

## Environmental and Social Due Diligence (ESDD) Summary

<b>Issuer</b>	Thonburi Healthcare Group PCL (“THG” or the “Company”)
<b>Use of CGIF’s guarantee</b>	The use of proceeds (UOP) are to finance the expansion of Thonburi Hospital and Thonburi Thawiwatthana (TH1 and TH2, respectively) including construction, equipment purchase, and related expenses.
<b>Countries of operations</b>	Thailand
<b>Categorisation</b>	Specific-purpose Corporate Bond (SCB) <ul style="list-style-type: none"> <li>• Environment (Envi) – B</li> <li>• Involuntary Resettlement (IR) – C</li> <li>• Indigenous Peoples (IP) – C</li> </ul>

<b>Environmental and social management system (ESMS)</b>	<p>The environmental and social due diligence (ESDD) confirmed that both THG as the overall hospital developer, have several standalone Environmental &amp; Social (E&amp;S) elements and procedures at each hospital, However, there is no overarching Environmental and Social Management System (ESMS) developed and applied either at the hospital or corporate level. Various elements related to quality, social commitments, environmental protection, and occupational health and safety management systems were identified. Still, these and other requirements under the CGIF Environmental and Social Safeguards framework are to be enhanced. The developed ESMS is to be applied by THG as the corporate, and as a minimum , implemented consistently at TH1 and TH2 hospitals.</p> <p>The Environmental and Social Due Diligence (ESDD) confirmed that THG has tried, as far as commercially feasible to do, to ensure their existing labour policies are implemented by contractors and suppliers.</p> <p>THG has established a Sustainability Management Policy that covers Economics, Social and Environmental aspects, which is used by each of their business units (including TH1 and TH2) to develop their own policy, but this is more related to Corporate Social Reporting (CSR) and plans for reporting of ESG metrics on a group basis rather than core ESMS requirements. Prior to bond issuance, THG, 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 TH1 and TH2 operations and voluntarily across the rest of THG business units. The ESMS included project E&amp;S screening, categorization and assessment; organizational capacity and training; environmental and social (E&amp;S) management planning, monitoring and reporting; and stakeholder engagement including grievance redress mechanism.</p>
--	--

**Screening and  
identification of risks**

The ESDD confirmed that the construction of expanded outpatient building/services at TH1 and inpatient building/services at TH2, as well as the anticipated operational impacts, would be classified as Category B for Environment, due to:

- Low environmental sensitivity of location, given it is not located within or near any nationally 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, and more minor issues related to construction noise, dust and traffic were already part of an impact mitigation plan being implemented. The grievance mechanism is also being improved in relation to construction impacts.
- No use of ozone-depleting substances, such as refrigerant gases, was noted and generally, hazardous waste management was deemed to be satisfactory.
- Key environmental concerns are all minor and related to environmental management practices in relation to fire & safety risk, and waste storage that are already under rectification. The ESDD confirmed that the enhanced ESMS and detailed environmental management plans being developed as a condition subsequent are deemed sufficient to address potential impacts from operational activities.

Overall, the environmental impacts are not judged to be significant, are local and temporary in nature and can be mitigated by management frameworks (the ESMS and supporting detailed documents to be developed) through consistent implementation. This includes enhanced management procedures for waste and hazardous materials, occupational and community health and safety, evacuation planning and enhanced grievance mechanism which are included in the ESMS approved by THG and require further refinement as a condition subsequent at each TH1 and TH2 hospital.

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 is developing the hospital expansions within the existing site footprints which are owned by the company and had completed the land acquisition prior to building these hospitals originally. The ESDD confirmed there is no community of ethnic minorities present in the vicinity of the Project area given this is located in metropolitan Bangkok.

<p><b>Institutional capacity, commitment and development</b></p>	<p>An ESMS Manager has been appointed at the corporate level with overall responsibility to oversee the effective and consistent implementation of ESMS and report this to the Risk Committee within THG and CGIF. The ESMS Manager will be supported by ESMS coordinators at TH1 and TH2 Hospitals.</p> <p>As a post-issuance requirement, CGIF will provide high-level ESMS awareness training to THG personnel, including those with designated roles and responsibilities under the ESMS, and those within TH1 and TH2 hospitals. The ESMS also incorporates the requirement to develop E&amp;S competence and training framework to implement and manage the ESMS effectively and to cascade the ESMS and environmental and social (E&amp;S) requirements to THG corporate and hospital staff under TH1 and TH2.</p>
<p><b>Stakeholder communication, participation and consultation</b></p>	<p>THG's ESMS includes an expanded stakeholder engagement plan (SEP), which outlines procedures to ensure E&amp;S-related information is cascaded and shared as relevant to (i) internal stakeholders within THG through staff communication, and (ii) external stakeholders via an expanded process that outlines stakeholder identification and mapping, engagement, reporting and monitoring. These will be tailored to the TH1 and TH2 unique settings but follow the broader SEP requirements for consistency.</p> <p>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&amp;S risks and impacts. As the ESMS is to be applied to the Corporate and implemented locally by TH1 and TH2, the SEP and local adaptations of this are deemed sufficient to manage stakeholder requirements to CGIF standard.</p>
<p><b>Reporting requirements</b></p>	<p>As a condition subsequent (CS) to issuance, the ESMS Manager is required to monitor and report the E&amp;S performance of THG, (TH1 and TH2 as a minimum) to CGIF via the submission of an environmental and social safeguards performance report (ESSPR) on a semi-annual basis during the construction period and annually thereafter for the tenor of the bond.</p>

Date Issued – 11 June 2024