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**Zhuji State-owned Assets Management Co., Ltd.**

诸暨市发展有限公司

**Assessment Summary**

CCX Green Finance International Limited (CCXGFI) provided a Second Party Opinion (SPO) on Zhuji State-owned Assets Management 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 Zhuji State-owned Assets Management Co., Ltd. Sustainable Finance Framework as Sf-2[Good].

**Framework Type**

Sustainability Finance

**Company Location**

Zhejiang, China

**Date**

Feb 5, 2025

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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**

**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 [10-1]Zhuji State-owned Assets Management 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**

Established in December 1992 by the Zhuji Government, [10-2]Zhuji State-owned Assets Management Co., Ltd. (“the Group”) is beneficially controlled by the Zhuij SASAC. As the main platform for market-oriented operation of state-owned capital in Zhuji City, the Group conducts policy and public welfare business on behalf of the Zhuji Government and is of unique strategic significance to Zhuji City. In addition, the Zhuij SASAC maintains stringent supervision and management on the Group’s decisions and operations through appointment of the board of director, supervisors and senior management.

Since its inception, the Group has been the primary platform in Zhuji City for construction, resettlement housing construction and has been the sole provider of water to Zhuji City and the sole entity responsible for Zhuji City’s water supply network. Leveraging on its extensive experience, dominant position in its primary businesses and large number of ongoing and pipeline projects, the Group plans to continue to focus on construction, resettlement housing construction and water supply in Zhuji City to maintain business growth. The Group will continue to vigorously develop the water supply business, realise the overall development of water supply and water related construction, build an efficient water system, thereby contributing to the construction of the public’s livelihood infrastructure in Zhuji City.

Framework Highlight

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| * For Use of Proceeds, the Eligible Green and Social Projects Categories include Sustainable Water and Wastewater Management, Energy Efficiency 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. * 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 held in temporary investment instruments 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 green and/or social debt instruments. * For Reporting, the Group is committed to reporting the allocation of net proceeds or equivalent amount of its Sustainable Financing Transactions (“SFTs”) at least annually until they are fully allocated. |
| **Relevant UN Sustainable Development Goals (SDGs):** |
| 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, 6, 7 and 11. 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), GLP2023, SBP2023, SLP2023 and SBG2021. |

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 the bond remains outstanding. 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. 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** |
| **Sustainable Water and Wastewater Management**  Alt Text | * Construction, maintenance and upgrade of facilities, equipment or infrastructure dedicated for collection, treatment, recycling or reuse of waste water | * Pollution prevention and control * Natural resource conservation | * GBP2021 * GLP2023 * GBEPC2021 – 5.3.1.1 |
| **Energy Efficiency**  Alt Text | * Acquisition, installation, maintenance and upgrade of the energy efficient equipment in the building, such as energy efficient ventilation and lighting systems. Such project shall achieve at least 15 per cent. improvement in the energy efficiency | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 1.1.1.13 * GBEPC2021 – 1.1.1.14 |

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| --- | --- | --- | --- |
| **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, including but not limited to public rental housing and social security housing for talents | * 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:**

* 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 labor or harmful child labor.
* **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 Sustainable Financing Team (the “Team”) of the Group consists of representatives and senior members from various departments, including the General Management Department, Supervision and Audit Department, Financial Management Department, Investment and Financing Management Department and Engineering Asset Management Department.

The Team holds meetings annually. Their responsibilities include evaluating project compliance with Eligible Green/Social Project Categories, approving projects for the Sustainable Project List, and monitoring and managing this list.

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

1. Evaluating the compliance of projects with Eligible Green/Social Project Categories outlined in the Use of Proceeds under the Framework;
2. Approving the inclusion of preselected Eligible Green/Social 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. We 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 Green/Social Project Categories or due to any divestments;
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 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 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 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 assets 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 green and/or social debt instruments, 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 at least 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), GLP2023, SBP2023, SLP2023 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 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 a best effort basis and subject to data availability.

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

* Amount of allocated proceed by Eligible Green/Social Project 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**

Zhuji City, located in the economically vibrant Zhejiang Province, holds a significant strategic position owing to its integration within the Yangtze River Delta Economic Area. In alignment with China’s sustainable development policies, The Group integrates environmental, social and governance (ESG) frameworks into their operations, emphasizing the symbiosis of economic growth and environmental stewardship. The Group’s Framework is designed to finance projects that align with sustainable practices, such as water management and energy efficiency, showcasing its dedication to sustainable urban development and infrastructure enhancement. The Group’s sustainability initiatives resonate well with regional and national policies advocating for green development, supporting China’s strategic goals for a low-carbon economy. In conclusion, the Framework underscores the Group’s strategic alignment with its sustainability mission, ensuring that its economic activities contribute positively to both environmental and social dimensions, thereby fortifying its role as a leader in sustainable development within Zhuji City.

The Group defines Sustainable Water and Wastewater Management, Energy Efficiency and Affordable Housing as eligible green and social project categories. Furthermore, the SFTs issued under the Sustainable Finance Framework contribute to the 4 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** |  |
| * [12-1]Sustainable water and wastewater management is a crucial aspect of China’s national policy framework, particularly emphasized in the “14th Five-Year Plan” which aims to promote green development and a low-carbon economy, highlighting the need for water conservation, efficient water use, and the restoration of natural water systems. The Group’s Sustainable Water and Wastewater Management projects align with these national priorities by focusing on the construction, maintenance, and upgrading of facilities dedicated to wastewater treatment and recycling. This alignment not only supports China’s broader environmental goals but also addresses local water management needs, ensuring a sustainable water supply and improved sanitation in Zhuji City. * The Sustainable Water and Wastewater Management projects under this Framework have shown promising benefits in terms of environmental sustainability and public health. Currently, it contributes to the reduction of water pollution through advanced treatment and recycling processes, which are vital for maintaining water quality. The projects also support urban infrastructure by integrating sustainable water management practices. These initiatives are expected to yield significant benefits, including improved water quality, reduced environmental footprint, and enhanced resilience against climate change impacts. * The feasibility of the Sustainable Water and Wastewater Management projects in achieving the Group’s environmental and social objectives is promising, given its strategic alignment with national policies and its existing benefits. The Group’s commitment to the sustainable water and wastewater management under this Framework aligns strategically with national policies that emphasize stringent controls on wastewater discharge, promote technologies that enhance water quality and recycling. This alignment not only enhances the environmental impact of the Group’s projects but also supports national goals on water conservation and pollution control. The projects focus on infrastructure enhancement and pollution control, directly contributing to social well-being by ensuring clean and accessible water. Moreover, the implementation of water management technologies and practices is supported by technical consulting and green financing, which enhance project viability and sustainability. Consequently, the projects are well-positioned to meet the environmental and social goals set by the Group contributing to both local and national sustainability targets. | Alt Text |
| **Energy Efficiency** |  |
| * The Energy Efficiency projects under this Framework aligns closely with China’s national strategies for sustainable development. The 14th Five-Year Plan emphasizes the creation of a green development policy framework, aiming to enhance energy efficiency across key industries and reduce coal consumption while increasing the share of non-fossil fuels in energy consumption. By integrating energy-efficient technologies and systems, these projects support China’s transition toward a low-carbon economy, this alignment with national directives underscores the strategic importance of energy efficiency in the broader context of environmental sustainability and economic growth. * The implementation of energy efficiency projects is expected to yield substantial environmental benefits. These projects help in significantly reducing energy consumption and costs, thereby improving overall operational efficiency. For instance, the installation of energy-efficient equipment can result in a 15% improvement in energy efficiency, directly supporting the Group’s sustainability goals. Additionally, these initiatives contribute to reducing greenhouse gas emissions, which is crucial for meeting both corporate environmental targets and regulatory requirements. The anticipated benefits extend beyond cost savings, as they enhance corporate reputation and compliance with environmental standards, positioning the Group as a leader in sustainable practices. * These projects not only align with national policies but also are feasible due to advancements in energy-saving technologies. By maintaining a robust monitoring and reporting system, the Group can ensure that these projects are effectively contributing to their environmental and social objectives, thus demonstrating the practical viability of such initiatives. | Alt Text |
| **Affordable Housing** |  |
| * The Affordable Housing projects aligns closely with China’s national policies on sustainable development and social welfare. China’s central government has prioritized affordable housing as part of its broader strategy to ensure social equity and stability. And the 14th Five-Year Plan emphasizes green development and the improvement of living conditions for all citizens. The Affordable Housing projects provide low-cost housing solutions, thus supporting the national agenda of reducing poverty and promoting sustainable urbanization. * The Affordable Housing projects are expected to yield significant social benefits by addressing housing affordability issues. The projects aims to construct and operate low-cost housing, which will directly benefit low-income families and individuals, thereby enhancing their quality of life. Additionally, by adhering to local government and regulatory definitions of public rental and social security housing, the projects ensure compliance with local standards, thus fostering social stability and cohesion. The anticipated outcome includes increased access to affordable housing, potentially reducing the financial burden on residents and contributing to a more equitable society. * The feasibility of the Affordable Housing projects in achieving the Group’s social objectives appears promising. The projects are embedded within the robust Framework that includes stringent evaluation, selection, and monitoring processes to ensure alignment with the Group’s sustainability objectives. The establishment of a dedicated Sustainable Financing Team underscores the Group’s commitment to social responsibility. By systematically tracking progress and impact, the projects are well-positioned to meet its targets of constructing new housing units and benefiting numerous households. This structured approach enhances the projects’ credibility and potential for success in achieving its intended social impact. | 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 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.

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|  | **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 Impact** |
| **Sustainable Water and Wastewater Management** | * xxx |
| **Energy Efficiency** | * 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 are expected to improving living conditions and supporting community stability.

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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 – 1.1.1.13** | * Manufacturing of High-efficient Lighting Products and Systems |
| * **GBEPC2021 – 1.1.1.14** | * Manufacturing of Energy Measuring, Monitoring, and Controlling Equipment |
| * **GBEPC2021 – 5.3.1.1** | * Construction and Operation of Facilities for Sewage Treatment, Recycling, and Sludge Treatment and Disposal |
| * **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** |
| **Sustainable Water and Wastewater Management** | * Annual absolute (gross) amount of wastewater treated in tonnes p.a |
| **Energy Efficiency** | * Amount of energy saved (MW) * Annual energy efficiency improvement in percentage |
| **Affordable Housing** | * Number of housing units constructed * Number of individuals/households benefitted |

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 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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