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**Pingdu City Development Group CO., LTD**

平度市城市开发集团有限公司

**Assessment Summary**

CCX Green Finance International Limited (CCXGFI) provided a Second Party Opinion (SPO) on Pingdu City Development Group CO., LTD Sustainable Finance Framework, assessing its alignment with the GBP2021 (with 2022 Appendix I), SBG2021, GLP2023, SBP2023 and SLP2023, relevance to the Group’s sustainable development strategy, feasibility of achieving environmental and/or social objectives, and effectiveness in managing environmental and/or social risks. CCXGFI regards the rating of Pingdu City Development Group CO., LTD Sustainable Finance Framework as Sf-2[Good].

**Framework Type**

Sustainability Finance

**Company Location**

Shandong, China

**Date**

Dec 16, 2024

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**Overall Score**

**Alignment**



Green Bond Principles 2021 (with June 2022 Appendix I) Green Loan Principles 2023 Social Bond Principles 2023 Social Loan Principles 2023 Sustainability Bond Guidelines 2021

Sf-3

Sf-1

Sf-2



**Analysts**

**Alignment**

**Zoe Li**

*zoeli@ccxgf.com.cn*

Moderate

Low

High

**Relevance**

**Quality Review**

High

Low

Moderate

**Ivy Zhang**

*ivyzhang@ccxgf.com.cn*

**Feasibility**

High

Low

Moderate

**Risk Management**

Robust

Ineffective

Adequate

* **Scope of work**

**CCXGFI has provided a SPO on Pingdu City Development Group CO., LTD Sustainable Finance Framework (the “Sustainable Finance Framework” or “Framework”) with reference to the following criteria:**

* The alignment with the following principles (the “Principles”):
* GBP2021: Green Bond Principles 2021 (with June 2022 Appendix I) by ICMA
* SBP2023: Social Bond Principles 2023 by ICMA
* SBG2021: Sustainability Bond Guidelines 2021 by ICMA
* GLP2023: Green Loan Principles 2023 by LMA/APLMA/LSTA
* SLP2023: Social Loan Principles 2023 by LMA/APLMA/LSTA
* The relevance to the Group’s sustainable development strategy
* The feasibility of environmental and/or social objectives
* The effectiveness of environmental and/or social risk management
* **Issuer’s Profile**

Pingdu City Development Group Co., Ltd. (the Group) is one of the primary entities for infrastructure construction in Pingdu City, especially within the Western New City Zone and the Southern New Zone. On 24 June 2018, the Group was established as a wholly state-owned enterprise of Pingdu State-owned Assets Management Service Centre.

The Group primarily conducts its businesses within Pingdu City. By leveraging on strong support (excluding credit support) from Pingdu Government and other local governmental authorities in Pingdu City, the Group has played an important role in the urbanization construction and development of Pingdu City.

Framework Highlight

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| * For Use of Proceeds, the Eligible Green and Social Projects Categories includes Sustainable Water and Wastewater Management, Green Building and Affordable Housing. * For Project Evaluation and Selection, the Group has set up a reasonable process and built a well-established control structure with different business departments. The Sustainable Financing Team (the “Team”) members are required to evaluate project compliance, approve project inclusion, monitor and manage the project list, replace non-compliant projects, and observe market developments. * For Management of Proceeds, the Group will maintain a register to keep track of the use of proceeds. The net proceeds will be re-allocated to the eligible replacement projects if the designated projects cease to fulfil the criteria. Also, the unallocated proceeds will be held in accordance with the Group’s normal liquidity management policy. * For Reporting, the Group is committed to reporting the allocation of net proceeds at least annually until they are fully allocated or if there is a change of allocation during the outstanding period of the sustainable financing instruments (SFIs). |
| **Relevant UN Sustainable Development Goals (SDGs):** |
| Alt Text-Alt Text-Alt Text-Alt Text-Alt Text-Alt Text- |

* **Alignment with the Principles**

CCXGFI is of the opinion that the Sustainability Finance Framework is credible and impactful and aligns with the four core components of the GBP2021 (with June 2022 Appendix I), SBP2023, SBG2021, GLP2023 and SLP2023

* **Use of Proceeds**

CCXGFI’s Opinion

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| * CCXGFI has reviewed the Group’s Framework and evaluated the proposed use of proceeds. * The investments in eligible categories are anticipated to deliver significant social benefits while contributing to the achievement of several UN Sustainable Development Goals, specifically SDGs 6, 12, 13, 9, 11 and 1. Additionally, the Group has identified a list of excluded project types based on the International Finance Corporation’s exclusion list. * CCXGFI is of the opinion that the use of proceeds is clearly defined and in good alignment with the relevant requirement of the GBP2021 (with June 2022 Appendix I), GLP2023, SBP2023, SLP2023 and SBG2021. |

The Framework sets out how the Group intends to issue SFIs. The Group will exclusively allocate an amount at least equivalent to the net proceeds of an SFT issued under this framework to finance or refinance, in whole or in part, new or existing projects which meet the eligibility criteria of the following eligible green and social projects categories, as defined in the Project Category table.

The proportion of financing and refinancing for the eligible green and social projects will be disclosed in the Group’s allocation report.

The following table summarizes the alignment of the Framework with the Principles’ requirements, detailing the factual findings for each requirement and confirming their alignment.

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| --- | --- | --- |
| **Principles Requirement** | **Factual Finding** | **Alignment** |
| All designated eligible green/social projects should provide clear environmental or social benefits, which should be assessed and quantified when possible. | Eligible projects listed in the Framework have clear benefits; quantitative data will be disclosed when available. | ü |
| If proceeds are used for refinancing, it is recommended that issuers/borrowers provide an estimate of the financing vs. refinancing share and clarify which projects may be refinanced, including any look-back period. | The net use of proceeds will exclusively finance and/or refinance, in part or in full, projects under the listed categories, and the Group will provide an estimate of the share of financing vs. re-financing. | ü |
| Green Projects should contribute to environmental objectives recognised by GBP/GLP, and Social Projects should address or mitigate social issues and/or seek to achieve positive outcomes including for, but not limited to, a target population(s) recognised by SBP/SLP. | The eligible green projects listed in the Framework all contribute to environmental objectives in GBP/GLP; the eligible social projects listed in the Framework all contribute to address or mitigate a specific social issue and seek to achieve positive social outcomes. | ü |

After CCXGFI’s assessment of the Framework, the following table outlines the technical screening criteria of the eligible projects under each project category, the identified project objectives, and alignment with relevant principles. To enhance robustness, CCXGFI also assessed alignment with the Green Bond Endorsed Projects Catalogue (2021) (GBEPC) as part of the screening process. For details on the GBEPC catalogue and the Framework’s eligible projects, please refer to Appendix II.

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| **Green Project Category** | **Eligible Projects Technical Screening Criteria** | **Identified Objective** | **Alignment** |
| **Sustainable Water and Wastewater Management**  Alt Text | * Construction and maintenance of sustainable urban drainage systems, urban water supply pipeline network, river training, and other forms of flooding mitigation: * Examples would include but not limited to urban drainage systems, urban public water supply facilities | * Pollution prevention and control * Natural resource conservation | * GBP2021 * GLP2023 * GBEPC2021 – 5.4.2.4 * GBEPC2021 – 5.4.2.5 |
| **Green Building**  Alt Text | * Acquisition, construction, maintenance and renovation of building that meet regional, national green building codes or internationally recognised green building standards or certifications for environmental performance | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 5.2.1.4 * GBEPC2021 – 5.2.1.5 * GBEPC2021 – 5.2.1.6 |
| **Social Project Category** | **Eligible Projects Technical Screening Criteria** | **Identified Objective** | **Alignment** |
| **Affordable Housing**  Alt Text | * Construct and operate low-cost housing in accordance with local government and regulatory definitions * Examples would include but not limited to public rental housing, social security housing for and resettlement houses | * Provide affordable housing to meet the residential needs of low-income families | * SBP2023 * SLP2023 * SDGs 11.1 |

**In any case, this Framework will exclude the following activities from consideration for eligibility:**

* Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, polychlorinated biphenyls (PCBs), wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
* Production or trade in weapons and munitions.
* Production or trade in alcoholic beverages (excluding beer and wine).
* Production or trade in tobacco.
* Gambling, casinos, and equivalent enterprises.
* Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where any international financial company considers the radioactive source to be trivial and/or adequately shielded.
* Production or trade in unbonded asbestos fibres. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 percent.
* Drift net fishing in the marine environment using nets over 2.5 kilometres in length.
* Production or activities involving harmful or exploitative forms of forced labour/harmful child labour.
* Commercial logging operations for use in primary tropical forest.
* Production or trade in wood or other forestry products other than from sustainably managed forests.
* Projects related to fossil fuel.
* **Process for Project Evaluation and Selection**

CCXGFI’s Opinion

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| * CCXGFI has reviewed the Group’s Framework and examined the governance and process for the evaluation and selection of the Eligible Projects. * The Group has built a multi-layer control structure with different business departments and set up a reasonable process for project evaluation and selection. * CCXGFI is of the opinion that the process is formalised and reasonably structured, transparent, relevant and aligned with this component of the GBP2021 (with June 2022 Appendix I), GLP2023, SBP2023, SLP2023 and SBG2021. |

The Team of the Group consists of senior management members from various functions, including Financing Management Department, Financial Management Department, Strategic and Investment Department, Project Management Department (Safety Management Office), Asset Operation Department and Risk Control and Legal Affairs Department.

The Team holds meetings annually to discuss and select Eligible Sustainable Projects (ESPs) according to the Eligibility Criteria. The Team’s responsibilities include evaluating project compliance, approving projects for the Sustainable Project List, and monitoring the use of proceeds. They also manage updates to the Framework and ensure alignment with the Group’s mission, vision, and relevant regulations.

**The Framework builds a reasonable process for project evaluation and selection, including:**

1. Evaluating the compliance of projects with the Eligibility Criteria outlined in the Use of Proceeds under the Framework;
2. Approving the inclusion of preselected Eligible Projects in Sustainable Project List (the Team has full discretion to object the inclusion of any project);
3. Monitoring and managing the Sustainable Project List. The Group will maintain a register to keep track the use of net proceeds of the SFTs through the internal information system on an annual basis;
4. Replacing projects that no longer meet the Eligible Criteria or due to any divestments; and
5. Observing the development of sustainable financing market and approving updates to this Framework accordingly to reflect relevant changes in our corporate strategy or market development.

* **Management of Proceeds**

CCXGFI’s Opinion

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| * CCXGFI has reviewed the Group’s Sustainable Finance Framework and the Group’s policies on management of proceeds. * The Group has clearly defined the rules for the management of proceeds. CCXGFI is of the opinion that they would make a traceable and transparent allocation process which matches the requirements of the GBP2021 (with June 2022 Appendix I), GLP2023, SBP2023, SLP2023 and SBG2021. * It is recommended that if applicable, the Group could establish a special account instead of depositing proceeds in the general funding accounts and consider engaging external agencies to oversee the management of these funds, thereby showing a stronger signal about the Group’s commitment to sustainability. |

The Group intends to allocate an amount equal to the net proceeds of the SFT(s) over time to finance or refinance the eligible green and social projects, with each transaction’s proceeds deposited into general funding accounts and designated towards these projects.

**The use of proceeds will be maintained in a Sustainability Finance Register, containing following information:**

* Type of Funding Transaction
* Key information includes issuer/borrower entity, transaction date, the principal amount of proceeds, repayment or amortization profile, maturity date, interest or coupon, the ISIN number etc.
* Allocation of Use of Proceeds
* Name and description of the eligible projects to which the proceeds of the SFT have been allocated in accordance with the Framework
* Amount and date of the SFT proceeds allocated to each eligible project
* The remaining balance of unallocated proceeds is yet to be earmarked for eligible projects
* Other relevant information such as information in relation to temporary investment for unallocated proceeds (the investment amount and investment type)

Any balance of issuance proceeds which are not yet allocated to eligible green and social projects will be held in accordance with the Group’s normal liquidity management policy, and the Group commits not to invest such unallocated net proceeds to the projects which are subject to exclusions criteria under this Framework.

During the life of the SFIs issued, if the designated projects cease to fulfil the eligibility criterias, the net proceeds will be re-allocated to replacement projects that comply with the eligibility criteria as soon as reasonably practicable.

* **Reporting**

CCXGFI’s Opinion

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| * CCXGFI has reviewed the Group’s Framework and examined the reporting mechanism. * The Group is committed to reporting the allocation of net proceeds at least annually until full allocation of the net proceeds of any SFI issued, or if there is a change of allocation during the outstanding period of the SFI. * CCXGFI is of the opinion that the report disclosure under the Framework aligns with the GBP2021 (with June 2022 Appendix I), GLP2023, SBP2023, LP2023 and SBG2021. CCXGFI recommends the Group keep reporting until maturity if it is possible. |

The Group will provide information on the allocation of the net proceeds or equivalent amount of the net proceeds of the SFTs via the website, social media, or report. Such information will be updated on an annual basis until all the net proceeds of the SFTs have been fully allocated.

The **Allocation Report** will include the following information where applicable:

* Amount of allocated proceed by Eligible Categories, with a brief description of green and/or social projects
* The remaining balance of funds which have not yet been allocated
* Share of financing vs. refinancing

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| **CCXGFI is of the opinion that the Framework is moderately aligned with the four core components of the Principles.** |

* **Relevance to Group’s Sustainable Development Strategy**

The Group is actively aligning its infrastructure projects with the Chinese government’s policies on sustainable urban management, particularly those related to the enhancement of urban drainage systems. This alignment is crucial within their Sustainable Finance Framework, ensuring projects are not merely compliant but are strategically aligned with national sustainability goals. The construction and maintenance of sustainable urban drainage systems, a key component of their eligible green projects, are supported by recent policies such as the comprehensive upgrade plan for drainage systems in Shanghai, which includes the construction of new pipelines and green infrastructure aiming to enhance flood resilience. These initiatives, underpinned by government policies, reinforce that the Group’s projects are integral to their sustainable development vision, combining efforts towards economic growth with environmental stewardship.

The Group defines Sustainable Water and Wastewater Management, Green Building and Affordable Housing as eligible green and social projects categories. Furthermore, the SFIs issued under the Sustainable Finance Framework contribute to the 6 SDGs, systematically advancing the Group. In particular, the eligible projects are closely related to the Group’s major business activities, and at the same time, the Group’s current development provides overall guidance for the establishment of the Framework. Hence, the outlined Framework is expected to be consistent with Group’s future development, indicating to long run sustainability.

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| **CCXGFI is of the opinion that the Framework is of high relevance with the overall sustainability strategy and initiatives of the Group.** |

* **Feasibility of Environmental and/or Social Objective**

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| --- | --- |
| **Sustainable Water and Wastewater Management** |  |
| * Despite advancements in sustainable water management in Pingdu City, led by Pingdu City Development Group Co., Ltd., environmental challenges like pollution prevention persist. These are linked to carbon neutrality goals, hindered by outdated infrastructure in China. The 14th Five-Year Plan mandates water conservation and regulation in high-consumption industries to reduce water use per GDP unit by 16%. Achieving carbon neutrality requires significant investment and innovation, as highlighted by national policies. This sector is crucial within the Sustainable Finance Framework, aiming to meet UN SDGs, particularly SDG 6, SDG 12, and SDG 13, emphasizing the need for better pollution control and advanced water management. * The Group’s [12-1]sustainable water and wastewater management framework offers significant environmental benefits, supported by theory and case studies. Advanced treatment technologies and infrastructure modernization ensure compliance with national discharge standards, reducing environmental impacts. Water-conserving products and intelligent management systems improve efficiency, achieving over 20% in water savings and leakage prevention. Sustainable urban drainage systems and pipeline networks reduce flood risks and enhance water quality, crucial for ecological restoration. These efforts align with pollution prevention and sustainable water use goals, emphasizing technology and strategic investments for environmental sustainability. * The Sustainable Water and Wastewater Management project aligns closely with the Chinese government’s policy emphasis on innovation and resource efficiency in wastewater management, as evidenced by a recent achievement where a Chinese wastewater treatment project was awarded the global innovation top prize by the International Water Association . This underscores the national commitment to advancing state-of-the-art water management technologies, which is in direct alignment with the Group’s objectives to construct and maintain urban drainage systems and water supply networks. Furthermore, the policy framework recognizes wastewater as a valuable resource, advocating for pollution reduction at the source and the reuse of treated water, which directly supports the sustainability goals set by the Group. | Alt Text |
| **Green Building** |  |
| * In China, the construction sector is a major source of carbon emissions, significantly impacting energy consumption and greenhouse gas emissions. A plan by governmental bodies, including the Ministry of Industry and Information Technology, aims for the building materials sector to reach a carbon peak by 2030. Despite efforts for carbon neutrality, significant changes in industrial structures and societal living are needed for sustainability. Integrating the green building sector into the Sustainable Finance Framework is crucial for achieving carbon peaking and neutrality. Buildings meeting standards like LEED, BREEAM, or China’s GBL are key to reducing energy use, emissions, and improving resource efficiency. * The ecological benefits of the Green Building framework are supported by theory and practice. Green-certified structures show superior energy efficiency, reducing operational costs and greenhouse emissions. Studies indicate such buildings can cut energy use by 20-30% compared to traditional ones. Using sustainable materials and technologies aids resource conservation and recycling, supporting the circular economy. These efforts align with the Sustainable Finance Framework and demonstrate green buildings’ environmental benefits, promoting ecological civilization and sustainable urban development. * The Group is strategically positioned to align its Green Building projects with national and regional policies, thus facilitating adherence to the Sustainable Finance Framework. The Group’s projects, by adhering to rigorous standards, not only align with policies but potentially benefit from available governmental support, thus reinforcing their commitment to environmental performance and sustainable development. | Alt Text |
| **Affordable Housing** |  |
| * In urban development, particularly affordable housing under Pingdu City Development Group Co., Ltd., significant environmental challenges are linked to inefficient energy use and lack of sustainable practices. The infrastructure fails modern energy standards, increasing carbon emissions and hindering carbon neutrality, a key goal in global frameworks like the UN SDGs, especially SDG 11 for sustainable cities. Achieving carbon neutrality requires overhauling infrastructure with energy-efficient methods and renewable energy. Despite challenges, aligning with protocols like the Social Bond Principles and integrating innovative technologies and policies could make sustainable urban development attainable, addressing environmental, social, and economic benefits. * Affordable housing projects by entities like the Group show significant environmental benefits. By adhering to green building certifications and international standards, these projects reduce energy consumption and greenhouse gas emissions. Case studies demonstrate that sustainable waste management and green spaces enhance urban biodiversity and resilience. Renewable energy technologies further these benefits by promoting energy autonomy and reducing fossil fuel dependence. These initiatives improve inhabitants’ quality of life and support broader environmental goals, making affordable housing key to sustainable urban development. * The Group aligns with national affordable housing policies, focusing on low-cost housing construction and operation. This supports China’s policy to boost affordable rental housing by improving land availability and streamlining approvals. The emphasis on government-subsidized rental housing complements the Group’s efforts under the Sustainable Finance Framework, contributing to the national agenda of stabilizing the housing market and enhancing ESG performance. | Alt Text |

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| **CCXGFI is of the opinion that the expected environmental and/or social objectives are moderately feasible.** |

* **Effectiveness of Environmental and/or Social Risk Management**

**Process for Environmental and/or Social Risk Management**

The Group has adopted environmental and social risk management measures to ensure compliance with national laws and regulations on sustainable development governing air and gas pollution, noise emissions, hazardous substances, water and waste discharge, etc.

As the basis for investment decision-making, feasibility study report is a necessary requirement in project investment and is usually conducted by the third-party agent or professional consultant team in the evaluation and selection process. Based on the feasibility reports, the Group can identify and assess the environmental risks or social risks related to the eligible projects.

The environmental and social assessments will be conducted before the investment of each operation project to help the Group identify and manage the sustainability-related risks. It is recommended that the Group continuously monitors for significant environmental and/or social risks throughout the construction and operational process of the financed projects in addition to checking feasibility study reports.

**Environmental and/or Social Risk Identification**

***Environmental Risk***

The eligible projects included in the Framework are mainly realized through the construction and maintenance of sustainable water systems and buildings programs. Generally, the Group has identified potential negative environmental impacts during both the construction and operation process, including water pollution, solid wastes, dust and noise.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Water** | **Wastes** | **Noise** | **Air** |
| **Construction Process** | * Production wastewater * Domestic sewage | * Construction waste * Workers’ household waste | * Construction Machine | * Dust from land levelling, excavation, transportation, and the accumulation of soil |
| **Operation Process** | * Domestic sewage | * Household waste | * Machine Transportation | * Exhaust emissions * Dust from transportation |

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|  | **Project-specific lmpact** |
| **Sustainable Water and Wastewater Management** | * xxx |

The Group has committed to controlling the environmental risks by doing environmental impact assessments and taking measures according to expert recommendations for each project.

***Social Risk***

Social risks related to mentioned eligible projects are expected to remain at a low level. In particular, the eligible projects would neither have negative impacts on cultures, living habits, employment nor the income of surrounding people. The eligible projects in Pingdu City are expected to improve urban infrastructure, enhance water management, and promote sustainable living environments.

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| **CCXGFI is of the opinion that Group’s environmental and/or social risk management is adequate.** |

**Appendix**

**I – About CCXGFI**

CCX [13-1]Green Finance International Limited (CCXGFI) is a third-party service organization under China Chengxin International Credit Rating Co., Ltd. (CCXI) that specializes in green and sustainable finance-related businesses and focuses on business development in Hong Kong and overseas regions.

In June 2023, CCXGFI was the first to obtain the external review qualification of the Hong Kong Monetary Authority’s Green and Sustainable Finance Funding Program. The services currently provided by CCXGFI include green bond and green loan assessment and certification services, green financial services for financial institutions, comprehensive green financial development services for local governments, ESG reports, ESG ratings and data services.

**II – Associations and standards**

The following outlines the associations and standards applied in the assessment process. To enhance robustness, CCX[9-1]GFI also incorporated the Green Bond Endorsed Projects Catalogue (2021) (GBEPC), listed below, as part of the screening process.

|  |  |
| --- | --- |
| **Association** | **Standard** |
| * **ICMA -** International Capital Market Association | * Green Bond Principles (GBP) 2021 (with June 2022 Appendix I) * Social Bond Principles (SBP) 2023 * Sustainability Bond Guidelines (SBG) 2021 |
| * **LMA -** Loan Market Association * **LSTA -** Loan Syndications and Trading Association * **APLMA -** Asia Pacific Loan Market Association | * Social Loan Principles (SLP) 2023 * Green Loan Principles (GLP) 2023 |
| * **PBOC -** People’s Bank of China * **NDRC -** National Development and Reform Commission * **CSRC -** China Securities Regulatory Commission | * Green Bond Endorsed Projects Catalogue (GBEPC) (2021) |

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| **Catalogue** | **Program** |
| * **GBEPC2021 – 5.4.2.4** | * Construction, Operation and Renovation of Up-to-standard Urban Drainage Facilities |
| * **GBEPC2021 – 5.4.2.5** | * Restoration of the Natural Ecology of Urban Water Bodies |
| * **GBEPC2021 – 5.2.1.4** | * Prefabricated Buildings |
| * **GBEPC2021 – 5.2.1.5** | * Energy Conservation and Environmental-friendly Renovation of Existing Buildings |
| * **GBEPC2021 – 5.2.1.6** | * Green Warehousing Logistics |
| * **SDGs 11.1** | * By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums |

**III – Methodology**

CCX[9-2]GFI offers pertinent and forward-thinking environmental, social, and governance (ESG) data, performance assessments and the CCX[9-3]GFI Green Bond Evaluation Methodology.

The organization establishes a comprehensive indicator system using the Analytic Hierarchy Process (AHP), which encompasses 4 first-level indicators, 9 second-level indicators, 18 third-level indicators, and 33 fourth-level indicators. A judgment matrix is constructed using this method to compare and rank each indicator based on its importance. The single ranking weight is then calculated for each indicator at every level. Subsequently, the total ranking weight is determined by multiplying the single ranking weight by the weight of the previous factor. Finally, the sustainable finance framework’s comprehensive score is obtained by scoring each indicator and multiplying it by the total ranking weight of each indicator.

Analysts employing the scoring methodology, assign an overall score to the sustainable finance Framework and, when compared with the criteria of the CCX[9-4]GFI Sustainability Assessment, furnish descriptions for one of the subsequent three rating levels.

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| --- | --- |
| **Level** | **Standard** |
| **Sf-1**  **Excellent** | * The four core components of the Framework present **high** level of alignment with the Principles * The relevance of the Framework to Group’s sustainable development strategy is **high** * The feasibility of environmental and/or social objectives is **high** * The environmental and/or social risk management is **robust** |
| **Sf-2**  **Good** | * The four core components of the Framework present **moderate** level of alignment with the Principles * The relevance of the Framework to Group’s sustainable development strategy is **moderate** * The feasibility of environmental and/or social objectives is **moderate** * The environmental and/or social risk management is **adequate** |
| **Sf-3**  **Weak** | * The four core components of the Framework present **low** level of alignment with the Principles * The relevance of the Framework to Group’s sustainable development strategy is **low** * The feasibility of environmental and/or social objectives is **low** * The environmental and/or social risk management is **ineffective** |

For more information, please visit: [*https://www.ccxgfi.com/*](https://www.ccxgfi.com/)

**IV – Summary of Eligible Categories’ Details**

* Reporting indicators of impact report

In preparing this Second Party Opinion, CCX Green Finance International Limited (CCXGFI) has complied with applicable laws, relevant regulations, and internal rules. It has also observed internal workflows and operating standards, fulfilling its duties related to due diligence and integrity. As a result, CCXGFI considers the Opinion to be independently produced, objective, and unbiased.

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The sustainable finance Framework SPO differs from corporate credit ratings, as it does not assess a Group/Company’s financial solvency. The assessment results are independent of corporate credit ratings.

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