

## Environmental and Social Due Diligence (ESDD) Summary

<b>Issuer</b>	Hope Education Group Co., Ltd. ("HEG") – THB Tranche only
<b>Use of CGIF's guarantee</b>	The use of proceeds (UOP) is for refinancing of acquisition costs and/or expansion of INTI International University (IIU) in Malaysia.
<b>Countries of operations</b>	Malaysia
<b>Categorisation</b>	General-purpose Corporate Bond (GCB) ESMS – High

<b>Environmental and social management system (ESMS)</b>	<p>The environmental and social due diligence (ESDD) confirmed there is no standalone and specific environmental and social management system (ESMS) at the corporate level that are to be applied at INTI Malaysia operations; therefore, a High categorization is allocated to ESMS risk.</p> <p>Prior to bond issuance, HEG, supported by CGIF, developed an ESMS based on its current environmental and social (E&amp;S) management practices to ensure compliance with CGIF Environmental and Social Safeguards (ESS) Policy. The ESMS will be adopted by HEG at the corporate level and cascaded and implemented at all INTI educational facilities utilizing CGIF guarantee. The ESMS comprises an updated E&amp;S Policy, Anti-Child and Forced Labour Policy, screening assessment and categorization, E&amp;S organization structure, organizational capacity building and training, E&amp;S management, monitoring and reporting, and stakeholder engagement including a grievance mechanism.</p>
<b>Screening and identification of risks</b>	<p>The ESDD focused on INTI International University (IIU) as the representative operational educational facility in Malaysia. The ESDD confirmed that the operational E&amp;S risks and impacts of IIU are not considered significant, are local in nature, and can be mitigated by implementing management measures. The key environmental and social impacts associated with the operations of educational facility are primarily air emissions from laboratory fume hoods, treatment of site generated sewage effluent, management of scheduled (hazardous) wastes, and emergency exits at student dormitories. Several non-compliances against local labor requirements were also identified on the contractors including excessive overtime, no rest day, non provision of employment contract, and retention of identity documents of foreign workers which all required remediation by INTI as part of the corrective action plan (CAP).</p> <p>The ESMS includes frameworks for the implementation of environmental and social management plans/procedures to address and mitigate these impacts. Further, site-specific management plans</p>

	<p>and procedures will be developed (or enhanced where existing) and implemented at INTI’s educational facilities utilizing CGIF guarantee. These plans will cover key areas of waste and hazardous materials, procurement and supply, occupational health and safety labour requirements (including hiring of student workers or interns) and contractor management.</p> <p>During the site assessment, a number of minor regulatory non-compliances were identified at IIU including lack of or invalid permits and licenses of its waste management facilities and waste contractors. Under the CAP post issuance requirements, HEG and INTI are required to rectify these by obtaining all outstanding government permits and approvals specific to the operations of its waste management facilities and contractors.</p>
<p><b>Institutional capacity, commitment and development</b></p>	<p>An ESMS Manager has been appointed at HEG level with overall responsibility to oversee effective and consistent implementation of ESMS. The ESMS Manager will be supported by ESMS Co-ordinators at the operating INTI educational facilities (under the guarantee). The dual ESMS Manager and co-ordinator roles will ensure HEG and INTI meet their regulatory obligations and E&amp;S performance commitments in line with Malaysian national government, as well as CGIF ESS compliance and reporting requirements.</p> <p>As a post issuance requirement, CGIF will provide a high level ESMS awareness training to HEG and INTI personnel, including those with designated roles and responsibilities under the ESMS. The ESMS also incorporates the requirement to develop E&amp;S competence and training framework to effectively implement and manage the ESMS.</p>
<p><b>Stakeholder communication, participation and consultation</b></p>	<p>The ESMS includes an overarching stakeholder engagement plan (SEP) and grievance redress mechanism (GRM) that are disclosed to relevant stakeholder groups in order to capture and resolve any potential issues and concerns related to E&amp;S risks and impacts. The SEP outlines the identified stakeholders, stakeholder engagement programs, implementation, and monitoring. The GRM set outs the responsibilities and obligations of the parties to manage grievances.</p> <p>The ESMS Manager will monitor and report the E&amp;S performance of HEG to CGIF on an annual basis for the tenor of the bond.</p>