

Environmental and Social Due Diligence (ESDD) Summary

Issuer	Asialink Finance Corporation ("AFC")
Use of CGIF's guarantee	To finance Asialink Finance Corporation's lending activities to Micro, Small and Medium-sized Enterprises ("MSME").
Countries of operations	Philippines
Categorisation	Financial Intermediary (FI) - LOW

Environmental and Social Management System (ESMS)	<p>Asialink Group has established an Environmental and Social Risk Management System (ESRMS) and Environmental and Social (E&S) Credit Policy aligned with the requirements of the International Finance Corporation (IFC), the Asian Development Bank (ADB) which is consistently applied across its subsidiaries, including Asialink Finance Corporation (AFC), Global Dominion Financing Incorporated (GDFI), and South Asialink Finance Corporation (SAFC), covering all its employees as well as MSME and individual borrowers.</p> <p>The Group's existing ESRMS was enhanced to achieve full compliance with CGIF ESS requirements. CGIF has confirmed that the enhanced ESRMS is adequate for managing E&S risks which are deemed low, given the Group's current loan portfolio and the nature of its lending operations, which is mainly vehicle financing.</p>
Screening and Identification of Risks	<p>The Group ensures that all MSME and individual borrowers comply with national regulations. The nature of each borrower's business activity is screened against the Group's established E&S screening process and IFC and ADB aligned exclusion list (which CGIF also applies). Business activities classified as High E&S risk (deemed Category A) or found to have major E&S non-compliance are deemed ineligible for financing, while those assessed as Medium or Low E&S risk, or identified with minor gaps, are required to implement a corrective action plan (CAP) to address identified E&S issues and gaps.</p>
Institutional Capacity, Commitment and Development	<p>ESRMS implementation is led by the Group's Chief Risk Officer, who also serves as the ESRMS Officer, with oversight and support from the Board, Risk Management Committee (RMC), and Senior Management. At the subsidiary level, the Credit Officer and Sales Officer ensures the ESRMS is implemented for all credit granting activities and monitoring the borrower's E&S performance.</p> <p>CGIF will provide additional training for the Group's relevant staff with key responsibilities in the ESRMS implementation to effectively fulfill their roles and functions. The Group will subsequently cascade the training across its subsidiaries as part of its internal training program for all employees.</p>

<p>Stakeholder Communication, Participation and Consultation</p>	<p>Information disclosure to borrowers and relevant stakeholders is carried out by the Group via the individual websites of AFC, GDFI, and SAFC, where company information, an overview of the loan application process, and customer service hotlines are made available.</p> <p>The Group’s internal and external communication to stakeholders, for reporting issues, complaints, or inappropriate conduct are governed by its E&S Communication and Grievance Mechanism and Employees Code of Conduct. This ensures the handling of matters related to ethics, operations, and E&S grievances is kept confidential, fair, and non-discriminatory.</p>
<p>Climate Change and Paris Alignment</p>	<p>Asialink Group, being a Financial Institution (FI) providing vehicle-backed financing to individual and MSME borrowers, is not considered to be engaged in activities that are non-aligned with, or that finance sectors with material climate change impacts or risks, hence, it is deemed to be Paris Agreement aligned. In terms of physical climate risks, the Group’s operational activities and locations have relatively low exposure to climate-related risks.</p>
<p>Reporting Requirements</p>	<p>Ongoing monitoring and reporting is already undertaken by Asialink Group through the ESRMS Officer, who will now also report the E&S performance to CGIF through the annual Environmental and Social Safeguards Performance Reports (ESSPR). The ESSPR reports will provide any updates or changes to the ESRMS, E&S risk monitoring including complaints received, and any incidents or non-compliance issues related to E&S risk management.</p>