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**Ganzhou Urban Investment Holding Group Co., Ltd.**

赣州城市投资控股集团有限责任公司

**Assessment Summary**

CCX Green Finance International Limited (CCXGFI) provided a Second Party Opinion (SPO) on Ganzhou Urban Investment 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 Ganzhou Urban Investment Holding Group Co., Ltd. Sustainable Finance Framework as Sf-2[Good].

**Framework Type**

Sustainability Finance

**Company Location**

Jiangxi, China

**Date**

Feb 6, 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 Ganzhou Urban Investment 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**

Ganzhou Urban Investment Holding Group Co., Ltd. (the “Group”) was established in March 2004 with a registered capital of RMB 30 billion. Guided by market-oriented transformation and based on urban infrastructure construction, land development as well as urban comprehensive operation management, the core businesses of the Group cover construction and real estate, environment and public facilities management. The Group has successively developed several business sectors such as: real estate, architectural engineering design consulting and construction, ecological environment, new building materials and livelihood investment. At the same times, the Group actively develop water conservancy investment, vocational education and emerging industries.

Framework Highlight

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| * For Use of Proceeds, the Eligible Green and Social Projects Categories include Sustainable Water and Wastewater Management, Renewable Energy, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, Green Building, Affordable Basic Infrastructure, Access to Essential Services 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 temporarily held on cash or cash equivalent instruments. * 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 transactions (“SFTs”). |
| **Relevant UN Sustainable Development Goals (SDGs):** |
| Alt Text-Alt Text-Alt Text-Alt Text-Alt Text-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, 3, 4, 6, 7, 9, 11, 12, 13 and 15. 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 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 36 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.

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| **Principles Requirement** | **Factual Finding** | **Alignment** |
| All designated eligible green/social projects should provide clear environmental or social benefits, which should be assessed and quantified when possible. | Eligible projects listed in the Framework have clear benefits; quantitative data will be disclosed when available. | ü |
| If proceeds are used for refinancing, it is recommended that issuers/borrowers provide an estimate of the financing vs. refinancing share and clarify which projects may be refinanced, including any look-back period. | The net use of proceeds will exclusively finance and/or refinance, in part or in full, projects under the listed categories 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 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, operation and maintenance of wastewater treatment plants and supporting facilities * Examples would include but not limited to wastewater pipe and treatment plants, water recycling systems, and water/rainwater collection pipes and other facilities * Construction and maintenance of sustainable urban drainage systems, river training, and other forms of flooding mitigation * Examples would include but not limited to urban drainage systems, “Sponge City”, dam, levees and other forms of flooding prevention and mitigation | * Pollution prevention and control * Natural resource conservation | * GBP2021 * GLP2023 * GBEPC2021 – 5.4.2.4 * GBEPC2021 – 5.4.2.5 |
| **Renewable Energy**  Alt Text | * Construction and maintenance of renewable energy systems and associated infrastructure * Examples would include but not limited to solar water heating systems | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 3.2.3.1 |
| **Energy Efficiency**  Alt Text | * Reducing building energy consumption by adopting energy-saving equipment and energy-efficient building materials * Examples would include but not limited to fluorescent tubes, energy efficient water pumps etc. | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 1.2.1.1 |
| **Environmentally Sustainable Management of Living Natural Resources and Land Use**  Alt Text | * Develop/redevelop green landscapes that facilitate the preservation or restoration of natural landscapes and enhance the ecological integrity * Examples would include but not limited to construction of eco-sightseeing, recreation, culture, sports, and health care facilities based on natural resources without damaging surface vegetation, biodiversity | * Biodiversity conservation * Natural resource conservation | * GBP2021 * GLP2023 * GBEPC2021 – 4.2.2.4 |
| **Green Building**  Alt Text | * Acquisition, construction, maintenance and renovation of building that have received, or expect to receive certified the below recognized green building certifications * Chinese Green Building Evaluation Label – 1 Star or above (Design / Operations Label); or * Building Research Establishment Environmental Assessment Method (BREEAM) – Excellent or above; or * U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above; or * Hong Kong BEAM Plus – Gold or above; or * Building and Construction Authority (BCA) Green Mark – Gold or above | * Climate change mitigation | * GBP2021 * GLP2023 * GBEPC2021 – 5.2.1.5 |

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| **Social Project Category** | **Eligible Projects Technical Screening Criteria** | **Identified Objective** | **Alignment** |
| **Affordable Basic Infrastructure**  Alt Text | * Construction, operation and maintenance of basic transport infrastructure * Examples would include but not limited to the roads which improve the traffic conditions in the surrounding areas, bring convenience to the travel of residents and enterprise employees and facilitate the input and output of production materials | * Provide safe and reliable infrastructure * Develop and maintain accessible infrastructure | * SBP2023 * SLP2023 * SDGs 11.2 |
| **Access to Essential Services**  Alt Text | * Investments and expenditure to provide access to public affordable healthcare and education services that bring social benefits * construction or expansion of hospital * construction of training center | * Provide essential healthcare and education services | * SBP2023 * SLP2023 * SDGs 3.8 |
| **Affordable Housing**  Alt Text | * Construct and operate low-cost housing in accordance with local government and regulatory definitions * Examples would include but not limited to public rental housing, social security housing for talents and resettlement houses | * Provide affordable housing to meet the residential needs of low-income families. | * SBP2023 * SLP2023 * SDGs 11.1 |

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

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

CCXGFI’s Opinion

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| * CCXGFI has reviewed the Group’s Framework and examined the governance and process for the evaluation and selection of the Eligible Projects. * The Group has built a 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 Financing Team (the “Team”) of the Group consists of members from various functions, including Engineering Department, Strategic Development Department and Financial Audit Department.

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

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

1. Evaluating the compliance of projects with the Eligibility Criteria outlined in the Use of Proceeds under the Framework;
2. Approving the inclusion of preselected Eligible Projects in Sustainable Project List (the Team has full discretion to object the inclusion of any project);
3. Monitoring and managing the Sustainable Project List. The Group will maintain a register to keep track the use of net proceeds of the SFTs through the internal information system on an annual basis;
4. Replacing projects that no longer meet the Eligible Criteria or due to any divestments;
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 SFT(s) over time to finance or refinance the eligible green and social projects, with each transaction’s proceeds deposited into general funding accounts and designated towards these projects.

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

* Type of Funding Transaction:
* Key information includes issuer/borrower entity, transaction date, the principal amount of proceeds, repayment or amortization profile, maturity date; interest or coupon, the ISIN number etc.

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, 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, or if there is a change of allocation during the outstanding period of the SFT 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 projects annually with updates continuing until full allocation of the net proceeds of any SFT issued or until the SFT 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:

* 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**

Ganzhou, located in Jiangxi Province of China, plays a strategic role in the region’s economic landscape, serving as a key hub for urban infrastructure and state-owned capital operations. The Chinese government has emphasized sustainable development, mandating strict adherence to environmental laws and encouraging the adoption of green practices. Against this backdrop, the Group has integrated sustainable development into its core business strategy, such as investments in ecological protection and the development of sustainable urban infrastructure, demonstrating the Group’s proactive approach to aligning with both regional and national sustainability policies, ensuring its activities contribute positively to environmental and social outcomes. The Group’s commitment to sustainability is also evident in its diverse range of projects, which include the construction of wastewater treatment plants and green buildings, as well as initiatives in renewable energy and energy efficiency, etc. In conclusion, the Framework’s alignment with the Group’s sustainable development strategy underscores its commitment to fostering an eco-friendly and socially responsible urban environment. This strategic alignment not only supports local and national sustainability goals but also positions the Group as a leader in sustainable urban development within the region.

The Group defines Sustainable Water and Wastewater Management, Renewable Energy, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, Green Building, Affordable Basic Infrastructure, Access to Essential Services and Affordable Housing as eligible green and social project categories. Furthermore, the SFTs issued under the Sustainable Finance Framework contribute to the 10 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** |  |
| * The Sustainable Water and Wastewater Management projects align closely with China’s 14th Five-Year Plan, which emphasizes ecological civilization and sustainable development. By investing in wastewater treatment and urban drainage systems, the projects directly support the national goal of improving water utilization efficiency and reducing industrial wastewater discharge. These initiatives are in harmony with the ecological objectives of reducing pollution and promoting resource conservation, as mandated by the Chinese government. * These projects are expected to yield significant environmental and social benefits. Aiming to enhance urban drainage systems, promote water recycling, and improve wastewater treatment facilities, these projects are essential in mitigating urban flooding, enhancing public health, and ensuring sustainable water use. Moreover, the projects also contribute to reducing water pollution, support water conservation efforts by enabling water recycling and reuse, enhance local ecosystems through the construction of facilities to treat and manage water discharged from urban areas, and facilitate sustainable urban development. * The Sustainable Water and Wastewater Management initiatives not only address immediate pollution control and environmental health issues but also support long-term ecological balance and resource efficiency. The alignment with national policies and the emphasis on sustainable practices suggest a strong potential for these projects to fulfill its intended social and environmental objectives while contributing to the regional and national green economy. | Alt Text |
| **Renewable Energy** |  |
| * The integration of renewable energy into the Framework of the Group is in alignment with China’s national policies outlined in the 14th Five-Year Plan. The Renewable Energy initiatives support China’s goals of carbon neutrality by 2060 and are pivotal to China’s energy transition strategy. The Group’s Renewable Energy projects under this Framework focus on renewable energy systems and associated infrastructure, such as the construction of solar water heating systems, contributing to a low-carbon economy and enhancing energy security. Thus, the Group’s initiatives are not only consistent with national directives but also bolster regional ecological advancements. * These projects are expected to enhance energy efficiency and reduce carbon emissions, thereby supporting China’s environmental goals. The Group’s initiatives in renewable energy contribute to reducing dependency on fossil fuels, which is crucial for decreasing greenhouse gas emissions. Additionally, the development of renewable energy infrastructure aids in job creation and stimulates local economic growth, aligning with the Group’s mission of high-quality urban development. The strategic placement and operation of these projects also facilitate improved energy access and reliability for local communities, which is instrumental in fostering social inclusivity and economic resilience. * The alignment with national policies provides a strong regulatory and financial backing, ensuring the viability and sustainability of these projects. The Group’s commitment to integrating renewable energy not only aids in meeting its environmental goals of reducing carbon emissions but also supports social goals by creating sustainable urban infrastructure. Moreover, the strategic focus on renewable energy is complemented by advancements in technology and supportive government incentives, thus reinforcing the Group’s capability to meet its targets effectively. Consequently, the Group is well-positioned to realize its ambition of advancing ecological and social frameworks through its renewable energy initiatives. | Alt Text |
| **Energy Efficiency** |  |
| * Energy efficiency has gained significant importance in China’s strategic development, particularly under the 14th Five-Year Plan, which emphasizes green development to promote energy conservation and environmental protection. The Group’s commitment to energy efficiency aligns with these national objectives, supporting China’s broader goals of reducing coal consumption and advancing towards a low-carbon economy. By integrating energy-efficient solutions in its Framework, the Group not only adheres to national regulations but also contributes to the overall economic and ecological objectives of the region. * The Group’s focus on energy efficiency is expected to yield substantial environmental benefits while supporting economic growth and resource conservation. Energy Efficiency projects under this Framework focus on reducing building energy consumption by adopting energy-saving equipment and energy-efficient building materials, pivotal in reducing operational costs. The implementation of energy-efficient technologies, such as fluorescent tubes, energy efficient water pumps, contributes to enhancing the competitiveness of businesses by reducing energy expenses and minimizing environmental impacts, thus fostering a sustainable business model. * The feasibility of Energy Efficiency projects in achieving environmental goals is promising, given the supportive policy environment and advancements in technology. By participating in energy efficiency projects and leveraging governmental support, particularly in the form of policy, funding, and technology, the Group can expedite its transition towards low-carbon operations. Therefore, the Group’s energy efficiency projects are not only feasible but are instrumental in fulfilling its environmental and societal objectives. | Alt Text |
| **Environmentally Sustainable Management of Living Natural Resources and Land Use** |  |
| * The 14th Five-Year Plan emphasizes ecological civilization construction, which includes optimizing land resource development, improving ecological environments, and enhancing resource conservation and utilization. The Environmentally Sustainable Management of Living Natural Resources and Land Use initiative directly supports the national objectives of ecological preservation and sustainable land use. The Group’s Sustainable Finance Framework aligns with national policies by integrating sustainable development at the core of its business strategy, ensuring that the Group’s projects not only contribute to local ecological and environmental goals but also support China’s environmental and social objectives. * The Environmentally Sustainable Management of Living Natural Resources and Land Use projects are expected to produce significant environmental and social benefits. Environmentally, the projects will enhance ecological integrity by conserving and creating green landscapes, contributing to the preservation of biodiversity and natural ecosystems, which are vital for maintaining ecological balance and supporting sustainable urban development. Socially, the projects are likely to generate employment opportunities and promote community well-being through the development of cultural and recreational facilities. These developments can increase local tourism, stimulate economic activities, and improve the quality of life for residents by providing access to natural and recreational spaces. Moreover, such projects demonstrate a commitment to sustainable urban planning, which can inspire further investment in ecological and sustainable infrastructure. * The projects align with national policies and sustainable finance frameworks, and are well-integrated into the broader strategic objectives of ecological and social development. This Framework ensures that projects are not only compliant with national regulations but also contribute positively to ecological preservation and social well-being. The Group’s commitment to sustainability, as evidenced by its comprehensive approach to integrating environmental and social measures into its business operations, further supports the projects’ feasibility. | Alt Text |
| **Green Building** |  |
| * Green buildings contribute to optimizing land resources, enhancing ecological environments, and promoting resource conservation. The implementation of Green Buildings aligns significantly with China’s 14th Five-Year Plan, emphasizing ecological civilization and sustainable urban development. Green Buildings are integral to achieving China’s carbon neutrality goals by 2060, as they significantly contribute to reducing carbon footprints through energy-efficient designs and technologies. * Green Building projects are expected to deliver significant environmental and social benefits. Green buildings reduce fossil energy use, enhance clean energy utilization, and contribute to a harmonious coexistence with nature. Energy-efficient designs in green Buildings can not only result in at least a 15% reduction in energy consumption compared to traditional buildings, but also support significant reductions in greenhouse gas emissions. Furthermore, these projects are expected to enhance indoor air quality and promote better health outcomes for occupants. * The projects are supported by China’s comprehensive policies on sustainable development, which include stringent green building standards and certifications such as the Chinese Green Building Evaluation Label and LEED. These standards ensure that Green Buildings contribute to energy savings, carbon emissions reduction, and pollution prevention. Moreover, the Group’s commitment to integrating sustainable practices in construction and operation further enhances the projects’ potential to meet its environmental objectives. Overall, the alignment with national policies and the incorporation of advanced technologies underscore the project’s feasibility in achieving its intended goals. | Alt Text |
| **Affordable Basic Infrastructure** |  |
| * The Affordable Basic Infrastructure projects align with China’s sustainable development policies as outlined in the 14th Five-Year Plan, which emphasizes ecological civilization and improving people’s lives and prioritizes optimizing land resource development, enhancing ecological environments, and improving public services. The projects under this Framework supports these national goals by constructing and maintaining basic transport infrastructure, which improves traffic conditions, facilitates economic activity, and enhances residents’ mobility. This alignment with the national focus on infrastructure supports sustainable urbanization and economic rejuvenation. * The Affordable Basic Infrastructure projects are expected to generate significant social and economic benefits. By improving transport infrastructure, the projects will likely enhance connectivity within the region, reducing travel time and costs for residents and businesses. This can lead to increased economic activity by facilitating the movement of goods and services. Additionally, improved infrastructure can attract investments and enhance property values in the surrounding areas, contributing to the overall economic growth. Socially, the projects will increase accessibility to essential services and improve residents’ quality of life by providing safer and more efficient transportation options. * By focusing on infrastructure that supports economic growth while minimizing environmental impact, the projects can effectively contribute to the Group’s goals of urban improvement and ecological protection.The alignment with national policies and the Group’s strategic objectives ensures these projects are well-positioned to receive support from both governmental and financial stakeholders. The commitment to sustainable financing frameworks, which adhere to international principles, further enhances the projects’ viability. | Alt Text |
| **Access to Essential Services** |  |
| * The Access to Essential Services projects under this Framework support China’s national sustainable development policies which emphasize the enhancement of ecological civilization, improvement of public services, and rural revitalization. The Group focus on providing public affordable healthcare and education services, aiming to improve social welfare and reduce inequalities. Additionally, the Group’s Sustainable Finance Framework ensures that investments are channeled into projects that support environmental and social goals, reinforcing the alignment with both national and regional sustainability objectives. * The Access to Essential Services projects are designed to deliver significant social benefits by enhancing healthcare and education accessibility for the underserved populations. The projects focus on construct and expand hospitals and training centers, thereby improving healthcare facilities and educational opportunities, ultimately enhancing the quality of life for local communities. Moreover, the projects contribute to employment generation and economic development, as they supports the construction and operation of essential service facilities. By focusing on these critical areas, the projects not only address immediate social needs but also lay the foundation for long-term community resilience and prosperity. * The Group’s adherence to international standards for sustainable finance, such as the Green Bond Principles and the Social Bond Principles, ensures robust project evaluation, selection, and reporting processes. These mechanisms provide transparency and accountability, enhancing the projects’ credibility and effectiveness under this Framework. Furthermore, the Group’s established track record in infrastructure development and its commitment to integrating sustainability into its core operations indicate a strong capability to successfully implement the projects and achieve the desired outcomes. | Alt Text |
| **Affordable Housing** |  |
| * The 14th Five-Year Plan emphasizes the enhancement of public services, including housing, to reduce disparities and improve living standards. The Group’s commitment to constructing affordable housing resonates with these objectives, addressing housing affordability and contributing to the broader goals of poverty alleviation and social equity. This alignment ensures that the Group’s projects are not only compliant with regulatory frameworks but also support the strategic vision set by the government for sustainable urban development. * The Affordable Housing projects under this Framework are expected to yield significant social benefits. By providing low-cost housing options, the projects address critical needs for affordable living spaces, particularly for low-income families, talents, and relocated individuals. This initiative is anticipated to enhance social stability by reducing housing insecurity and providing a foundation for economic empowerment. Furthermore, the project supports urbanization efforts by integrating housing solutions with essential infrastructure, thereby improving access to services and quality of life for residents. * The Group’s efforts to construct and operate low-cost housing, including public rental housing and social security housing for talents, supports the national agenda of improving public welfare and enhancing urban livability. The Affordable Housing projects ensure housing affordability and accessibility, thereby advancing ecological civilization and fostering rural revitalization, and effectively contributing to social welfare 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 constructionofinfrastructureprograms. 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** |
| **Energy Efficiency** | * xxx |
| **Environmentally Sustainable Management of Living Natural Resources and Land Use** | * xxx |
| **Affordable Basic Infrastructure** | * 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 improve public services and infrastructure, thereby enhancing the quality of life and promoting social well-being in Ganzhou.

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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.

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| **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 – 1.2.1.1** | * Manufacturing of Green Building Materials |
| * **GBEPC2021 – 3.2.3.1** | * Construction and Operation of Multi-energy Complementary Projects |
| * **GBEPC2021 – 4.2.2.4** | * Forest Recreation and Health Rehabilitation Industry |
| * **GBEPC2021 – 5.2.1.5** | * Energy Conservation and Environmental-friendly Renovation of Existing Buildings |
| * **GBEPC2021 – 5.4.2.4** | * Construction, Operation and Renovation of Up-to-standard Urban Drainage Facilities |
| * **GBEPC2021 – 5.4.2.5** | * Restoration of the Natural Ecology of Urban Water Bodies |
| * **SDGs 3.8** | * Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all |
| * **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.

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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** | * Amount of rainwater collected and re-used (in m³) * Annual absolute (gross) amount of wastewater treated (in tonnes p.a) * Area covered by sponge city-related projects (in km²) |
| **Renewable Energy** | * Renewable energy generation (MWh) * Annual greenhouse gas emissions avoided/reduced (in tonnes of CO2e) |
| **Energy Efficiency** | * Amount of energy saved (MWh) * Annual greenhouse gas emissions avoided (in tonnes of CO2e) |
| **Environmentally Sustainable Management Of Living Natural Resources And Land Use** | * Area of green landscape conserved/enhanced/created (in km²) |
| **Green Building** | * Level of certification by building |
| **Affordable Basic Infrastructure** | * The length of the road constructed (km) * No. of villages connected |
| **Access To Essential Services** | * Number of individuals/households benefitted |
| **Affordable Housing** | * Number of housing units constructed * Number of individuals/households benefitted |

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