

Environmental and Social Due Diligence (ESDD) Summary

Issuer	CIA First International School Co., Ltd (“CIA FIRST”)
Use of CGIF’s guarantee	The use of proceeds (UOP) are allocated to: (i). Finance the construction of two (2) new campuses and related investments thereto; and / or (ii). Settlement of the existing term loan facilities.
Countries of operations	Cambodia
Categorisation	General-purpose Corporate Bond (GCB) – High

Environmental and social management system (ESMS)	<p>The environmental and social due diligence (ESDD) confirmed that CIA FIRST is in the final stages of developing an environmental and social management system (ESMS) manual, (in line with International Finance Corporation (IFC) standards) but has not yet fully implemented it.</p> <p>The draft ESMS Manual was structured and developed with the objective of following good international industry practices (GIIP) and commitment with international standards is evidenced. However, minor supplementary work was required to ensure compliance with CGIF Environmental and Social Safeguards (ESS) Policy requirements. Prior to CGIF bond issuance, the draft ESMS Manual was enhanced and extended and will be adopted, as a minimum, by all schools to be financed under CGIF guarantee. Implementation of ESMS requirements on all other existing operational schools is also recommended.</p> <p>The updated ESMS comprises enhancements to screening, categorization and review procedures to be applied to new projects using CGIF screening checklist and requirements. The monitoring and reporting procedure was also updated to include additional CGIF requirements. Compliance to Cambodian legal requirements, stakeholder engagement and grievance mechanism were also enhanced to allow improved monitoring and reporting.</p>
Screening and identification of risks	<p>The ESDD confirmed that the nature of operations of CIA FIRST’s schools as well as the anticipated impacts of new schools to be developed, would be classified as Category B for Environment. The key environmental health and safety (EHS) risks, include municipal solid waste (MSW) and wastewater generation and disposal, noise from daytime school activities, storage and use of hazardous laboratory substances and potential traffic congestion, which are all to be managed and mitigated through corresponding existing management procedures.</p> <p>Temporary construction environmental and social (E&S) risks anticipated during the development of a new school are waste generation, noise impact, dust generation, air emissions, health and safety risks as well as traffic impacts. These temporary impacts will be mitigated where possible through the adoption of the construction management procedures developed to manage contractors and overseen by CIA FIRST project manager for each of the new school developments.</p>

	<p>School #1 and #2 are located in a mixed-use urban area of Phnom Penh, comprising residential and commercial purposes, and are sited in a highly disturbed/modified habitat. The location of school #1 was screened and categorized under CGIF requirements as part of the ESDD. School #2 location was only identified prior to bond issuance, and will be screened under the procedure provided in the enhanced ESMS, noting that no material E&S risks are expected due to the urban location.</p> <p>Overall, the environmental impacts are not judged to be significant, are local in nature and can easily be mitigated by management frameworks through the ESMS implementation, including construction management, waste and hazardous materials, health and safety, and grievance mechanism which are included in the enhanced ESMS approved by CIA FIRST. The development of new schools is subject to regulatory environmental impact assessment, where E&S risks and impacts are assessed and corresponding measures documented.</p> <p>No involuntary resettlement (IR) or Indigenous Peoples (IP) impacts were identified or triggered in the CIA FIRST's existing operations (or planned development of School #1 and 2#), supporting a deemed Category C classification for IR and IP. The IP and IR categorization for School #2 will be confirmed based on the desktop screening undertaken by CGIF and the screening procedures developed under the enhanced ESMS. But given the expected location is also in the urbanized greater Phnom Penh area, it is reasonably expected there will be nil IP impact from School #2 and the vacant site was acquired via willing/buyer process, hence nil IR impact.</p>
<p>Institutional capacity, commitment and development</p>	<p>CIA FIRST has assigned E&S related duties to relevant positions within its organization. Prior to CGIF bond guarantee issuance, an ESMS Manager was appointed at the corporate level to oversee ESMS implementation across CIA FIRST. Additionally at the Project Management Board, an ESMS Co-ordinator (E&S person-in-charge) is recommended to manage and oversee E&S risks directly associated with the construction and operation of the new schools.</p> <p>The ESMS Manager at the corporate level has the overall responsibility to oversee the effective and consistent implementation of ESMS and to ensure CIA FIRST meets its regulatory obligations and E&S performance and reporting commitments in line with Cambodian national government as well as CGIF ESS requirements, including reporting.</p>
<p>Stakeholder communication, participation and consultation</p>	<p>CIA FIRST's ESMS includes an overarching stakeholder engagement plan (SEP) which outlines stakeholder identification and mapping, engagement, reporting and monitoring. The SEP includes an internal grievance mechanism framework, to provide platform to employees to raise concerns relating to their employment and these concerns are dealt with effectively; as well as external grievance mechanism, to ensure external stakeholders have the opportunity to raise complaints or provide feedback.</p>
<p>Reporting requirements</p>	<p>The ESMS Manager will monitor and report the E&S performance of CIA FIRST to CGIF, via the submission of an environmental and social safeguards performance report (ESSPR) on a semi-annual basis during the construction and annually thereafter for the tenor of the bond.</p>