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**Kaifeng Development and Investment Group Co., Ltd.**

开封市发展投资集团有限公司

**Assessment Summary**

CCX Green Finance International Limited (CCXGFI) provided a Second Party Opinion (SPO) on Kaifeng Development and Investment Group Co., Ltd. Sustainable Finance Framework, assessing its alignment with the GBP2021 (with 2022 Appendix I), SBP2023, SBG2021, GLP2023 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 Kaifeng Development and Investment Group Co., Ltd. Sustainable Finance Framework as Sf-2[Good].

**Framework Type**

Sustainability Finance

**Company Location**

Henan, China

**Date**

Mar 3, 2025

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**Overall Score**

**Alignment**



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

Sf-3

Sf-1

Sf-2



**Analysts**

**Alignment**

**Ivy Zhang**

*ivyzhang@ccxgf.com.cn*

Moderate

Low

High

**Relevance**

**Quality Review**

High

Low

Moderate

**Zoe Li**

*zoeli@ccxgf.com.cn*

**Feasibility**

High

Low

Moderate

**Risk Management**

Robust

Ineffective

Adequate

* **Scope of work**

**CCXGFI has provided a SPO on Kaifeng Development and Investment 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**

Kaifeng Development and Investment Group Co., Ltd. (the “Group”) is a key entity of urban infrastructure construction and state-owned asset operation and management in Kaifeng. Since its establishment, the Group has continuously expanded its business scale and strength, and has formed significant competitiveness in the fields of urban infrastructure construction and tourism investment in Kaifeng. The Group’s sustainability outlines its approach to become a model for building a sustainable future by actively engaging in areas where it could make meaningful economic, social and environmental impacts.

Framework Highlight

|  |
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| * For Use of Proceeds, the Eligible Green and Social Projects Categories include Green Buildings, Climate Change Adaptation, Employment Generation and Programmes and Affordable Basic Infrastructure. * For Project Evaluation and Selection, the Group has set up a reasonable process and built a well-established control structure with different business departments. * For Management of Proceeds, the Group will maintain a register to keep track of the use of proceeds. The net proceeds will be reallocated to the eligible replacement projects if the designated projects cease to fulfil the criteria. Also, the unallocated proceeds will be temporarily held on cash or cash equivalent instruments. * For Reporting, the Group is committed to reporting the allocation of net proceeds annually until they are fully allocated or if there is a change of allocation during the outstanding period of the Sustainable Financing Transactions (“SFTs”). |
| **Relevant UN Sustainable Development Goals (SDGs):** |
| Alt Text-Alt Text-Alt Text-Alt Text-Alt Text- |

* **Alignment with the Principles**

CCXGFI is of the opinion that the Sustainable 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 1, 8, 9, 11 and 13. Additionally, the Group has identified a list of excluded project types based on the International Finance Corporation’s exclusion list and selected the most pertinent criteria relevant to its operational circumstances and business priorities. * 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), SBP2023, SBG2021, GLP2023 and SLP2023. |

The Framework sets out how the Group intends to issue SFTs. 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 Group expects each issuance under this Framework to be fully allocated within 24 months from the date of issuance, and on a best-efforts basis. A maximum of 24 months look-back period would apply for refinanced projects. 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.

|  |  |  |
| --- | --- | --- |
| **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 with a look-back period of no longer than 24 months from the time of issuance, and the Group will provide an estimate of the share of financing vs. refinancing. | 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 addressing or mitigating 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** |
| **Green Buildings**  Alt Text | * Development, construction, refurbishment, maintenance, operations of projects that meet provincial, national or international third-party environmental certifications | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 5.2.1.2 |
| **Climate Change Adaptation**  Alt Text | * Construction of “sponge city” projects to regulate and purify the inflow rainwater within the area that make infrastructure more resilient to impacts of climate change | * Climate change adaptation | * GBP2021 * GLP2023 * GBEPC2021 – 5.4.2.1 * GBEPC2021 – 5.4.2.2 * GBEPC2021 – 5.4.2.3 |

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| --- | --- | --- | --- |
| **Social Project Category** | **Eligible Projects Technical Screening Criteria** | **Identified Objective** | **Alignment** |
| **Employment Generation and Programmes**  Alt Text | * Develop projects to empower small business as well as generate employment for local residents and residents of nearby underprivileged areas | * Provide employment chance | * SBP2023 * SLP2023 * SDGs 8.3 * SDGs 8.5 |
| **Affordable Basic Infrastructure**  Alt Text | * Develop and construct projects include contents of infrastructure development, such as but not limited to sewers, sanitation, transport, energy | * Provide safe and reliable infrastructure * Develop and maintain accessible infrastructure | * SBP2023 * SLP2023 * SDGs 11.1 * SDGs 11.2 |

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

* activities that violate national laws and regulations, international conventions and agreements, or are subject to international bans and sanctions
* production or trade of weapons and ammunition
* production or trade of alcoholic beverages (except for beer and wine)
* production or trade of tobacco
* enterprises engaged in gambling or casino operations or similar businesses
* production or trade of radioactive materials (excluding equipment which radioactive source is considered insignificant and/or adequately shielded, for example, quality control equipment); or
* production or activities involving harmful or exploitative forced labour or harmful child labour
* **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 well-established 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), SBP2023, SBG2021, GLP2023 and SLP2023. |

The Sustainability Financing Team (the “Team”) of the Group consists of members from various functions, including Investment Management Department and Finance Department.

The Team meets annually. Their responsibilities include evaluating project compliance with eligibility criteria, approving projects for the Sustainability Project List, and monitoring and managing this list. They also replace projects that no longer meet criteria and update the Framework as needed.

**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 our Sustainability Project List (the Team has full discretion to object the inclusion of any project)
3. Monitoring and managing the Sustainability 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
5. Observing developments in the Sustainable Financing markets and approving updates to this Framework accordingly to reflect relevant changes in our corporate strategy or market developments

* **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), SBP2023, SBG2021, GLP2023 and SLP2023. * It is recommended that if applicable, the Group could consider engaging external agencies to oversee the management of SFTs, 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 SFTs over time to finance or refinance the eligible green and social projects, with each transaction’s proceeds deposited in the sub-account and designated towards these projects.

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

* Name and description of Eligible Projects to which the proceeds of the SFT have been allocated in accordance with this Framework
* Amount of SFT proceeds allocated to each project
* The remaining balance of unallocated proceeds; and
* Other relevant information such as information of temporary investment for unallocated proceed
* Type of Funding Transaction: Key information including the issuer/borrower entity, transaction date, principal amount, repayment or amortization profile, maturity date, interest or coupon, and the ISIN number

Any balance of issuance proceeds which are not yet allocated to eligible green and social projects will be held in temporary investment instruments that are asset with high liquidity and safety such as cash or cash equivalent instruments; or held in temporary placements that do not include projects, assets or activities that are inconsistent with the nature of a sustainable debt instrument, 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 SFTs issued, if the designated projects cease to fulfil the eligibility criteria, the net proceeds will be reallocated 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 annually until full allocation of the net proceeds of any SFT issued and disclosing the impact of financed projects through quantitative indicators defined by ICMA’s handbook where possible. * CCXGFI is of the opinion that the report disclosure under the Framework aligns with the GBP2021 (with June 2022 Appendix I), SBP2023, SBG2021, GLP2023 and SLP2023. CCXGFI recommends the Group keep reporting until maturity if it is possible. |

The Group is committed to providing an allocation report on its eligible green and social projects annually with updates continuing until full allocation of the net proceeds of any SFT issued. The impact report associated with the Eligible Projects will be disclosed on an annual basis and subject to data availability.

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

The **Impact Report** will cover the environmental and social benefits arising from the eligible projects where available, taking reference from the relevant indicators suggested in ICMA’s “Handbook – Harmonized Framework for Impact Reporting (2024)” and “Harmonized Framework for Impact Reporting for Social Bonds (2024)”. For the detailed indicators to be disclosed in the impact report, please refer to Appendix IV.

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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**

Kaifeng, located in Henan Province, is a historical city that plays a strategic role in regional development, particularly in urban infrastructure and tourism. The urban infrastructure construction industry in China is currently experiencing significant transformation driven by technological advancements and sustainability trends. China’s policies emphasize sustainable urban development, the government has set stringent regulations and goals under its five-year plans to ensure environmental protection and sustainable urbanization. The Framework is intricately aligned with the Group’s sustainability strategy, which is founded on three pillars: managing environmental footprint, promoting employment opportunities, and cultivating community, demonstrating the Group’s commitment to sustainability by financing projects that have a positive social and environmental impact. Projects under the Framework, such as green buildings and climate change adaptation, not only aim to reduce environmental footprints but also promote resilience against climate change. The Group’s initiatives in employment generation and community infrastructure development reflect its dedication to enhancing local socio-economic conditions. The Framework adheres to international principles such as the Green Bond Principles and Social Bond Principles, ensuring these projects’ compliance with both national and global sustainability standards. In conclusion, the Framework is a comprehensive plan that not only supports the Group’s sustainable development strategy but also aligns with regional and national objectives for sustainable growth.

The Group defines Green Buildings，Climate Change Adaptation，Employment Generation and Programmes，and Affordable Basic Infrastructure as eligible green and social project categories. Furthermore, the SFTs issued under the Sustainable Finance Framework contribute to the 5 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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| **Green Buildings** |  |
| * The Green Buildings initiative under this Framework aligns with China’s national policies aimed at promoting energy efficiency and low-carbon development. As part of China’s strategy, there is a strong emphasis on advancing energy-conserving and low-carbon buildings, which includes raising energy conservation standards and promoting the use of renewable energy within the building sector. The Green Buildings projects support national goals to enhance sustainability and reduce carbon emissions, contributing to climate objectives. This alignment ensures that the Group’s Green Buildings projects not only contribute to environmental sustainability but also adheres to the governmental agenda for sustainable urban development. * The Green Buildings projects are designed to deliver significant environmental benefits by reducing energy and resource consumption through the use of sustainable building materials and technologies. By adhering to recognized environmental certifications, the projects ensure reduced energy consumption and emissions. The initiative also fosters the use of natural materials, which are harmless to the human body. Additionally, the projects support the economic aspect by creating job opportunities in the construction and maintenance of green buildings. The societal benefits include improved health and well-being due to enhanced indoor environmental quality, contributing to better living conditions. * The feasibility of the Green Buildings projects in achieving the Group’s environmental goals is supported by national policy environment and the technological advancements in green building construction. The projects are well-positioned to leverage government incentives for green technologies and align with the ongoing trend towards sustainable urban planning. Furthermore, the rigorous standards for energy conservation and carbon reduction set by national policies enhance the projects’ potential to meet intended environmental objectives. | Alt Text |
| **Climate Change Adaptation** |  |
| * China is facing environmental issues intensified by climate change, notably the exacerbation of flooding risk, significant water shortages, and the increased occurrence of extreme weather events. The National Climate Change Adaptation Strategy 2035, jointly issued in June 2022 by the Ministry of Ecology and Environment and other 16 departments, emphasizes proactive adaptation measures to mitigate climate impacts, incorporating infrastructure resilience and ecosystem restoration as key components. The strategy encourages investments in urban infrastructure to enhance water supply and drainage systems, which is directly relevant to Climate Change Adaptation initiative under this Framework, like the construction of “sponge city” projects. Such alignment with national policies underscores the projects’ potential to contribute to China’s broader climate resilience goals, reinforcing its importance in sustainable urban development strategies. * The Climate Change Adaptation projects, particularly through its implementation of sponge city concepts, offers significant benefits. These projects aim to create more resilient urban environments by enhancing the capacity to absorb, store, and purify rainwater, thus protecting communities and mitigating potential economic repercussions. These initiatives, incorporating rigorous climate risk assessments and resilience measures, have optimized resource management and increased catchment capabilities, with the potential to augment water supplies, while simultaneously reducing disruptions caused by climatic events. These benefits support environmental sustainability and public safety, contributing to both immediate and long-term community resilience. * The Climate Change Adaptation projects are feasible in fulfilling the Group’s environmental and social objectives. Aligning with international standards such as the Green Bond Principles ensures that the projects under this Framework adhere to globally recognized criteria for sustainability. Focusing on mitigating flood risks and enhancing urban infrastructure, the projects are well-positioned to achieve its intended outcomes by reducing environmental vulnerabilities and enhancing community resilience, thereby affirming their viability as a cornerstone of the Group’s sustainability strategy. This alignment indicates a robust synergy between national policies and the proposed projects, thereby enhancing the projects’ credibility and potential impact in mitigating climate risks. | Alt Text |
| **Employment Generation and Programmes** |  |
| * Employment generation is a significant focus within China’s national policy framework, particularly under the 14th Five-Year Plan, which emphasizes sustainable economic growth and social development and the importance of employment as a means to elevate the quality of life and foster economic stability. The Group’s Employment Generation and Programmes projects are well-integrated with national objectives, supporting broader goals of poverty alleviation and economic growth. Such alignment enhances the projects’ credibility and potential for successful implementation within the policy framework. * Employment Generation and Programmes catalyze regional economic vitality by providing job opportunities, which in turn reduces unemployment rates and stimulates economic growth. These projects target local populations, including those from underprivileged areas, helping to alleviate socioeconomic disparities and improve living standards. By developing projects that empower small businesses and offer new job opportunities, these initiatives foster economic resilience and community development. This approach not only fosters economic growth but also helps alleviate socioeconomic crises by stabilizing employment rates. * The Employment Generation and Programmes projects aligns with international principles such as the Social Loan Principles 2023, ensuring that they adhere to recognized standards for social impact. Furthermore, the Group’s commitment to managing proceeds and reporting transparently indicates a structured approach to achieving its objectives. The integration of comprehensive environmental and social risk management processes further strengthens the projects’ potential to deliver on their promises. In conclusion, the projects’ alignment with national policies and international standards, coupled with the structured implementation strategy, the projects not only advance corporate sustainability objectives but also contribute to social benefits by addressing unemployment and fostering economic growth. | Alt Text |
| **Affordable Basic Infrastructure** |  |
| * The Affordable Basic Infrastructure projects align with China’s national policies on sustainable development, which emphasize green growth and the improvement of living standards, particularly under the 14th Five-Year Plan which advocates for the development of resilient infrastructure to support economic growth and enhance the quality of life in urban and rural areas. Aiming to make cities inclusive, safe, resilient, and sustainable, the projects support the national goal of reducing inequalities by connecting rural and urban regions, thereby promoting balanced regional development. * The projects demonstrate the potential to deliver social benefits and expected outcomes that contribute to sustainable development. These projects enhance connectivity and access to essential services, thereby improving the quality of life for populations in remote areas. These infrastructure developments, such as water supply systems, electric vehicle charging stations, and communication networks, directly contribute to reducing urban-rural disparities. The projects also supports environmental sustainability by integrating green technologies and practices, which can lead to reduced carbon emissions and increased energy efficiency. Moreover, by fostering economic growth through improved infrastructure, the projects generate employment opportunities and stimulate local economies, aligning with the broader goals of poverty alleviation and economic resilience. * By adhering to international and national sustainable finance frameworks, the projects are structured to ensure compliance with rigorous environmental and social standards. The allocation of proceeds is managed with transparency and accountability, facilitating targeted investments in infrastructure that yield long-term social and environmental benefits. The projects’ alignment with recognized standards and the integration into China’s broader sustainable development policies enhance their feasibility and potential impact. Thus, the Affordable Basic Infrastructure initiative is a viable path for advancing the Group’s sustainability agenda while contributing to national and global sustainable development goals. | 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 of real estate and infrastructure 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 |

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 are expected to create employment opportunities for working population and improve the living environment for residents.

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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, CCXGFI 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 – 5.2.1.2** | * Green Buildings |
| * **GBEPC2021 – 5.4.2.1** | * Construction and Operation of Sponge Buildings and Communities |
| * **GBEPC2021 – 5.4.2.2** | * Construction and Operation of Sponge Roads and Squares |
| * **GBEPC2021 – 5.4.2.3** | * Construction and Operation of Sponge Parks and Greenspace |
| * **SDGs 8.3** | * Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services |
| * **SDGs 8.5** | * By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value |
| * **SDGs 11.1** | * By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums |
| * **SDGs 11.2** | * By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons |

**III – Methodology**

CCXGFI offers pertinent and forward-thinking environmental, social, and governance (ESG) data, performance assessments and the CCXGFI 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 CCXGFI Sustainability Assessment, furnish descriptions for one of the subsequent three rating levels.

|  |  |
| --- | --- |
| **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

|  |  |
| --- | --- |
| **Project Category** | **Impact Indicator** |
| **Green Buildings** | * Level of certification by building |
| **Climate Change Adaptation** | * The amount of storm-water collected in m³ |
| **Employment Generation and Programmes** | * Number of job vacancies created * Number of beneficiaries |
| **Affordable Basic Infrastructure** | * Number of infrastructure projects built/upgraded |

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.

CCXGFI does not undertake any obligation to update or revise any of the statements in the deliverable to reflect events, circumstances, or changes in expectations that may occur after the date of the Opinion, or any statements included in the Opinion.

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The Opinion is prepared based on the information provided by the Group/Company. The Group/Company is responsible for the authenticity, completeness, and accuracy of such information. CCXGFI assures the objectivity and authenticity of this Opinion, subject to the authenticity, accuracy, and completeness of the information furnished by the Group/Company.

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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