

## Environmental and Social Due Diligence (ESDD) Summary

<b>Issuer</b>	China Education Group Holdings Limited (CEG)
<b>Use of CGIF's guarantee</b>	The proceeds are specifically allocated for: <ul style="list-style-type: none"> <li>(i) acquisition of universities and/or higher education institutes in China,</li> <li>(ii) construction of phase 1 of new campus of Guangzhou College of Applied Science and Technology (formerly known as Guangzhou Songtian University) at Zhaoqing, China and</li> <li>(iii) replenishment of working capital of (i).</li> </ul>
<b>Countries of operations</b>	China
<b>Categorisation</b>	High - General-purpose corporate bond (GCB)

<b>Environmental and social management system</b>	<p>CEG has developed an environmental and social management system (ESMS) based on CEG's current environmental and social management practices, to ensure compliance with CGIF's ESS. As fundamental components of the ESMS, CEG developed the following:</p> <ul style="list-style-type: none"> <li>(i) Screening and categorization procedures for mergers and acquisitions that will utilise CGIF proceeds to identify potential risks related to Environment, Involuntary Resettlement (IR), and Indigenous Peoples (IP) impacts and screen out activities that would be classified as Category A (significant risks) for environment, IR or IP;</li> <li>(iv) Land Acquisition Management Procedure, which shall guide CEG to ensure new projects comply with CGIF's additional requirements for consultation with affected people for where IR impacts are identified;</li> <li>(v) Stakeholder Engagement Plan (SEP) and Grievance Redress Mechanism (GRM) will be implemented to record and report internal and external communications and grievance or complaint handling; and</li> <li>(vi) Recruitment and Training Plan to ensure that the personnel designated to implement, manage and maintain the ESMS have the necessary knowledge and skills to effectively carry out their responsibilities under the ESMS.</li> </ul>
<b>Screening and identification of risks</b>	The summary of ESDD findings include the main potential environmental and social impacts during construction and development of campuses are associated with noise and dust generation, waste management, contractor

	<p>management, involuntary resettlement or economic displacement (where triggered), and occupational health and safety. During the operations phase, the main potential environmental and social impacts are associated with waste and wastewater management, and student/faculty and community health and safety. The ESMS includes frameworks for the implementation of Environmental and Social Management Plans/Procedures to address and mitigate these potential impacts.</p> <p>As part of the Corrective Action Plan agreed with CGIF, CEG has ongoing implementation of remedial actions, associated with obtaining all outstanding government permits and approvals specific to the construction of phase 1 of new campus of Guangzhou College of Applied Science and Technology.</p>
<p><b>Institutional capacity, commitment and development</b></p>	<p>CEG has appointed an ESMS Manager to ensure that the ESMS is effectively implemented and maintained. CGIF provided high level ESMS awareness training to CEG's senior personnel, including those with designated roles and responsibilities under the ESMS. The ESMS also incorporates the requirement for internal training within CEG to develop the necessary knowledge and skills to effectively implement and manage the ESMS.</p>
<p><b>Stakeholder communication, participation and consultation</b></p>	<p>The ESMS includes an overarching SEP and GRM that will be disclosed to local communities to capture any potential issues associated with land acquisition and other E&amp;S impacts during both construction and operations of schools.</p>
<p><b>Monitoring and reporting</b></p>	<p>The ESMS requires i) the monitoring of the E&amp;S performance of CEG's operations using CGIF's proceeds by the ESMS Manager and ii) reporting E&amp;S performance to CGIF on an annual basis for the tenor of the bond.</p>