

Environmental and Social Due Diligence (ESDD) Summary

Issuer	Precious Shipping Public Company Limited ("PSL" or the "Company")
Use of CGIF's guarantee	Refinance of up to 70% equity of the market value of four (4) vessels (the "Vessels").
Countries of operations	Thailand
Categorisation	General-purpose Corporate Bond (GCB) ESMS – Low

Environmental and social management system (ESMS)	<p>PSL's existing environmental and social management system ("ESMS") which is contained within their Safety Quality and Environmental Management System ("SQEMS") has been enhanced to ensure compliance with CGIF's Environmental and Social Safeguards (ESS) to manage environmental and social (E&S) risks for the operation and maintenance (O&M) of the Vessels. The enhanced ESMS intends to drive compliance not just to ISO standards (14001 and 9001) and applicable sections of the IFC Performance Standards and the World Bank Group (WBG) Environmental, Health and Safety (EHS) Guidelines but also CGIF's Environmental and Social Policy (ESSP) requirements.</p> <p>The Environmental and Social Due Diligence (ESDD) confirmed that the current SQEMS is in accordance with the applicable laws and regulations and is in compliance with internationally recognized management systems and requirements. It also confirmed the vessels refinanced by CGIF have the relevant certifications as per good industry practice, such as safety, ship security, maritime labour, air pollution, oil pollution, sewage, anti-fouling system and ballast water management, among others. The current SQEMS covers shipboard health and safety, vessel safety, port and cargo operations and vessel contingency, shipboard standard operating procedures (SOPs), training and security, shipboard oil pollution emergency, garbage management, cargo securing and ballast water management. There were no red flags identified in the ESDD pertaining to the Vessels.</p> <p>The SQEMS was enhanced to clearly outline the relevant environmental overarching framework for the management of all identified E&S criteria in compliance with the CGIF ESS including (i) developing a Vessel Selection Criteria also focusing on E&S impacts of any vessel acquisition, (ii) updating Supplier Screening criteria to include ADB's PIAL, (iii) specific commitment that 'No Ship will be abandoned at sea', and (iv) developing standard operating procedure (SOP) outlining the Stakeholder Selection and Consultation Process.</p>
Screening and identification of risks	The ESDD confirmed that the overall ESS risk applied to the transaction was LOW, given the existence of the existing SQEMS at the corporate

	<p>level. Additionally, the operation of the Vessels would be deemed classified as category B for Environment. Given that the vessels are existing operational vessels, the key risks and impacts are limited and largely reversible. Any adverse impact can be and is currently being, minimized, avoided or mitigated by adhering to recognized international industry performance standards, guidelines, or design criteria. The Company and the O&M systems of the Vessels (used for the transport of bulk dry cargo and goods) were assessed including (i) the ESMS.SQEMS (as developed for IFC) as applied to the Vessels; (ii) the Vessels' inspection and certification status; (iii) capacity to operate, maintain and decommission/dismantle/recycle the Vessels in accordance with the International Maritime Organization (IMO) conventions, International Safety Management (ISM) Code, and national requirements; (iv) working conditions and occupational health and safety (OHS) for employees and contractors; (v) compliance with International Convention for the Prevention of Pollution from Ships (MARPOL); (v) emergency, oil and chemical spill management; (vi) shipboard petroleum product and chemical storage and handling; (vii) vessel's waste management; crew community interaction during shore leave; security; and (viii) management of any impacts on sensitive coastal and marine environment. These parameters are mainly based on the recognized international industry performance standards including the WBG EHS Guidelines for Shipping.</p> <p>No involuntary resettlement impacts are relevant, as there is no land acquisition in the use of proceeds and operations of the 4 vessels, supporting a Category C classification. Consequently, the ESDD also confirmed that the transaction is classified as category C for Indigenous Peoples (IP) as it is unlikely to have direct impacts on Indigenous peoples or is anticipated to be an issue relating to the use of proceeds.</p>
Institutional capacity, commitment and development	<p>An ESMS Manager has been appointed at the corporate level with overall responsibility to oversee the effective and consistent implementation of the SQEMS and specifically monitor its implementation across the Vessels included in the transaction.</p> <p>As a post-issuance requirement, CGIF will provide high-level SQEMS and E&S awareness training to relevant PSL personnel, including those with designated roles and responsibilities under the SQEMS. The ESMS also incorporates the requirement to develop an E&S competence and training framework to effectively implement and manage the SQEMS and to cascade the ESMS and E&S requirements to PSL corporate staff. Ongoing monitoring of the deployment of the SQEMS, and cascade of the requirements to operational staff are a requirement of the financing agreement.</p>
Stakeholder communication, participation and consultation	<p>PSL's SQEMS includes a new SOP outlining the Stakeholder Selection and Consultation Process and an expanded Stakeholder Engagement Plan (SEP), outlining procedures for both internal and external communication. The SEP will feature a Grievance Redress Mechanism</p>

	<p>(GRM) to address concerns from all stakeholders related to E&S risks and impacts, ensuring compliance with CGIF ESS. PSL will establish accessible avenues for individuals who cannot use the website by installing grievance boxes at office locations to provide equitable options for submitting grievances. The SQEMS has incorporated a recording and monitoring procedure of grievances received, which we are part of annual reporting to CGIF.</p> <p>By implementing these rigorous stakeholder engagement and reporting processes, PSL aims to foster transparent and accountable relationships with all stakeholders while ensuring that E&S performance remains a central focus throughout the vessel lifecycle.</p>
Reporting requirements	<p>PSL currently monitor the Vessels including requirements for compliance certificates and uses key performance indicators (KPI) related to E&S aspects to address all the significant E&S risks consistent with IFC's Performance Standards including bunkering, fuel transfer, sludge transfer, pollution due to collision/ grounding, hull blasting and painting, cargo loading and discharge, engine and generator operations. The ESDD confirmed that all certificates for the Vessels are updated and valid.</p> <p>As a condition subsequent to bond issuance, the ESMS Manager will monitor and report PSL's E&S performance to CGIF via annual Environmental and Social Safeguards Performance Reports (ESSPR). The ESSPR reports will provide detailed updates on the implementation of E&S measures, any incidents or non-compliance issues, and the effectiveness of the mitigation strategies. They will include both quantitative and qualitative data to illustrate performance and progress against established benchmarks. These reports will also highlight any additional long-term environmental and social impacts identified and the measures taken to address them.</p>

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