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**Huzhou Moganshan State-owned Capital Holding Group Co., Ltd.**

湖州莫干山国有资本控股集团有限公司

**Assessment Summary**

CCX Green Finance International Limited (CCXGFI) provided a Second Party Opinion (SPO) on Huzhou Moganshan State-owned Capital Holding 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 Huzhou Moganshan State-owned Capital Holding Group Co., Ltd. Sustainable Finance Framework as Sf-2[Good].

**Framework Type**

Sustainability Finance

**Company Location**

Zhejiang, 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 Huzhou Moganshan State-owned Capital Holding 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**

Huzhou Moganshan State-owned Capital Holding Group Co., Ltd. (“Moganshan State-owned” or “the Group”) was founded under the approval from the Huzhou City People’s Government and the Huzhou City People’s Government authorized Mogan Mountain of Huzhou Hi-tech Industry Development Zone (“MHTZ”) Management Committee to perform the contributor’s functions. The Group was established with the purpose to integrate state-owned resources in the area as a regional investment and financing platform. The Group is based at Deqing County, Huzhou City, Zhejiang Province and is the core platform designated by the MHTZ Management Committee to implement its infrastructure construction and state-owned asset management plans.

The Group’s primary business is located at MHTZ with limited business located outside of MHTZ but within Huzhou City as of now, including land development, infrastructure construction, resettlement housing, industrial park development, materials trading, new energy and other business. In March 2023, the Group extended its business segments to the production and sale of sewing machines, automotive products and intelligent controllers by acquiring 9.02% of shares of Zhejiang Founder Motor Co., Ltd. The Group played an important role in MHTZ development and has a good record of receiving substantial support from MHTZ Management Committee and Deqing County government in terms of subsidies, policy support, asset transfer and so on.

Framework Highlight

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| * For Use of Proceeds, the Eligible Green and Social Projects Categories includes Energy Efficiency, Green Buildings 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. SFWG members are required to have ESG-related knowledge. The Group will consider hiring external experts when necessary. * 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 temporarily held on cash, cash equivalents or short-term deposits. * 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 ([9-3]SFIs) |
| **Relevant UN Sustainable Development Goals (SDGs):** |
| Alt Text-Alt Text-Alt Text- |

* **Alignment with the Principles**

CCXGFI is of the opinion that the [13-1]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 1, 7 and 11. 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 [9-5]SFIs. The Group will exclusively allocate an amount at least equivalent to the net proceeds of an [9-1]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 36 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 36 months from the time of issuance, 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** |
| **Energy Efficiency**  Alt Text | * Implementation of intelligent modifications in the construction process of land development and housing construction, including the use of solar panels for energy storage and advanced equipment to complete land development and housing construction to improve energy efficiency * Implementation of energy saving at any stage of project construction * Investment in clean energy vehicles manufacture or auto parts used in clean energy fuel vehicles | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 3.2.3.1 * GBEPC2021 – 3.2.3.2 |
| **Green Buildings**  Alt Text | * Reduce negative impact on the environment with the measures including but not limited to: * Improve the energy efficiency of lighting system by zoning, time setting, induction and etc. * The elevator shall adopt energy saving measures such as group control, frequency control or energy feedback, escalator shall adopt energy saving control measures such as frequency conversion induction start * Use renewable, recycle and environmental friendly construction materials to reduce negative environmental impact * Buildings rated 2-star or above under the “Assessment Standard of Green Building” issued by the Ministry of Housing and Urban-Rural Development or by local Housing and Urban-Rural Development bureau | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 1.6.1 * GBEPC2021 – 1.6.1.2 * GBEPC2021 – 1.6.1.3 |
| **Social Project Category** | **Eligible Projects Technical Screening Criteria** | **Identified Objective** | **Alignment** |
| **Affordable Housing**  Alt Text | * Projects related to construction and development of affordable housing, including subsidized housing, talent housing, public rental housing and low-rent housing in Huzhou City, which contribute to reductions in the number of people without adequate, safe and affordable housing. Target Population: Population with housing issue as defined by local government, such as fresh graduates and low-income families | * 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, PCB’s, wildlife or products regulated under 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 IFC considers the radioactive source to be trivial and/or adequately shielded.
* Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
* Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
* Production or activities involving harmful or exploitative forms of forced labour and/or harmful child labour.
* Commercial logging operations for use in primary tropical moist forest.
* Production of wood or other forestry products other than from sustainably managed forests.
* Production, generation or trade in 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 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), GLP2023, SBP2023, SLP2023 and SBG2021. |

The Sustainable Finance Working Group (SFWG) of the Group consists of senior representatives from various departments, including the Financial Management Department, Engineering Department and Legal and Audit Department.

The SFWG meets at least every 12 months. Its responsibilities include conducting initial screening of potential Eligible Sustainable Projects, ensuring compliance with internal and local regulations, and managing updates to the Framework. The SFWG also facilitates regular reporting on [9-6]SFI issuance and ensures project approval follows existing processes.

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

1. Meet at least every 12 months
2. Endeavored to distribute the proceeds from the [9-7]SFIs evenly among the three categories defined in the framework
3. Conduct initial screening of potential Eligible Sustainable Projects which are initially proposed by other departments within the Group
4. Ensure that projects comply with Moganshan Stateowned’s internal environmental and social risk management policies as well as applicable local governmental regulations
5. Facilitate regular reporting on any [9-8]SFI issuance in alignment with our Reporting commitments
6. Manage any future updates to this Framework
7. Ensure that the approval of Eligible Sustainable Projects will follow the Group’s existing credit/loan/investment approval processes

* **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 [9-2]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 [13-2]Sustainability Finance Register, containing following information:**

* [9-9]SFI details: ISIN (if applicable), Pricing Date, Maturity Date and etc.
* Allocation of Proceeds:
* The Eligible Sustainable Projects List, including for each Eligible Sustainable Project, the Eligible Sustainable Project category, project description, project location, total loan amount, the Group’s loan amount, amount disbursed, settled currency, etc.
* Amount allocated to each Sustainable Project
* Amount of unallocated Proceeds

Any balance of issuance proceeds which are not yet allocated to eligible green and social projects will be invested according to the Group’s standard liquidity policy into cash and cash equivalents or any other short-term investment products, 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 [9-10]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 [9-4]SFI issued, or if there is a change of allocation during the outstanding period of the SFI 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), GLP2023, SBP2023, LP2023 and SBG2021. 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 projects annually with updates continuing until full allocation of the net proceeds of any [9-11]SFI issued or until the [9-12]SFI is no longer outstanding. The impact report associated with the Eligible Projects will be disclosed on a best effort basis and subject to data availability.

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

* List of Eligible Sustainable Projects
* The amount of Proceeds allocated to each Eligible Sustainable Projects category
* Breakdown of the amount of Proceeds allocated to refinancing vs new financing
* When possible, descriptions of the Eligible Sustainable Projects financed, such as project locations, amount allocated, etc.
* Amount of unallocated Proceeds

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)”. The methodology and assumptions used for calculation will be provided subject to the nature of Eligible Projects and the availability of information.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**

Huzhou Moganshan State-owned Capital Holding Group Co., Ltd., aligning with China’s national strategy of sustainable development, embodies a pivotal role in furthering environmental and social governance objectives. In 2023, China designated sustainable development as a fundamental national strategy, emphasizing resource conservation and environmental protection . This strategic alignment is mirrored in Moganshan State-owned’s commitment to its sustainable financing framework, which is structured to finance green and social projects that meet rigorous eligibility criteria. By integrating intelligent energy efficiency measures and investing in [12-4]green building initiatives, the Group ensures that its projects significantly contribute to climate change mitigation and pollution control . Thus, the group’s endeavors are not only in conformance with national policies but are also strategically positioned to achieve sustainable development objectives, thereby reinforcing its commitment to environmental stewardship and social responsibility.

The Group defines Energy Efficiency, Green Buildings, Affordable Housing as eligible green and social projects categories. Furthermore, the [9-13]SFIs issued under the Sustainable Finance Framework contribute to the 3 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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| --- | --- |
| **Energy Efficiency** |  |
| * In response to the growing focus on sustainable development and carbon neutrality, energy efficiency has become vital in global energy strategies to combat climate change. The shift from fossil fuels to sustainable energy is necessary, with projections indicating non-fossil sources will make up about 20% of the energy mix by 2025. Energy consumption and CO₂ emissions per GDP unit are expected to decrease by 13.5% and 18% from 2020 levels. This transition highlights the need for energy efficiency measures, including smart grid technologies and energy-saving industrial applications, to support economic resilience and meet carbon neutrality goals by 2030. * Energy efficiency efforts yield significant environmental benefits, as shown by studies. Technologies like smart meters and LED lighting improve energy efficiency by at least 15%, reducing greenhouse gas emissions. Smart energy management in urban areas optimizes energy use and lowers emissions. Certifications like LEED and China’s Green Building Evaluation Label ensure adherence to environmental standards, confirming the effectiveness of these frameworks. These initiatives reduce energy consumption and carbon emissions, aiding pollution prevention and climate change mitigation. * The integration of Energy Efficiency projects aligns with Chinese government policies. The 2024 Statistical Analysis of Green and Low-Carbon Patents highlights the growth of clean energy, such as solar, which enhances energy efficiency in construction. This aligns with the framework’s goal of using advanced equipment to improve energy efficiency in land development and housing. Government policies on energy system integration support the framework’s commitment to intelligent construction modifications, crucial for reducing energy consumption and achieving climate change mitigation. | Alt Text |
| **Green Buildings** |  |
| * Within China’s goals to peak carbon emissions by 2030 and achieve carbon neutrality by 2060, the building sector is crucial due to its high energy use and emissions. The National Development and Reform Commission stresses the need for a green transformation in the building industry, requiring energy efficiency and sustainable practices to meet sustainability goals. Moganshan State-owned’s framework supports this by financing [12-1]green buildings that meet strict criteria, aiding in reducing environmental impact through better energy efficiency and pollution prevention. * Empirical evidence supports the environmental benefits of [12-2]green building practices, such as using renewable and eco-friendly materials, which improve energy efficiency and reduce emissions. Projects rated 2-star or higher under China’s Green Building standards show significant energy and emission improvements, aiding climate change mitigation. These initiatives also lower costs and enhance indoor quality, offering economic and social benefits. The framework aligns with national sustainability goals, emphasizing the need for ongoing investment in [12-3]green building projects. * Moganshan State-owned’s projects align with China’s policies. The framework’s focus on energy efficiency aligns with these regulations, offering financial incentives for green retrofits. This synergy supports climate change mitigation and adheres to governmental standards, promoting sustainable development through measurable energy savings and reduced environmental impact. | Alt Text |
| **Affordable Housing** |  |
| * As urbanization intensifies, particularly in rapidly developing nations, affordable housing becomes crucial for addressing environmental and socio-economic issues. Inadequate housing leads to inefficient energy use, increasing carbon emissions and urban heat effects, necessitating urgent interventions. Affordable housing initiatives, aligned with frameworks like the Social Bond Principles, are vital for carbon neutrality, though achieving this remains challenging due to the need for substantial retrofitting of existing infrastructure. These projects align with the UN Sustainable Development Goals, particularly Goal 11, but require technological innovations and policy measures to promote energy efficiency. * Empirical evidence from case studies shows affordable housing projects can significantly reduce energy consumption and emissions. These projects improve living standards and urban biodiversity by integrating green spaces and sustainable waste management. They also enhance urban resilience to climate change through community participation and renewable energy solutions. Thus, affordable housing projects offer a viable path to improve living conditions and advance environmental sustainability. * Moganshan State-owned’s Affordable Housing projects align with recent Chinese governmental initiatives to enhance housing affordability and accessibility. New measures to stabilize the housing market, including urban village renovations, support the provision of safe, affordable housing for vulnerable populations. Policies targeting migrant workers and young professionals align with the framework’s focus on supporting low-income families and newly employed graduates, highlighting the project’s potential impact on sustainable urban development. | 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 development of affordable housing. 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** |
| **Energy Efficiency** | * xxx |

***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 social projects aim to provide affordable housing solutions in Huzhou City, reducing housing difficulties for targeted populations such as fresh graduates and low-income families.

|  |
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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 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 – 3.2.3.1** | * Construction and Operation of Multi-energy Complementary Projects |
| * **GBEPC2021 – 3.2.3.2** | * Operation and Construction of Energy Efficient Storage Facilities |
| * **GBEPC2021 – 1.6.1** | * Manufacturing of Key Components of New Energy Vehicles and its Industrialization |
| * **GBEPC2021 – 1.6.1.2** | * Manufacturing of Facilities for Charging, Battery Replacement, and Hydrogenation |
| * **GBEPC2021 – 1.6.1.3** | * Manufacturing of Green Ships |
| * **SDGs 11.1** | * By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums |

**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.

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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

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| **Project Category** | **Impact Indicator** |
| **Energy Efficiency** | * Amount of energy saved (including electricity and water) * Percentage annual energy efficiency gain relative to comparable period * The number of clean energy vehicles or auto parts used on clean energy vehicles manufactured * Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/annual * Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) |
| **Green Building** | * Green Building rating under the “Assessment Standard of Green Building” issued by the Ministry of Housing and Urban-Rural Development or any other well recognized authorities * The number of Green buildings completed and under construction * Energy efficiency gains in MWh or percentage vs baseline * Annual absolute (gross) water saving in m³/a |
| **Affordable Housing** | * Number and type of public affordable housing units constructed * Number of individuals/households benefitted |

Further to the above indicators, the Group will, to the extend where is appropriated, consider to align impact indicators with the recommendations in ICMA’s Harmonized Framework for Impact Reporting.

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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