



ธนาคารเพื่อการส่งออกและนำเข้าแห่งประเทศไทย  
EXPORT-IMPORT BANK OF THAILAND

Ref. No. EXIM CB3. 0384 /2022

September 26 , 2022

Federica DONATI

Officer-in-charge

Special Procedures Branch

OHCHR

Dear Sirs/Madams,

Re: Export-import bank of Thailand's responses to the letter dated 18 July 2022 regarding  
the joint communications of UN Human Right's Council's Special Procedure  
on the collapse of the auxiliary dam in the Attapeu province

We, Export-import bank of Thailand (the "TII EXIM") are writing this letter in response to your communication (the "Letter") addressed to us with the subject: joint communication of United Nations Human Right Council's Special Procedure on the collapse of the auxiliary dam of Xe-Pian Xe-Namnoy Hydropower Project (the "Project") located in Attapeu Province (AL OTH 50/2022). The Letter concerns the impact on human rights caused by the Project from the flood, including the impact on people living in poverty, access to healthcare, safe drinking water, sanitation, and housing of internally displaced people.

In response to the Letter, we would like to inform you that, as a financier to the project financing transaction of Xe-Pian Xe-Namnoy Power Company Limited ("PNPC"), a project developer of Xe-Pian Xe-Namnoy Hydropower Project, we are fully aware of its role and all concerns related to the social and environment risks, including human rights issue. In this regard, we set fourth our responses to each of the requests in the Letter as follows:

1. We and other syndicated lenders have been closely monitoring remedial measures of the impact to people in affected area, implemented by PNPC and the Government of Lao PDR since the date of the incident and have seen periodic reports of positive progress with the rehabilitation pro /2 to date. From the reports and our discussion with representatives of PNPC and the Government of Lao PDR have observed and remained to provide remedies to local communities in the affected area through obstacles that were presented due to the COVID-19 pandemic in accessing the affected area, contacting relevant persons who are responsible for remedial actions, and in resuming the construction of housing in neighborhood. We have regularly updated with PNPC to ensure that sufficient compensation and construction of suitable and habitable housing for villagers is taking place, and that voices and concerns of each of the victims are heard and addressed.

/2

2. Policies regarding human rights are embedded in our internal policies. The syndicated lenders have imposed several prerequisites to comply with when dealing with customers. We take this process by conducting our own independent due diligence as well as engaging reputable external advisors who are experienced in relevant areas and industries to assess risks from an environmental, social and governance perspective once the risks have been assessed and analysed based on our due diligence exercise and a funding decision has been made, further steps to ensure that we impose stringent obligations relating to environmental, social and governance policies for customers are strictly complied with. For example, loan agreements will contain minimum standards provisions relating to compliance with respect to environmental, social and governance related laws. More specific obligations may be set forth in the case we view that there are specific issues arising for any particular project during the due diligence phase. These issues are addressed in the loan documentation phase.
3. Based on information provided by PNPC as of 22 July 2022 and our discussion with representatives of PNPC:
  - The latest update of the remedial measures is that construction of new houses, totaling 700 houses, is 96% complete. Most families have relocated into new permanent homes. With respect to compensation for those affected, the process includes collection of household-by-household compensation data and household-by-household consultation where compensation amounts, and the basis for calculation of such amounts, are explained to the villagers. Affected individuals are entitled to submit a complaint, which are proceeded with and resolved in person.
  - To date, we were informed that PNPC has attended all interviews and consultation sessions so that assistance by PNPC can be performed to the satisfaction of the villagers. A significant decrease in the numbers of official complaints being made against PNPC through the government's claim process is proof that the master plan for compensation and construction of housing has been effective. Payments of compensation are deposited directly into each claimants'/household's bank accounts. Donations from the private and government sectors are coursed through relevant government offices/committees tasked with the management of donations.
4. For TH-EXIM, we had granted financial support to the affected people following the incident through the Royal Thai Embassy Vientiane to provide requisites such as food, drinking water, medicine, relief packages and life-saving equipment.

5. TH-EXIM have focused on setting strategies that would drive our operation toward sustainability through Sustainable Finance Management with a priority given to support of eco-friendly businesses. We have integrated human rights issues into the value chain of the organization and human rights risk assessment as part of the operational risk management. Human rights issues are also covered as a core topic in our business ethics handbook to be adopted at the Board level, management level and operational staff level.
6. TH-EXIM have incorporated the United Nations' Sustainable Development Goals (SDGs) as part of the Bank's business framework and direction in conjunction with enhancement of business management structure and system to step up as a Sustainable Development Bank with responsibility for the economy, society and environment under the Principles for Responsible Banking; Environmental, Social and Governance (ESG) Framework and Sustainable Banking Framework, which develops under the operational framework and corporate governance in alignment with human rights and community, social and environmental friendliness. We have also integrated these SDGs into our vision and committed to business operation with upholding of human rights comprehensively throughout the value chain in respect of business counterparts, suppliers and business partners, as well as employees and other stakeholders.

As part of the syndicated lenders in the financing to PNPC, we proactively follow up on the status and progress of the implementation of the master plan by requiring periodic reports and having discussion with representatives of PNPC on a periodic basis. This is to ensure that PNPC has appropriately implemented remedial measures to the local communities in the affected area and that PNPC complies with all applicable human rights laws, instruments, and standards. We hope that our responses to this letter issued by the United Nations Human Rights Council provides clarity on the situation in the affected area. Please rest assured that all stakeholders are keeping abreast of the status of the implementation of remedial measures and are doing their best to promote human rights possible.

Yours sincerely,



Mr. Rak Vorrakitpokatorn

President

Export-Import Bank of Thailand

Corporate Business Department 3

Tel. (66) 2271 3700 Ext. 2601, 2605-2606 Fax. (66) 2271 3020