

Environmental and social due diligence summary

Issuer	Refrigeration Electrical Engineering Corporation (“REE”)
Use of CGIF guarantee	General corporate purposes for the real estate segment which includes (a) office property development on land owned by REE (in the E-Town zone) in Ho Chi Minh City; and (b) acquisition of land (additional land in the E-Town zone) in Ho Chi Minh City.
Country of operations	Vietnam
Categorisation	General purpose Corporate Bond - High

Environmental and social management system	<p>A framework environmental and social management system (ESMS) has been developed specific to the use of CGIF’s guarantee. The ESMS Framework includes: (a) an Environmental and Social Policy; (b) procedures to review and categorize risks – including for land acquisition; (c) a list of management programs which will be developed in the comprehensive ESMS to effectively address identified risks; (d) monitoring and reporting arrangements; (e) organizational responsibilities, resources and capacity – including commitment to develop and implement a training plan specific to the implementation of the ESMS; and (f) a grievance redress mechanism. The comprehensive ESMS will be developed and submitted to CGIF for approval within 12 months of the guarantee issuance.</p>
Screening and identification of risks	<p>As noted above, the ESMS Framework includes processes for screening, categorization and assessment of environmental and social risks.</p> <p>An environmental protection plan (EPP), equivalent to the requirements for an initial environmental examination (IEE) under ADB SPS (2009), was developed for the office property developments in E-Town. The EPP identifies the potential construction and operational impacts and proposes mitigation and monitoring measures to reduce the potential environmental and social risks. CGIF’s due diligence confirmed that the EPP had adequately identified and mitigated potential risks.</p> <p>The ESMS Framework contains a screening process relevant to the acquisition of land in the E-Town zone which will be implemented following issuance of CGIF’s guarantee. The process will screen all potential acquisitions to exclude any that could trigger a Category A for ADB’s Safeguard Requirement 2: Involuntary Resettlement.</p>
Institutional capacity, commitment and development	<p>The ESMS Framework describes the institutional arrangements for its implementation. This includes the function and roles within the Environmental and Social Management Department. ESMS-related training will be</p>

	provided internally, and supported by CGIF as necessary, to build REE's capacity to effectively manage environmental and social risks.
Stakeholder Communication, Participation and Consultation	A Stakeholder Engagement Plan will developed as part of the comprehensive ESMS. The grievance redress mechanism will be further enhanced in the comprehensive ESMS.