

## Environmental and Social Due Diligence (ESDD) Summary

<b>Issuer</b>	Daewoo Engineering & Construction Co., Ltd. ("DEC")
<b>Use of CGIF's guarantee</b>	<p>The use of proceeds (UOP) is to finance the costs of the Company's ongoing two (2) EPC contracts comprising the following Mass Rail Transit (MRT) projects in Singapore (the "Projects"). DEC are solely appointed as an EPC contractor to the owner and developer, the Land Transport Authority (LTA) of Singapore:</p> <ul style="list-style-type: none"> <li>(i) Cross Island Line (CRL) contract CR108 – section of the underground MRT; and</li> <li>(ii) Jurong Region Line (JRL) contract J109 – section of the overground elevated MRT.</li> </ul>
<b>Countries of operations</b>	Singapore
<b>Categorisation</b>	<p>Special-purpose Corporate Bond (SCB)</p> <p>Environment – B          Involuntary Resettlement – C          Indigenous Peoples - C</p>

<b>Environmental and social management system (ESMS)</b>	<p>The environmental and social due diligence (ESDD) confirmed that DEC has existing environmental and occupational health and safety management systems under ISO standards and requirements that were built upon DEC's existing policies and procedures with incorporation of project-specific information and local regulatory requirements. DEC does have certain elements of environmental and social management system (ESMS), hence, the SCB categorization "Low" applied.</p> <p>Supplementary enhancements to the existing procedures and management processes were required to ensure compliance with CGIF Environmental and Social Safeguards (ESS) Policy. These enhancements were applied specifically to the management of environmental and social (E&amp;S) impacts of the projects under the UOP and the monitoring and reporting procedures between the project and DEC corporate level (including to CGIF). Prior to bond issuance, DEC, supported by CGIF, enhanced its existing management system and associated policies and procedures through the development of an integrated ESMS to include: screening, categorization, and assessment; organizational capacity and training; E&amp;S management planning, monitoring, and reporting; and stakeholder engagement. All staff to be assigned for the implementation and monitoring of the ESMS at the corporate and project level will be trained by CGIF, to include CGIF ESS requirements; ESMS responsibilities and requirements and E&amp;S risk management process to ensure the ESMS is effectively implemented.</p>
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**Screening and  
identification of risks**

Construction works have commenced for both CR108 and J109. DEC's joint venture consortiums scope of work in both CR108 and J109 projects involves the design and construction of the relevant MRT stations and associated infrastructure for their assigned section of the underground and overground railway – which connect to other EPC contracts under the master rail contract. Hence, DEC is one of several EPC contractors working on the CRL and JRL projects and can only be responsible for their own contract scope and extent. DEC were not responsible for project design, routing or associated pre-construction actions that were under LTA responsibility.

The ESDD confirmed, based on the type and nature of the use of proceeds, that Category B for Environment is appropriate due to:

- (i) Low environmental sensitivity of the locations, given both projects are not located within or in close proximity to any legally protected areas (PA) or areas designated as key biodiversity area (KBA);
- (ii) No significant adverse environmental impacts were identified or expected. The key environmental and social (E&S) impacts during the construction phase encompass the following: (i) generation of dust and noise in the vicinity of the project site area due to the operation of heavy machinery and construction activities; (ii) production of waste materials, including wastewater, construction waste, and other solid waste, and their subsequent disposal; (iii) utilization of chemicals and diesel oil for machinery operation and maintenance, necessitating stringent measures to prevent their entry into water bodies; (iv) potential impact on local communities during the direct construction and the associated transportation of equipment and materials, including considerations for traffic, road safety, dust, and noise; (v) risks linked to the labour and human rights of employees and contracted workers; (vi) labour conditions and Occupational Health and Safety (OHS) hazards concerning construction workers, including contractors; and (vii) living conditions within worker accommodations provided for workers. These impacts are temporary and can be readily mitigated through appropriate management measures, several of which are being enhanced and extended through a CGIF required action plan.
- (iii) Key environmental issues have been assessed through local Environmental Impact Assessment (EIA) conducted by the LTA prior to onboarding any EPC contractors. This EIA covers impacts relating to air quality, noise and vibration, groundwater and surface water quality, drainage disturbance, waste management (hazardous and non-hazardous), water supply, traffic management and biodiversity. DEC have been provided with the EIA and relevant associated environmental and social management plans (ESMPs) and requirements as part of tender documentation. The compliance with the regulations, the EIA, ESMPs and any related requirements are all monitored by LTA and Singapore government departments as part of ongoing monitoring.

	<p>The Projects are required to track their carbon inventory and report them to LTA on a monthly basis. DEC also has allocated budget for development of ecofriendly technology and implementation of pollution control measures for the Projects, including the installation of noise barriers (which have been installed at locations in addition to those locations recommended by the EIA/ LTA specifications) at CR108 project and use of low-carbon ready mix concrete at J109 project.</p> <p>No involuntary resettlement (IR) is identified or triggered in the development of the 2 Projects as a result of DEC activity and no legacy issues were identified during the ESDD. This confirms the Category C categorisation. The Project sites have both been zoned for development of public transport infrastructure in Singapore, and follow in the case of CR108, and J109 above ground structures, follow and are aligned to existing rights of way minimising IR impacts by LTA.</p> <p>The ESDD confirmed that there are no Indigenous Peoples at either project site in Singapore, supporting a Category C categorisation.</p>
<p><b>Institutional capacity, commitment and development</b></p>	<p>An ESMS Officer has been appointed at the corporate level with overall responsibility to oversee effective and consistent implementation of ESMS. The ESMS Officer will be supported by an ESMS Coordinators within both the DEC's joint venture consortiums for CR108 and J109 projects.</p> <p>As a post issuance requirement, CGIF will provide a high level ESMS awareness training to DEC 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 and to cascade the ESMS and E&amp;S requirements to DEC's relevant corporate and project staff.</p>
<p><b>Stakeholder communication, participation and consultation</b></p>	<p>DEC already demonstrated effective and broad stakeholder engagement at the local project level with dedicated staff managing local programs. The ESMS has been expanded to include 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><b>Reporting Requirements</b></p>	<p>The ESMS Officer with the ESMS Coordinators will monitor and report the E&amp;S performance of DEC (specific to the implementation of ESMS to the Projects) to CGIF on semi-annual basis during construction through an ESS performance report until the end of the tenor of the bond.</p> <p>CGIF will perform further site inspections and monitoring on the ESS performance during the tenor of the bond.</p>