

Environment and Social Impact Corporate Audit Summary (29 February 2016)

Issuer	AP Renewables, Inc. (“APRI”)
Relevant Business Activities (“RBA”)	Geothermal power generation project. This activity is not listed under CGIF’s Prohibited Investment Activities List.
Countries of Operations	Philippines
ESMS Category	Climate Project Bond: Category B for environment and Category C for social aspects
<p><u>Summary of Audit Findings</u></p> <p>In this transaction CGIF has entered into a Guarantee Risk Sharing Agreement with Asian Development Bank (ADB) which will issue a guarantee to the bonds issued by APRI. As per CGIF’s Safeguard Standard provisions, CGIF have relied on the assessments prepared by ADB in its own due diligence with respect to the risk participation of new projects that are being undertaken jointly between CGIF and ADB.</p> <p>Under ADB’s ESMS Report, the project is classified as category B for environment, and category C for involuntary resettlement and indigenous peoples. With advice from ADB appointed external consultants, the potential environmental and social impacts of the project have been identified and effective measures to avoid, minimize, and mitigate for the adverse impacts are explained in ADB’s ESMS reports with the corresponding corrective action plans. The commitments of APRI to manage the project’s social and environmental impacts were also deemed adequate.</p> <p>Please refer to ADB’s Environmental Compliance Audit Report¹ and Social Compliance Audit Report² for Tiwi and MakBan Geothermal Power Green Bonds Project which describes project compliance with environmental safeguards requirements and include information on consultations and participation of affected people, as well as conclusions and recommendations.</p>	

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¹ Dated August 2015. <http://www.adb.org/projects/48423-001/main>.

² Dated June 2015. <http://www.adb.org/projects/48423-001/main>