

Environmental and social due diligence summary

Issuer	Telcotech Ltd. (Telcotech)
Use of CGIF's guarantee	<p>Specific purpose corporate bond with the use of proceeds (UOP) allocated to the following relevant business activities (RBAs):</p> <ul style="list-style-type: none"> i. Refinancing of bank loan used for investments in the Cambodia segment of the Malaysia-Cambodia-Thailand (MCT) submarine network, cable landing station (located in Sihanoukville in Cambodia), and Dense Wavelength Division Multiplexing (DWDM) to bring traffic from Cable Landing Station to Phnom Penh. ii. Purchase of national fiber network (fiber optic cable). iii. Developing network infrastructure, IT System, Application and Data Center to support the fiber network.
Country of operations	Cambodia
Categorisation	<p>Type: Specific Purpose Corporate Bond</p> <p>Environment – B</p> <p>Involuntary Resettlement – C</p> <p>Indigenous Peoples – C</p>

Environmental and social management system (ESMS)	<p>The environmental and social due diligence (ESDD) confirmed that the overarching risk for the transaction is the need to upgrade and implement the current Telcotech Environmental and Social Management System (ESMS) to provide an overall systematic mechanism to identify and manage environmental and social risks associated with its operations.</p> <p>Telcotech's ESMS was also enhanced to align with CGIF's Environmental and Social Safeguards (ESS) Policy and requirements. The enhanced ESMS includes specific management procedures for contractor management, occupational and community health and safety, and management of impacts in relation to new installations or purchase and lease of fiber optic cable (FOC) network operations and associated IT network development (i.e., biodiversity, waste and hazardous materials).</p>
Screening and identification of risks	<p>Environment: The ESDD confirmed that the transaction is classified as category B as the anticipated environmental and social (E&S) risks and impacts related to the RBAs are site-specific, not expected to be significant or irreversible, and can be mitigated by appropriate management programs. The E&S risks are associated with contractor management, occupational and community health and safety, and physical impacts in relation to either new installations of, or purchase and lease of existing, MCT submarine cable systems and national FOC network operations. The risks and impacts are managed and mitigated through Telcotech's enhanced ESMS.</p>

	<p>Involuntary Resettlement: The ESDD confirmed that the transaction is classified as category C as the FOC network services and operations of Telcotech are mainly established along existing Rights of Way (RoWs). The data center services and operations are more typically operated in existing leased buildings and land for the cable landing station was purchased outright by the company. Both the building lease agreements and the land purchase were conducted using commercially acceptable and transparent terms. No Land expropriation and/or involuntary resettlement were required or identified as issues to-date nor anticipated to be an issue relating to the proposed use of proceeds.</p> <p>Indigenous Peoples: The ESDD confirmed the category C classification given the nature and location of Telcotech’s operations. These are established in areas where there are unlikely to be indigenous people, direct impacts on indigenous people, or anticipated to be impacts relating to the proposed use of proceeds.</p>
<p>Institutional capacity, commitment and development</p>	<p>The ESMS describes the institutional arrangements for Telecotech’s operation, including the appointment of an ESMS Manager, ESMS Coordinator and HSE Personnel. These staff are responsible for the day-to-day implementation of the ESMS and monitoring of the use of CGIF’s guarantee, in compliance with CGIF’s ESS and relevant national laws and regulations, specific to the agreed use of proceeds. The ESMS-related functions and roles within the corporate and project levels have also been defined in the ESMS.</p> <p>ESMS awareness and implementation training has been provided by CGIF to Telcotech staff to support Telcotech’s capacity in effectively managing environmental and social risks of its operations. Telcotech has also developed a Training Plan to identify the training needs of employees and ensure that adequate E&S training is continuously provided to employees.</p>
<p>Stakeholder communication, participation and consultation</p>	<p>A Stakeholder Engagement Plan (SEP) was developed as part of the enhanced ESMS to document the methods and process by which Telcotech’s stakeholders and other interested parties are consulted in relation to its RBAs. The ESMS also includes a grievance mechanism to ensure that complaints received relating to environmental and social issues from internal or external sources are documented, addressed, and reported.</p> <p>Environmental and Social performance relevant to the use of CGIF’s proceeds will be reported by the ESMS Manager to Telcotech management on an annual basis, or as the need arises, and to CGIF on an annual basis for the tenor of the Guarantee.</p>