photovoltaic panels to generate renewable energy, such as metering and monitoring energy and other utility usages. In addition, the company has installed motion-sensitive light switches in areas with little or no activities, implemented a soft start for large motors, reduced its energy reliance, and reused condensate in their boilers and cooling tower water.
- GFPC also monitors air emissions by conducting carbon monoxide analyses and water quality tests.
- GFPC follows public policies regarding waste disposal and environmental protection. GFPC ensures that recyclable and reusable packaging is utilized wherever possible, such as corrugated boxes, slip sheets, pallets, steel, and plastic drums; and approximately 50% of its solid waste is recycled or reused.
- During production GFPC employs hazardous chemicals that are diluted, and these are applied and stored according to manufacturers' stipulations. Safety Data Sheets (SDSs) are retained for future audits by internal and external compliance inspectors.



- GFPC currently does not have a policy concerning carbon emissions. However, it has taken steps to reduce the impact of its carbon emissions on the environment. These include periodic combustion testing on its broilers and electric forklifts and forklifts that run on LPG.
- GFPC also promotes sustainability awareness and building competencies through staff training and signage. In addition, all GK employees must abide by its Code of Ethics & Guidelines for Business Conduct, which outlines the Company's values, traditions, and philosophies.
- GFPC promotes gender balance opportunities regarding compensation and technical and managerial training. Tolerance is always exercised and inclusive discussions are frequently facilitated among team members about issues in the workplace that could affect their physical and mental health, wellbeing and/or productivity.
- GFPC allocates for sustainability in its budget but has not benefited from financing through sustainable investment funds.
- GFPC only engages with suppliers that meet regulatory requirements, as evidenced by their requisite licenses and certificates, and retains conformity records.
- GFPC compliance is aligned with Sustainable Development Goals 5, 8, 9, 10, and 13.

# Resilience analysis

	Context	Actions/Option
 <b>Organization</b>	<p>GK reported that the COVID-19 pandemic triggered the activation of its business continuity plan resulting in approximately 60% of staff working from home.</p>	<p>GK announced that all business segments recorded increased performance for 2020 compared to 2019 (pre-COVID-19).</p> <p>GK Foods employs a cadre of highly qualified and competent global management team whose managerial expertise and experience are mobilized to maintain operations and bounce back during business disruptions.</p> <p>GFPC maintains an organizational plan to maintain business continuity, including succession planning for critical roles that facilitate the resumption of operations after a disruptive event. GFPC's systems are fully integrated with its suppliers and its customers (where applicable) to enable the use of remote working technology, while maintaining operational efficiency.</p>
 <b>Climate</b>	<p>Climate change has impacted Jamaica. However, GFPC states that overall, it has been negligibly affected by climatic events.</p>	<p>Rather than relocating to other geographical areas, GK Foods has contracted alternate suppliers who fill the gap as a measure to respond to exogenous shocks.</p> <p>GK takes proactive action to protect its supply chain infrastructure against potential disruptions caused by severe hurricanes. For example, the Grace Kennedy Food Distribution Warehouse was built to withstand a category 5 hurricane.</p> <p>GFPC uses data analytics from its management information systems such as SAP and GIB forecasting tools which allowed it to make shifts in its raw material safety stock during the COVID-19 pandemic and other natural disasters in response to changing consumer demands.</p>
 <b>Economy</b>	<p>Lately GK Foods has been affected by significant exogenous shocks to its business operations, including the COVID-19 pandemic</p>	<p>GK has withstood these shocks through business agility, a sharpened focus on business resilience, and increased corporate social responsibility activities.</p> <p>G in 2019. In addition, as part of the GK parent company, GFPC has access to accumulated reserves and international credit to cushion it against unpredictable shocks.</p>
	<p>GK Foods conducts business internationally therefore it is subject to the volatility of exchange rates impacting negatively the revenue and profits.</p>	<p>To date GK Foods has successfully mitigated this risk through the effective implementation of its Risk and Financial Management Policy, resulting in currency fluctuations having only a moderate impact on its financial performance.</p>

# Recommendations

**01** GK has a good track record of performance and significant resource strength; therefore, GFPC should consider other economic upgrading trajectories other than just process and product upgrades. Some examples are:

- Seek to upgrade and strengthen its food-processing value chain through chain upgrading that is moving into new but related industries (concentric diversification).
- Consider backward linkages upgrading, supplying inputs to other local companies already operating in different GVCs, such as tourism.
- Finally, consider pursuing end-market upgrading as they enter newer, more competitive, and sophisticated markets. This would serve to enhance their competitiveness in these markets.





# Key findings



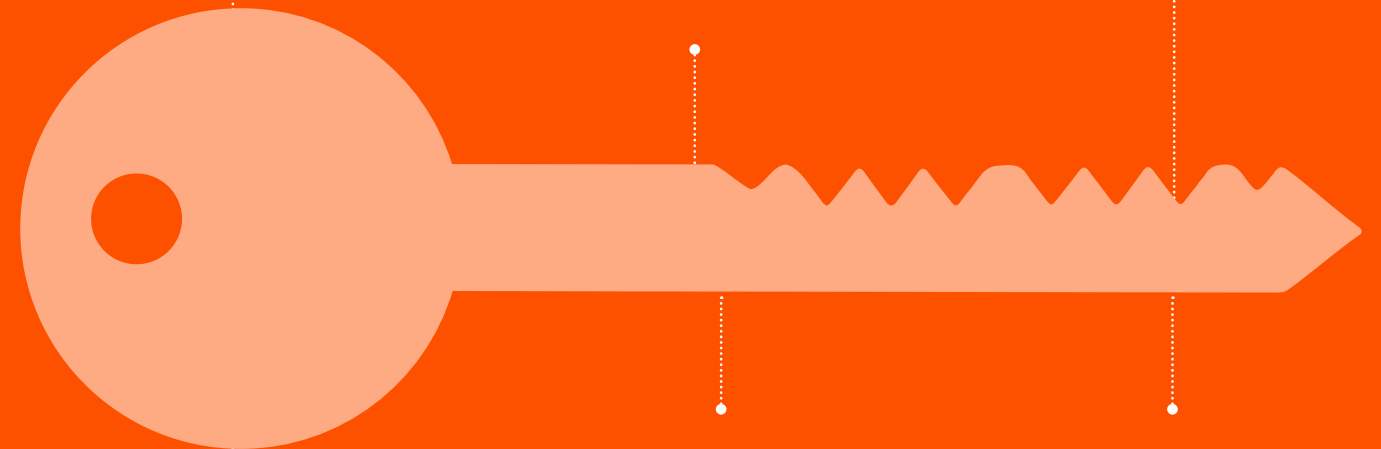
GK Foods experienced increased growth in all business segments during the COVID-19 pandemic and attributed this to its strategic investments in innovation and fulfilling the increased demand for its products.



GK has successfully mitigated financial risks by implementing its Risk and Financial Management Policy, resulting in currency fluctuations having only a moderate impact on the Company's economic performance. The company also continues to implement proactive pandemic mitigation measures such as signage, work from home policies, and facilitating ICT.



GFPC has deployed the application of technology for data analyses and to inform decision-making in its projections and operational decisions. In addition, the use of integrated information systems in the company's operations facilitates rapid sensing and response to changing customer tastes and preferences.



GFPC has adapted its technology for new product development (sweet potato products, sauces, and fruit drinks). The company also has created collaborations with suppliers to launch new products.



GFPC's sustainable practices include energy monitoring and metering systems, emissions inspections and testing, photovoltaic panels to generate renewable energy, and good energy-efficient practices in their equipment. It also has better waste management systems.



GK Foods has only been moderately affected by climatic events; however, the GK Food Distribution Warehouse has been built to withstand a category five hurricane.

CASE

# 04

AML FOODS  
LIMITED

The Bahamas



# Company information sheet

Name: AML Foods Limited  
 Location: The Bahamas  
 Industry/sector: food retail industry  
 Company type: limited liability company  
 Primary materials: fresh fruits and vegetables  
 Products: groceries and fresh products  
 Primary market: Bahamas islands and Florida



AML Foods Limited (AML) is well recognized throughout The Bahamas for delivering high-quality and superior value products. AML operates through a divisional structure; Retail Distribution, Club Distribution, Franchise, and e-Commerce Distribution. The Retail Distribution Division (seven grocery store locations) offers a wide range of consumer products, from food items to general merchandise and clothing. The Club Distribution Division (two stores) offers from grocery to general merchandise and clothing. The Franchise Division operates ten Domino's Pizza stores, and the e-Commerce Distribution

Division operates a web-based platform that allows customers to purchase pizza online. AML Foods is a publicly-traded company with 1,200 individual shareholders listed on the Bahamas International Stock Exchange. The company utilizes advanced machine learning and customer management systems to track and monitor customer patterns that contribute to the type and array of products sold to generate greater profits. This information is integrated into its Enterprise Resource Planning (ERP) systems as this real-time data reporting strengthens management and operations systems and improves productivity and efficiency.

## Global value chain analysis

*AML's size and standardized operations allow the company to achieve comparative economies of scale in The Bahamas, allowing it to procure at a lower cost and maximize market share and profits in the country. It procures fresh fruits and vegetables from over 600 international suppliers, including the USA, the UK, Thailand, etc. The products stocked are inspected before shipping; therefore, they must meet the required national standards. In addition, the products must comply with Bahamian standards and guidelines for safety and employees.*



### Stakeholders

250 suppliers, Government of The Bahamas.



### Value chain type

Modular GVC governance.

# Sustainability

As part of the AML general policy, some sustainability practices have been integrated:

- AML's planning for adverse weather includes availability to warehouse and logistics operations designed to withstand hurricanes and storms. The company has good access to road networks and sea and air transportation. All its warehouses are equipped with cooling systems, and there are redundancies in the power supply and telecommunications, including generator backup and mobile phone-based communications.
- AML's best sustainable practices include measures to reduce its energy usage. The company has invested in solar banks and purchases only energy-efficient equipment. In addition, renewable energy has been integrated to reduce its energy footprint. More efficient cooling and lighting strategies have also been incorporated. As a result, their utility expense was reduced, driven by a 9% decrease in energy use within a year, ending in April 2021, all to reduce the overall energy usage across all locations.
- Strategically, the company has been directed by policy to integrate more sustainable packing into its supply chain due to the introduction of legislation to reduce single-use plastics. As a response, AML has introduced more reusable bags for its customers.



- AML faces increased threats from disasters due to hurricanes and tropical storms, creating the urgency for cooperative and collaborative strategies to prove its logistics arrangements and storage to reduce spoilage and weather damage.
- AML's compliance is aligned with the fulfillment of SDGs 5, 7, 12 and 13

### As part of the AML value chain upgrading:




- AML has integrated machine learning and consumer trends analysis enabling the company to improve its product availability and decision-making. In parallel, AI has allowed for improved just in time restocking and re-ordering both within the company and with its key suppliers.
- AML implemented weather and social information leading the company to respond to exogenous threats, as experienced in the run-up and response to hurricanes or the ongoing COVID pandemic.
- AML improved its communications and integrated, flexible logistics, enabling more significant savings. The removal of information flow barriers within the company can increase the speed and accuracy of decision-making and improve the

pain points for both the suppliers and management.

- AML has begun to integrate third-party and internal logistics and storage arrangements, leading to more agile and integrated logistics systems with the potential to unlock the efficiencies needed in the fast-paced environment. Important because AML utilizes different modes of transport.

- For a range of consumer goods, AML has entered into packaging and manufacturing arrangements with different producers for a range of store brands to improve its profit position and customer loyalty. The population targeting strategies have enhanced the earnings per location for the company.
- The company has integrated multiple modalities into its operations, including varying packaging and timing to meet the customers' demands, especially those who use ferries from the other islands.

# Resilience analysis

	Context	Actions/Option
 <p><b>Organization</b></p>	<p>Events such as COVID-19 or extreme weather can affect the availability of AML employees from working at the company office facilities.</p>	<p>AML has an integrated digital management system that would allow key personnel to remotely access inventory records and act accordingly. Another factor was the strong staff relationship that exists at AML. Labor productivity has even been strengthened and systems resilience has also been increased while the ICT and logistics capabilities have shifted with the demands.</p>
 <p><b>Climate</b></p>	<p>More frequent hurricanes. In 2019, Hurricane Dorian severely damaged the company's buildings in Grand Bahama, resulting in the closure of one of its stores</p>	<p>AML has implemented a plan for adverse weather. As part of it, well-equipped warehouses and logistics are able to withstand the impact of storms and floods, while multiple storage locations allow for flexibility in case of storm impact on any island.</p>
 <p><b>Economy</b></p>	<p>During COVID-19, as well as in adverse climate scenarios such as hurricanes, different aspects of the company operations were affected</p>	<p>AML planning was central to avoiding operation disruptions. In addition, the relationships with suppliers enabled the delivery of fresh produce to continue, albeit at a slower pace. The impact on availability was managed across the company's locations. Supplier flexibility and communication allowed for the shifts as needed.</p> <p>AML has also deployed several tools to better align purchases with forecasted and historical sales data.</p> <p>As part of the Company's built-in buffers policy, the company purchases enough stocks to last for the ensuing six to twelve months. While this strategy results in a high upfront capital outlay and increased storage costs, it has served AML well by providing a buffer from exogenous shocks. With the buffer stock in hand, AML was able to minimize stock outs, and was able to continue operations. This hybrid approach to storage and just in time logistics offers a resilient product offering.</p>

# Recommendations

- 01** Implement an integrated online shopping experience to reduce inefficiencies and improve shopping convenience and sales in grocery stores. The company would be able to provide both in-store and online opportunities for ordering and delivery of products to the customers.
- 02** Expand its logistics infrastructure. The complex logistics operations for transporting goods across two countries represent a critical point where savings and sustainable approaches can be integrated for improved efficiency. Strategic investment in electric vehicles for its fleet, especially in its heavy goods vehicles for its point-to-point transport, charged with internally sourced solar power, can significantly reduce its carbon footprint and position it as a driver of sustainability in the region.
- 03** Increase the production of renewable energy at its facilities. Solar roof panels also reduce the ambient temperature in buildings, reducing the cooling costs. AML could lobby the government to ease restrictions on the renewable energy system size, which may be privately installed.
- 04** Consider using sustainability as a criterion to decide on its suppliers and partnering to introduce integrated recycling and reuse of packaging material. The integration of consumer-side recycling opportunities within its value chain has the potential to increase value and loyalty.
- 05** Consider the rationalization of the supply chain, including increasing the local procurement of certain goods and reducing the number of suppliers while increasing the customization of the relationships with the partnerships.



# Key findings



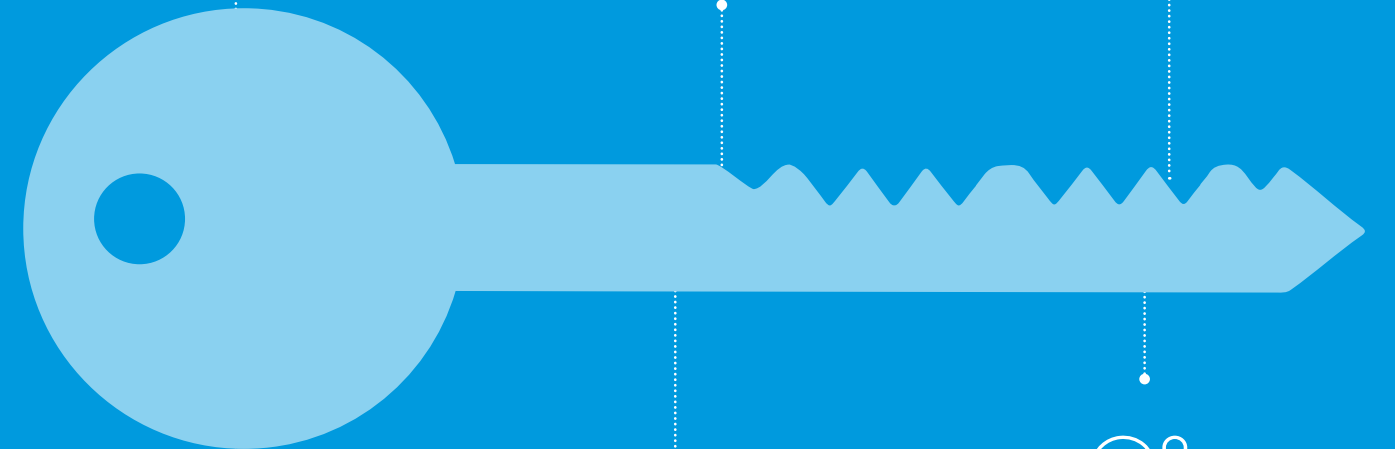
To face exogenous shocks such as hurricane seasons and COVID-19, AML deploys leadership and implements lessons learned to ensure that it has buffer stocks regardless of the costs. In general, built-in resilience in storage and logistics has reduced climate change disruptions, and online sales management systems have



AML has invested in information communication technology, which has increased its efficiencies within the GVC, enabling it to maintain operations and bounce back from unpredictable events such as COVID-19.



AML uses machine learning and consumer trends analysis that allows them to improve its product availability and decision-making.



AML has introduced more reusable bags into its supply chain due to legislation to reduce single-use plastics.



AML integrates third-party and internal logistics and storage arrangements, resulting in an agile and integrated logistics system necessary in a fast-changing market environment.



AML is implementing energy reduction measures, for example, investments in solar banks and energy-efficient equipment. AML includes the use of renewable energies and implementing more efficient cooling and lighting. AML has reduced 9% its energy use in 2021.



CASE

# 05

**UNICOMER  
GROUP**

El Salvador



# Company information sheet

**Name:** Unicomer Group

**Location:** Miami, Trinidad, Jamaica, San Salvador and Chile

**Industry/sector:** Retail/Consumer market

**Company type:** limited liability company

**Primary materials:**

**Products:** household appliances, furniture, optical, motorcycles, and financial services.

**Primary market:** The Caribbean and Latin America, and New York.



Unicomer Group is a private company with registered offices in Miami, Trinidad, Jamaica, San Salvador and Chile. The Group operates in 26 countries in Latin America and the Caribbean through its 25-plus commercial brands with the support of more than 13,700 staff members. Unicomer Group has established itself as one of the most essential retail business leaders in the region for household appliances, furniture, optical, motorcycles, and financial services. The company also has a consumer finance business market in which it manages more than 1.2 million credit-active clients.

Unicomer sources its products from global, independent foreign suppliers with whom it has built long-term relationships. Suppliers provide technical support in training, sales skills, and funding for new products. It sources some functions such as legal services, marketing campaigns, and collection services. Most of the company's delivery services in the Caribbean are handled by local contractors, and these outsourced services are offered by a diverse group

of service providers across the region.

The company conducts its assessments on its market needs which vary in different territories. For example, differences such as voltage and cycles for refrigerators mean that some products can only be sold in specific markets.



## Global value chain analysis

*The company uses some criteria to select its suppliers. These include volume and delivery capacity, ease of transportation, speed of delivery, and payment terms. Suppliers also participate in duct development. Unicomer Group tests finished goods coming out of the research and development efforts for its private labels in its testing laboratory in El Salvador, TotalTest. Unicomer's orders are shipped from different continents. The building of digital capabilities to meet customs requirements is dependent on the country and the state of the customs infrastructure.*

*Unicomer Group owns chains throughout the Caribbean and Latin America.*

*Unicomer Group assesses in each country the local standards set out by the government to ensure adherence. The company also advises its internal policies and corporate codes to which those firms it interacts must meet.*



### Stakeholders

Suppliers across the globe, country governments.



### Value chain type

The Interfirm relationships with the independent foreign supplier are market driven.

# Sustainability

Unicomer's overarching goal drives the use of sustainable business practices that impact the Group's bottom line and emphasize its leadership commitment to the stakeholders it serves. Some examples are:

- Between 2020 and 2021, Unicomer registered USD 926,000 savings by installing solar panels throughout their operations, reducing CO2 emissions generated. St Lucia, Aruba, Barbados, Jamaica, Trinidad, and Costa Rica have benefitted from these changes, and the company also merchandises renewable energy to the grid in a few of these markets. The company also migrated to LED lighting in 2021 and currently uses electric vehicles for delivery to reduce its footprint on the environment.
- Unicomer Group has implemented mechanisms for waste disposal, working with authorities across the countries in which it operates. In addition, annually, the company organizes recycling events. So far, this has resulted in the collection of over 300,000 tonnes of waste.
- Training and development, upskilling, and reskilling are fundamental parts of the group's commitment to its partners. Unicomer Group promotes innovation, using the digital revolution to serve its markets better. It incorporates the youth and new generations in its programs and hones their skills.




## As part of Unicomer Group's value chain upgrading:

- The company has improved its operation and service by integrating technology and now offers e-commerce as an alternate channel for order taking. Digital technology connects Unicomer to its customers and suppliers and facilitates e-commerce and online purchases and sales.
  - Data analytics are used to drive decision-making for marketing and buying. For example, the company can calculate margins on a product in the value chain before it is bought and delivered. They also know the customer's profile to whom they will resell the product and the turnover period.
  - Unicomer also uses cloud-based services and recently started using Robotic Process Automation. It is experimenting with IoT "dipping toes in the water."
  - Unicomer continues to use its brick-and-mortar stores as channels, explaining that customers want a tactile experience for some of its products, such as mattresses and cell phones. Unicomer uses social media and other online messenger platforms to connect with customers and stakeholders.
- Unicomer has implemented various programs that help develop the local conditions and contribute to each market's ability to create and fully participate in the value chain. Unicomer targets small and medium enterprises, providing them with a wide range of technical assistance to build administrative capabilities and business acumen.
  - For example, Broadening Horizons is a long-term program that aims to develop the local conditions and contribute to each market fully participating in the value chain. As a result, it contributes to the economy and sustainability of the communities the Group serves.

# Resilience analysis

	Context	Actions/Option
 <b>Organization</b>	<p>COVID-19 affected the market. Staffing and operations have shifted as the company deals with local lockdowns and work-from-home orders. There was an increase in the demand for specific categories of home furnishings and appliances with some products in some cases.</p>	<ul style="list-style-type: none"> <li>In 2020, the company pivoted to introduce Virtual Shopper, a new shopping experience that consists of visiting the store through a video call. The client contacted an in-store consultant, who showed product details and specifications through smart glasses and provided them with a similar in-store experience in some markets of Latin America.</li> <li>The commitment and resilience of the staff are intertwined in all the systems and achievements the company lists, including the introduction of an automotive division in Belize. These are all examples of resilience where the company created new avenues for client interactions and provided solutions to cushion the financial impact of the pandemic on its stakeholders while expanding its product offerings.</li> <li>The company has migrated to a work-from-home and online work strategy, leveraging the call center capacity and staff. Throughout its LAC operations, an estimate of 30-40% of staff now works virtually.</li> </ul>
 <b>Climate</b>	<p>Climate change affects the quality of life of communities.</p>	<p>Unicomer applies solidarity programs aimed at supporting communities when a disaster or national emergency affects their quality of life.</p>

	Context	Actions/Option
 <b>Economy</b>	<p>The company reported that COVID-19 has had a major impact on the company's GVC. Disruptions in production and transportation have reduced the availability of some products. Transportation costs have also increased, and traditional logistics arrangements have been upended, forcing the company to remove certain products from its shelves and seek alternative sources.</p>	<ul style="list-style-type: none"> <li>Unicomer boasts a healthy balance sheet and cash flow which helps it withstand exogenous shocks. The Group has a diversification of its product and service offerings as a core principle and stretches across a wide geographical footprint. The Groups brands are available in 26 countries and in over 1,140 stores/branches and these are some key points that minimize the effects of risks from unplanned events.</li> <li>Unicomer also has alternatives in the supply chain in terms of suppliers who are dispersed over a wide geographical and they manage a stock of inventories that could facilitate ongoing operations in the face of some disruptions by "normal" events.</li> <li>In addition, the company and its suppliers have Business Continuity Plans deployed in the event of disruptions which enable critical functions of the organization to be continued.</li> <li>Finally, a COVID-19 financial support plan for Clients in Latin America and the Caribbean was also developed.</li> </ul>

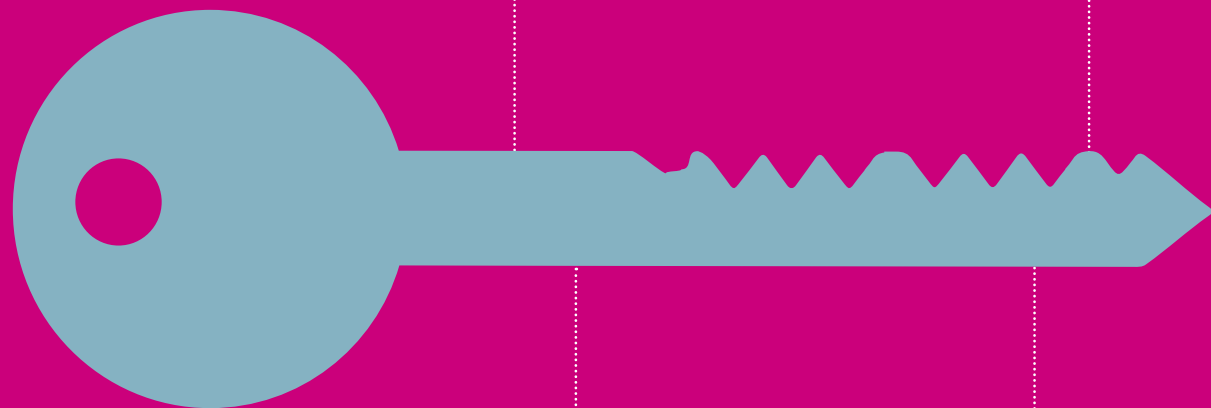
# Key findings



The migration to online platforms for taking and processing orders and payments and handling complaints and customer queries played a significant role in helping the Company withstand the exogenous impact of the COVID-19 crisis, which extended across its GVC.



Unicomer's resilience is centered on the diversification of its products and services offered. The Group's brands are available in 26 countries and over 1,140 points of sale, and these are some key points that minimize the effects of risks from unplanned events. In case of disruptive events, the company uses alternatives in the supply chain for suppliers dispersed over a wide geographical area. Suppliers and the company also have a business continuity plan that enables the organization's critical functions to be continued.



As part of mitigating the adverse effects of climate change, Unicomer applies solidarity programs to support communities to affront these.



Unicomer promotes the reduction of its carbon footprint through using renewable energy in its resources would have incurred cost savings and increased efficiency for the company, which would positively impact its bottom line..

# Recommendations

- 01 Implement solar electricity generation in its stores and warehouses where none exist or where possible.
- 02 Develop a strategy to include sustainability as a criterion of its procurement strategy outside of country-specific requirements.
- 03 Introduce the use of recyclable or compostable packaging materials throughout its supply and delivery chain.
- 04 Incorporate training on regulations and standards as part of its SMEs development program.

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**Appendix 1: SDG Linkages in the Companies Studied**

LINKAGES	J Wray & Nephew Ltd.
<b>SDG 3 Good health and well-being</b>	<ul style="list-style-type: none"> <li>The company provides healthcare, pension, and insurance benefits for its staff.</li> <li>The human resources component focuses on promoting a corporate culture in which its people feel welcomed, trusted, and encouraged. This component also includes a focus on the health and well-being of its employees and considers them as fundamental in the development of the company's business activities. This is consistent with SDG 3.</li> </ul>
<b>SDG 5 Gender equality</b>	<ul style="list-style-type: none"> <li>38% of permanent employees are female.</li> <li>The male to female supervisory/management ratio is 46% female to 54% male.</li> <li>Female employees have equal access to training and promotion in the company as well as equal wages for work equal to their male counterparts.</li> </ul>
<b>SDG 7 Affordable and clean energy</b>	<ul style="list-style-type: none"> <li>At its New Yarmouth Estate operations, the company has switched from heavy fuel oil to LNG as a primary fuel and has also invested in efficient transportation arrangements for sugarcane.</li> <li>JWN has a photovoltaic system for electricity generation (54,000kWh of electricity per month) and the operation of plants for wastewater treatment (500 cubic meters), and solid waste recycling (more than 700 tons).</li> </ul>
<b>SDG 8 Decent work and economic growth</b>	<ul style="list-style-type: none"> <li>The Campari Code of Ethics guides the promotion and inclusion of employees and other stakeholders in the company's strategic planning and operations.</li> <li>Training is tailored to the level and role in designing the materials and the delivery mechanism to ensure the information is communicated effectively.</li> <li>The Learning &amp; Development Team also supports by offering training to the entire workforce on various topics of relevance.</li> </ul>
<b>SDG 11 Sustainable cities and communities</b>	<ul style="list-style-type: none"> <li>Through its outreach programs, J. Wray &amp; Nephew contributes to the social development of its local communities in a variety of ways.</li> <li>The company monitors air and water quality in its operations and has developed an Environment, Social and Governance Plan (ESG)</li> <li>To ensure adherence to the public standards for waste disposal and environmental management, the company has implemented a management system with targets set annually and reviewed throughout the year.</li> <li>Performance against these targets are discussed in monthly management meetings.</li> </ul>
<b>SDG 12 Responsible consumption and production</b>	<ul style="list-style-type: none"> <li>J. Wray &amp; Nephew has policies on ethical sourcing of food and supplies as well as QHSE Policy documenting the company's policies regarding waste disposal and environmental protection.</li> <li>These policies apply to outsourced suppliers and services.</li> <li>The company uses recyclable and/or reusable packaging materials in its production processes.</li> <li>J. Wray &amp; Nephew has its private standards for waste disposal and environmental protection.</li> </ul>
<b>SDG 13 Climate action</b>	<ul style="list-style-type: none"> <li>The company integrates environmental concerns into its business model to a large extent as the company has also implemented an Environment Management System (EMS) as part of its Sustainability strategy.</li> <li>There is an Environment, Health &amp; Safety Department that has been established, with a full organisational structure and budget to support it.</li> <li>There is also a Quality, Health, Safety and Environment Compliance team to help drive this agenda.</li> <li>J. Wray &amp; Nephew has adopted several sustainability best practices such as reusing solid waste and applying dander and sludge to facilitate soil amelioration, while actively recycling - glass, cardboard, plastic and wooden pallets.</li> <li>5.7% of the company's waste is recycled or re-used.</li> </ul>

LINKAGES	Jakes Hotel and Spa
<b>SDG 3 Good health and well-being</b>	<ul style="list-style-type: none"> <li>Jakes has traditionally provided a healthcare plan for its employees, but this was recently suspended because of COVID-19.</li> </ul>
<b>SDG 5 Gender equality</b>	<ul style="list-style-type: none"> <li>Generally, the hospitality and services industry comprise mainly of females and with its staff complement of 120 employees, Jakes is no exception.</li> <li>Notably, though its management team comprises ten persons of which seven including the general manager, are women.</li> <li>This demonstrates that the hotel embraces inclusivity, diversity, and women's empowerment</li> </ul>
<b>SDG 7 Affordable and clean energy</b>	<ul style="list-style-type: none"> <li>As part of its energy-saving strategy, the hotel intends to migrate from the national grid by installing additional photovoltaic panels to completely power its operations.</li> <li>Presently, the hotel harvests renewable energy from 90 photovoltaic panels. This results in a reduction in electricity consumption and an increase in efficiency.</li> <li>The hotel also utilizes LED lighting and sensors to decrease energy usage. Further, hotel guests have the option to contribute to this effort by re-using their towels, robes, and linens.</li> </ul>
<b>SDG 8 Decent work and economic growth</b>	<ul style="list-style-type: none"> <li>The hotel's employee retention rate is high, with employees like the general manager, beginning at entry level and progressing to more senior levels in accordance with SDG 8, providing decent work for economic growth.</li> </ul>
<b>SDG 9 Industry, innovation, and infrastructure</b>	<ul style="list-style-type: none"> <li>As a matter of sustainable industrialisation policy, Jakes practices energy conservation in its operations.</li> <li>To reduce the amount of waste going to the landfill, there are simple innovations that are used: leftover foods from the restaurant operations are packaged and delivered to members of the community who use it as feed for livestock.</li> </ul>
<b>SDG 11 Sustainable cities and communities</b>	<ul style="list-style-type: none"> <li>The leadership Jakes' has pioneered an NGO called BREDS, Treasure Beach - whose mission is to monitor and ensure the long-term sustainability of the Treasure Beach Community by improving the education, livelihoods and recreational opportunities for community members and ensuring environmental best practices.</li> <li>BREDS manages the Gallileon Beach Fishing Sanctuary, providing a protected sea area where no fishing is allowed; and fish species are protected to enable their conservation, growth, development, and renewal.</li> <li>BREDS also established the Treasure Beach Sports Park which is used not only as a recreational facility but also in building community capacity, which is as much an outcome of sustainability as it is a determinant.</li> <li>Training has also been conducted on climate change, disaster preparedness and environmental issues.</li> <li>In the wake of the COVID-19 pandemic, community members have received sensitization training on the virus, its impacts and prevention protocols.</li> </ul>
<b>SDG 12 Responsible consumption and production</b>	<ul style="list-style-type: none"> <li>The hotel has an active environmental impact policy that stretches from limiting the level of packaging used by suppliers (responsible consumption) to active strategies to recycle and reuse as much of the packaging materials as possible (responsible service delivery).</li> <li>Equipped with a water tank, a sewerage facility and a solar pump that is used to pump recycled water to irrigate the fields on the premises, the BREDS facility manifests evidence-based practices of sustainable health and wellbeing.</li> <li>There is minimal wastage or pollution on the property because Jakes practices the sustainability principles of reuse, reduce, and recycle. Plant cuttings from gardening are also used for livestock feed in the community, and the rest composted. All food scraps, for example, are given to the hotel's employees for animal feed for their livestock and pets.</li> <li>The hotel has taken the lead in a home-grown plastic and glass recycling programme, acting as a major drop-off point for recyclable plastics and glass from the community that is sorted and dispatched to Kingston.</li> </ul>
<b>SDG 13 Climate action</b>	<ul style="list-style-type: none"> <li>Low carbon travel options - walking, cycling and the use of electric scooters are promoted by the hotel.</li> </ul>



LINKAGES	Grace Kennedy, Food Processing Limited
<b>SDG 3 Good health and well-being</b>	<ul style="list-style-type: none"> <li>Operations are in keeping with local BSJ, ISO, and other standards and relevant occupational health and food safety certifications are in place.</li> <li>Mitigates these risks through the company's robust Quality Control Systems and insurance. Business continuity plan supports staff wellbeing in a context of shocks.</li> <li>Strengthened CSR during COVID-19 was posited as contributing to consumer demand.</li> </ul>
<b>SDG 5 Gender equality</b>	<ul style="list-style-type: none"> <li>Female employees receive equal pay and promotion opportunities as their male counterparts</li> </ul>
<b>SDG 7 Affordable and clean energy</b>	<ul style="list-style-type: none"> <li>Uses photovoltaic panels to generate renewable energy. It has reduced its energy reliance and has other initiatives in place.</li> </ul>
<b>SDG 8 Decent work and economic growth</b>	<ul style="list-style-type: none"> <li>Significant contribution of the manufacturing sector to GDP. The manufacturing sector in Jamaica added 1.14 billion U.S. dollars to the country's gross domestic product (GDP) in 2020. Works closely with SMEs.</li> <li>SMEs constitute less than 10% of its product suppliers and approximately 50% of its service suppliers.</li> <li>High CSR standards and initiatives and respects the rights and dignity of its employees and treats them fairly and without discrimination.</li> <li>The GFPC promotes an open-door policy and utilizes meetings, surveys, and suggestion boxes to solicit and promote employee and other stakeholder voices in its operations.</li> </ul>
<b>SDG 9 Industry, innovation, and infrastructure</b>	<ul style="list-style-type: none"> <li>Many employees work remotely, the company uses modern social media platforms for marketing etc. and cybercrime risks are ably managed with modern tools.</li> <li>Warehouse is efficient and automated with state of the art and smart technologies.</li> <li>Uses data analytics to inform operations.</li> <li>GFPC operates a digital inventory visibility and management system.</li> <li>GFPC uses data analytics such as S.A.P. and GIB forecasting tools which allow it to make shifts during COVID-</li> <li>19 and other natural disasters. These tools substantively allow the Company to make shifts in its raw material safety stock and consumer changing demand.</li> </ul>
<b>SDG 11 Sustainable cities and communities</b>	<ul style="list-style-type: none"> <li>GFPC through various CSR has supported SDG 11.</li> <li>Its adherence to the other SDGs will also indirectly support this SDG.</li> </ul>
<b>SDG 12 Responsible consumption and production</b>	<ul style="list-style-type: none"> <li>GFPC has integrated environmental concerns into its business model.</li> <li>Central warehousing facilities to support companies in the group and other brands supports SDG 12.</li> <li>Strong Environmental management systems in place.</li> <li>Uses local inputs as much as possible e.g. sweet potato. Ethical sourcing of food supplies is an integral part of their policies.</li> <li>Adheres to public policy about waste disposal and environmental protection.</li> </ul>
<b>SDG 13 Climate action</b>	<ul style="list-style-type: none"> <li>Climate change mitigation and adaptation practices are mainstreamed e.g. use of LED lights, positioning of cold rooms to minimise impact from sunlight which would necessitate more cooling and rainwater harvesting practices that support agricultural inputs.</li> <li>The company has implemented measures to reduce its carbon footprint.</li> <li>A business continuity plan enables preparedness for climate change induced shocks.</li> <li>The Grace Kennedy Food Distribution Warehouse was built to withstand a category 5 hurricane.</li> <li>5.7% of the company's waste is recycled or re-used.</li> </ul>

LINKAGES	AML Foods Ltd.
<b>SDG 3 Good health and well-being</b>	<ul style="list-style-type: none"> <li>AML promotes health and well-being by facilitating health insurance and providing paid sick leave for employees</li> </ul>
<b>SDG 5 Gender equality</b>	<ul style="list-style-type: none"> <li>AML emphasized that they promote non-discriminatory behaviour as it relates to gender policies as the management staff split 60:40. Most of the staff are female, although the leadership has more males. Nevertheless, the company has confirmed that they are in compliance with the Code of Conduct for good business practices and ethical standards of behaviour as of end of year April 30, 2021</li> </ul>
<b>SDG 7 Affordable and clean energy</b>	<ul style="list-style-type: none"> <li>Renewable energy has been integrated to reduce its energy footprint. More efficient cooling and lighting strategies have also been integrated. Cumulatively, energy usage has been reduced by 18%, with an aim to integrate more sustainably sourced energy strategies. Little information has been shared regarding AML's energy strategy, however confirmed that their utilities expense was reduced driven by a 9% decrease in energy use within a year, ending in April 2021 (AML 2021 Annual Report) all in an effort to reduce the overall energy usage across all locations.</li> <li>The company has invested in solar banks and strategically purchases only energy efficient equipment.</li> </ul>
<b>SDG 8 Decent work and economic growth</b>	<ul style="list-style-type: none"> <li>As a means of staying committed to the equal access and holistic development of its employees, AML provides ongoing training support to its entire staff complement. 85% of 825 staff members are permanent employees, 10% are part-time and the remaining 5% are contracted workers.</li> </ul>
<b>SDG 9 Industry, innovation, and infrastructure</b>	<ul style="list-style-type: none"> <li>A key strategy that AML uses is forward buying. At the start of every hurricane season, the company purchases enough stocks to last for the ensuing six to twelve months.</li> <li>While this strategy results in a high upfront capital outlay and increased storage costs, it has served the company well by providing a buffer from exogenous shocks.</li> </ul>
<b>SDG 11 Sustainable cities and communities</b>	<ul style="list-style-type: none"> <li>AML Foods is built on a strong foundation of integrity, respect for all, corporate responsibility, and community giving.</li> <li>They annually coordinate and conduct the <i>"AML Feed 5,000 Families Initiative"</i></li> </ul>
<b>SDG 12 Responsible consumption and production</b>	<ul style="list-style-type: none"> <li>Strategically, the company has been directed by policy to integrate more sustainable packing into its supply chain, due to the introduction of legislation to reduce single use plastics. As a response the company has introduced more reusable bags for its customers.</li> <li>The company both leases and owns warehouses in The Bahamas but outsources warehousing facilities in Florida.</li> </ul>
<b>SDG 13 Climate action</b>	<ul style="list-style-type: none"> <li>All its warehouses are equipped with cooling systems and there are redundancies in the power supply and telecommunications, including generator backup and mobile phone-based communications available as a part of the planning for adverse weather.</li> <li>Its warehouse and logistics operations are designed to withstand hurricanes and storms and the Company has good access to road networks, sea, and air transportation.</li> </ul>

Table Error! No text of specified style in document.-1: SDG Linkages – AML Foods Ltd.

**LINKAGES**

**UNICOMER (Trinidad & Tobago)**

<p><b>SDG 3</b> Good health and well-being</p>	<ul style="list-style-type: none"> <li>The Unicomer Group Supports SDG 3 via investments and volunteerism in the public health sector, inclusive of COVID-19 financial aid and hospital bed donations</li> </ul>
<p><b>SDG 5</b> Gender equality</p>	<ul style="list-style-type: none"> <li>Unicomer boasts a fairly gender balanced workforce, with women accounting for 55% of the Executives and Managers.</li> </ul>
<p><b>SDG 7</b> Affordable and clean energy</p>	<ul style="list-style-type: none"> <li>The Unicomer Group continues to generate positive impacts on the environment with energy efficiency programs, covering offices, stores, and distribution centres, resulting in conservation of 1,784MWh of valued at US\$926K in savings</li> </ul>
<p><b>SDG 8</b> Decent work and economic growth</p>	<ul style="list-style-type: none"> <li>Through various programmes and initiatives Unicomer Group impacts a number of stakeholders in the countries in which it operates. This strategy goes beyond its internal sustainability model and helps to develop the local conditions and contributes to the ability of each market develop and fully participate in the value chain.</li> <li>The company has implemented projects that are expected to grow in value in the future, one such initiative is the Broadening Horizons programme, and its main objective is to contribute to the economic and sustainable development of the communities the Group serves.</li> <li>Unicomer targets small and medium enterprises providing a wide range technical assistance geared towards building the administrative capabilities and overall business acumen. The participants in the training component of the program are exposed to material which focuses on general knowledge to improve the management of their businesses.</li> </ul>
<p><b>SDG 9</b> Industry, innovation, and infrastructure</p>	<ul style="list-style-type: none"> <li>The company has improved its operational excellence and service levels by integrating digital technology in its operations which connects the company to its customers and suppliers, facilitating e-commerce, and online purchases and sales.</li> <li>Unicomer also uses Search Engine Optimization so that its website will get more hits and exposure.</li> <li>Further, data analytics are used to drive decision making for marketing and buying. The company is, for example, able to calculate margins on a product in the value chain before it is bought and delivered to them. They also know the profile of the customer to whom they will resell the product and the turnover period.</li> </ul>
<p><b>SDG 11</b> Sustainable cities and communities</p>	<ul style="list-style-type: none"> <li>Unicomer's sustainability strategy guides them in supporting communities, assuming a role as an agent of change to develop activities that build social, environmental, and economic value, e.g. to 55 NGO and 280 MSMEs</li> <li>US\$1.5M invested in local cities and communities, over 100 volunteers among staff clocking over 290 volunteer hours.</li> </ul>
<p><b>SDG 12</b> Responsible consumption and production</p>	<ul style="list-style-type: none"> <li>The migration to online platforms for taking and processing of orders and payments and handling complaints and customer queries played a major role in helping the company to withstand the exogenous impact of the COVID-19 crisis, which extended across its GVC.</li> </ul>
<p><b>SDG 13</b> Climate action</p>	<ul style="list-style-type: none"> <li>In order to encourage the utilization of recyclable materials and the importance of caring for the environment, Unicomer Group has developed awareness campaigns; carried out reforestation and recycling activities.</li> <li>Unicomer also offers a wide range of eco-friendly products in its stores.</li> </ul>





Canada

The **Compete Caribbean Partnership Facility (CCPF)** is a private sector development programme that delivers innovative and practical solutions that stimulate economic growth, increase productivity and foster innovation and competitiveness. We work in 13 countries across the Caribbean region. CCPF is a partnership between the **Inter-American Development Bank (IDB)**, the **United Kingdom's Foreign and Commonwealth Development Office (FCDO)**, the **Caribbean Development Bank (CDB)** and the **Government of Canada**.