

Environmental and Social Due Diligence (ESDD) Summary

Issuer	A&A Green Phoenix Group JSC (“Phenikaa” or the “Company”)
Use of CGIF’s guarantee	The use of proceeds (UOP) are to finance the construction, equipment purchase, and related expenses for Hanh Phuc Hospital (the “Project”).
Countries of operations	Vietnam
Categorisation	<p>Specific-purpose Corporate Bond (SCB)</p> <ul style="list-style-type: none"> • Environment (Envi) – B • Involuntary Resettlement (IR) – C • Indigenous Peoples (IP) – C

Environmental and social management system (ESMS)	<p>The environmental and social due diligence (ESDD) confirmed that both Phenikaa, as the corporate entity and Vinh Thien Medical JSC (“VTM”) as the hospital developer, have several standalone Environmental & Social (E&S) elements and procedures, there is no overarching ESMS document. Some elements related to quality, social responsibility, environment, and occupational health and safety management systems for Phenikaa’s overarching operations are developed, but these required further enhancement and extension to VTM. The medical/healthcare segment under VTM, which is new to Phenikaa, has some specific standalone procedures and documented processes that would need to be enhanced to CGIF standards given this is the development of a new project and activity.</p> <p>The ESDD confirmed that while Phenikaa has tried, as far as commercially feasible to do so, to ensure labour policies are implemented by contractors and suppliers, existing contracts between Phenikaa’s contractor and its subcontractors have no sub-clauses or legally binding agreement to ensure subcontractors will implement the labour policies of Phenikaa. Therefore, the ESMS requirements included Labour, Contractor and Procurement Management Frameworks to ensure compliance with Vietnamese labour laws and CGIF social requirements across both Phenikaa and their contractors.</p> <p>Prior to bond issuance, Phenikaa, with support from CGIF, developed an ESMS and associated policies and procedures to ensure compliance with CGIF environmental and social safeguards (ESS) requirements. The ESMS will be applied and implemented, at a minimum, to its Hanh Phuc Hospital project development and operations. The ESMS included screening, categorization and assessment; organizational capacity and training; environmental and social (E&S) management planning, monitoring and reporting; and stakeholder engagement including grievance redress mechanism.</p>
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<p>Screening and identification of risks</p>	<p>The ESDD confirmed that the development and construction of Hanh Phuc Hospital, as well as the anticipated operation impacts, would be classified as Category B for Environment, due to:</p> <ul style="list-style-type: none"> • Low environmental sensitivity of location, given it is not located within or near any national designated protected area (PA), key biodiversity area (KBA), or areas of cultural significance that can be impacted by the Project (either construction or operations). • All regulatory requirements were met prior to construction commencing and relevant permits and approvals are in place. No significant environmental impacts were reported during the ongoing construction activities. • Key environmental issues during the construction and operation phases have been assessed through the local environmental impact assessment (EIA) and an Environmental License (EL) has been issued for the Project. • Key environmental concern identified during the hospital operations is the generation of wastewater, which will be treated onsite prior to discharge into the public drainage system. The EL indicates the permitted thresholds of wastewater discharge, air emissions and hazardous/non-hazardous waste generation. The ESDD confirmed that the EIA document is deemed sufficient to address potential impacts from operational activities, given the management measures required to meet the conditions of the EL. <p>Overall, the environmental impacts are not judged to be significant, are local and temporary in nature and can be mitigated by management frameworks through consistent implementation of the ESMS. This includes management procedures for waste and hazardous materials, occupational and community health and safety and enhanced grievance mechanism which are included in the ESMS approved by Phenikaa.</p> <p>No involuntary resettlement (IR) or Indigenous Peoples (IP) impacts were identified or triggered, supporting a deemed Category C classification for both. The ESDD confirmed the Project has completed the land acquisition process and VTM has obtained the Land Use Rights Certificate (LURC), valid until 5 May 2060. The ESDD confirmed there is no community of ethnic minorities present in the vicinity of the Project area.</p>
<p>Institutional capacity, commitment and development</p>	<p>An ESMS Manager has been appointed at the corporate level with overall responsibility to oversee effective and consistent implementation of ESMS. The ESMS Manager will be supported by the ESMS Committee organized at the Hanh Phuc Hospital level.</p> <p>As a post issuance requirement, CGIF will provide a high level ESMS awareness training to Phenikaa personnel, including those with designated roles and responsibilities under the ESMS. The ESMS also</p>

	incorporates the requirement to develop E&S competence and training framework to effectively implement and manage the ESMS and to cascade the ESMS and environmental and social (E&S) requirements to Phenikaa corporate and hospital staff under VTM.
Stakeholder communication, participation and consultation	Phenikaa’s ESMS includes an overarching stakeholder engagement plan (SEP), which outlines (i) internal communication procedure to ensure E&S-related information are communicated with internal stakeholders, and (ii) external communication process that outlines stakeholder identification and mapping, engagement, reporting and monitoring. The SEP includes a grievance redress mechanism (GRM) that is disclosed to relevant stakeholder groups in order to address any concerns and dissatisfactions of internal and external stakeholders related to E&S risks and impacts. As the ESMS is to be applied to the Project, and implemented locally by VTM, the SEP is deemed sufficient to manage stakeholder requirements to CGIF standard.
Reporting requirements	As a condition subsequent (CS) to issuance, the ESMS Manager is required to monitor and report the E&S performance of Phenikaa to CGIF via the submission of an environmental and social safeguards performance report (ESSPR) on a semi-annual basis during construction and annually thereafter for the tenor of the bond.