

SECOND PARTY OPINION (“SPO”) Wuxi Construction and Development Investment Co., Ltd. Green Finance Framework

6 December 2021

Project Team

Zijing LIAO	Shitong SHE	Melody TONG	Joy SONG
Lead	External	Project Manager	Project Director
External	Reviewer		
Reviewer			

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Evaluation Summary

CECEPEC (CECEP Environmental Consulting Group) is of the opinion that Wuxi Construction and Development Investment Co., Ltd. (“Wuxi Construction and Development” or “the Group”) Green Finance Framework (“Framework”) is aligned with the issuer’s sustainability strategy and performance, the four core components of the Green Bond Principles 2021 (“GBP”), and the Green Loan Principles 2021 (“GLP”).

Use of Proceeds

The Group commits that the net proceeds or equivalent amount of the net proceeds of each Green Financing Transaction¹(“GFT”) will be exclusively financed and/or refinanced in the projects falling under Eligible Categories (“Eligible Projects”) which comprises four Green Project Categories (“Green Eligible Categories”), namely Green Buildings, Environmentally Sustainable Management of Living Natural Resources and Land Use, Sustainable Water and Wastewater Management, and Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products listed in GBP and GLP.

Process for Project Evaluation and Selection

The Group has established a Green Financing Team (the “Team”), consisting of representatives and senior members from the Investment and Development Department, Financing Management Department, and Planning and Finance Department. The Group describes the responsibilities of the Team in the Framework, including i) evaluating the compliance of projects with the Eligibility Criteria outlined in the Use of Proceeds under the Framework; ii) approving the inclusion of pre-selected Eligible Projects in the Group’s Green Project List; iii) monitoring and managing the Green Project List and tracking the use of net proceeds of GFTs through the internal information system on an annual basis; iv) replacing projects that no longer meet the Eligible Criteria or due to any divestments, etc. CECEPEC considers that the process of project evaluation and selection is in line with market practice and recommends strengthening of environmental and social risks evaluation in project selection.

Management of Proceeds

The Group commits that the net proceeds or equivalent amount of the net proceeds of GFTs will be deposited in its general account, which will then be earmarked for allocation to the Eligible Projects in accordance with the Framework. The Group reports that the Team will track the allocation of net proceeds or equivalent amount of net proceeds from each GFT to Eligible Projects. The intended types of temporary placement for the balance of unallocated net proceeds are defined in the Framework. CECEPEC considers the management of proceeds to be in line with market practice.

Reporting

The Group commits to report the allocation of the net proceeds or equivalent amount of the net proceeds via the website, social media, or report on an annual basis until full allocation and intends to report the total amount of allocated proceeds by Eligible Categories and unallocated proceeds, as well as the portion of new financing relative to refinancing in the allocation report. In addition, the Group intends to report the relevant impact indicators where possible. CECEPEC considers the disclosure to be in line with market practice.

¹ “Green Financing Transaction” includes green bond and green loan where the proceeds will be exclusively applied to finance or refinance Green Eligible Projects.

Introduction

The Group is a comprehensive investment and financing platform established in Wuxi City, Jiangsu Province, PRC. The business scope of the Group covers municipal infrastructure construction, financial leasing and commercial factoring, forest product, afforestation, and operation and management of urban public facility and assets in Wuxi City.

The Group has developed its Framework to demonstrate how it will fund Eligible Projects with GFT. CECEPEC was commissioned by the Group to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the environmental and social credentials of the Framework and its alignment with GBP and GLP.

Scope of the Assessment Engagement

- The alignment of the Framework with the four components of the GBP and GLP;
- The coherence between the Framework and the issuer’s sustainability strategy and performance;
- The environmental features of the type of projects intended for the use of proceeds;
- The potential social and environmental risk of the Eligible Green Projects and risk management of the issuer.

Methodology

CECEPEC provided a briefing session for the Group to ensure that the Group clearly understood the objectives, purpose, independence, confidentiality, and assessment procedures prior to the assessment. After the briefing, CECEPEC made a list of assessment items based on GBP and GLP and assessed the transparency of the public information and information provided by the Group, the relevance to environmental and social objectives, and the consistency of the information CECEPEC obtained with GBP and GLP. CECEPEC also conducted interviews with the Group’s managers to understand the Group’s sustainability strategy, performance, and future planning. An assessment was conducted in which the conclusions were based on public information and information provided by the Group.

CECEPEC employs appropriate employees with necessary experience and qualifications for the scope of the external review being provided, and carries out the external review in accordance with its internal Sustainable Finance External Review Manual (“Manual”), which clarifies the overall working procedures and review requirements. CECEPEC’s external review is subject to internal quality control at four levels: the Lead External Reviewer, the External Reviewer who re-examines after the lead External Reviewer, the Project Manager who checks on the quality and monitors the progress of project engagement, and the Project Director who supervises the overall engagement and provides final review and validation.

Independence and Conflict of Interest

CECEPEC is independent from the Group, carrying out the assessment with independence and acting in a manner that is free from bias and conflict of interest. There is no relationship between CECEPEC and the Group beyond the contractual agreement for providing this assessment. CECEPEC maintained objectivity throughout the external review process to ensure that the conclusions of the external review are only based on the evidence obtained from the assessment engagement with the Group.

Analysis and Opinion

CECEPEC is of the opinion that the Framework is in alignment with the four components of the GBP and GLP, and contributes to the issuer’s sustainability strategy and performance. CECEPEC also noticed that the issuer incorporates environmental and social risk considerations into the management of relevant projects and has implemented some risk management measures to mitigate relevant risks.

Contribution of the Green Finance Framework to the Issuer’s Sustainability Strategy and Performance

The Group’s business includes urban infrastructure construction and investment, financial leasing, afforestation, forest products, and is expanding its reach to prefabricated building industry. The Group adheres to its development strategy of “Green, Environmental Protection” and aims to support the sustainable development of urban infrastructures and public utilities in Wuxi City. The Group points out in its development plan to “actively participate in the development of Public-Private Partnership (PPP) and urban infrastructure construction business; and continue to support the healthy and sustainable development of established financial leasing, commercial factoring, equity investment, fund management and other businesses.” The Group strives to promote the development of prefabricated building industry which contributes to a win-win for better corporate investment revenue and urban industrial development, and to proactively seek detailed action plans for the achievement of national carbon neutrality goal.

The Group is complied with various environmental, as well as health and safety, laws and regulations promulgated by the PRC Government, such as PRC environmental laws and regulations, which regulate, among other things, forestry activities, including harvesting, land clearing for forests, planting in forest areas and the emission or discharge of pollutants or wastes into the soil, water or atmosphere. The Group reports that there is no record on governmental systems that the Group has been blacklisted for environmental accidents, environmental risk events or environmental violations in the past three years.

Some highlights of the Group’s sustainability management and performance are as follow:

- The Group’s forest product business is certified with ISO 9001, ISO 14001, and OSHAHS 18001 for its quality management, environmental management and occupational health and safety management, respectively. The business also produces FSC-certified products and is FSC-COC certified for producing with environmentally and socially responsible sources. The Group’s afforestation business is certified with FSC-FM for sustainable forest management practice.
- The Group invested in the research and development of environmentally friendly resin adhesive in replacement of traditional toxic phenolic glue used in plywood production to reduce the damage done to the environment. The Group’s Environmental protection plywood products has reached the E1 level on formaldehyde emissions in accordance with national standards GB18580-2017.
- The Group invests in pollutant removal equipment to reduce waste generated in production formaldehyde from production is adsorbed to the activated carbon. Solid wastes generated during the production, such as ash residue, are sold for reuse purpose. Domestic waste generated in the office and living area is collected and treated by the Department of Sanitation.
- The Group’s infrastructure construction business adopts necessary measures to reduce environmental damage and ensure discharged pollutants generated during construction projects are met by national regulations and standards The Group also commits to adopt energy-efficient lighting fixture, motor and pump at construction sites to achieve energy-saving goals. The Group also commits to take energy-saving into the development of future projects in order to improve public images.



Based on the Group’s sustainability management and performance, CECEPEC is of the opinion that the Framework is aligned with the Group’s ongoing sustainability strategy and performance.

Use of Proceeds


The Group commits that the net proceeds or the equivalent amount of the net proceeds of each GFT will be exclusively financed and/or refinanced with a look-back period of no longer than 36 months from the time of issuance in the environmental projects falling under Eligible Categories. CECEPEC views the look-back period to be in line with the market practice. The Eligible Categories includes:

- Green Buildings
- Environmentally Sustainable Management of Living Natural Resources and Land Use
- Sustainable Water and Wastewater Management
- Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products


The above four Green Eligible Categories are recognised by GBP and GLP, and are intended to contribute to four main environmental objectives, namely, climate change adaptation, climate change mitigation, pollution prevention and control, and natural resource conservation, as described in GBP. In addition, these four Eligible Categories intend to contribute to five of the United Nations Sustainable Development Goals (“SDGs”), including SDG 6, 9, 11, 12, and 15. CECEPEC also considers the four Eligible Categories and corresponding Eligibility Criteria & Examples coherent with the Green Bond Endorsed Projects Catalogue (2021 Edition) issued jointly by the People’s Bank of China (PBoC), the National Development and Reform Commission (NDRC), and the China Securities Regulatory Commission (CSRC) (the “China Green Bond Project Catalogue”). The detailed analysis and opinions of CECEPEC are as follows:

Eligible Project Categories	Eligibility Criteria & Examples	UN SDG Mapping	CECEPEC’s Analysis and Opinion
Green buildings	<ul style="list-style-type: none"> ▪ Development, construction, refurbishment, maintenance, and operations of buildings that meet national or international third-party environmental certifications, such as: <ul style="list-style-type: none"> - Chinese Green Building Evaluation Standard: two-star or above; or - any other similar recognised standards 	 	<p>The Group reports that the potential Eligible Projects are expected to receive national or international certifications, including Chinese Green Building Evaluation Label – minimum certification level of two stars or other similar recognised standards.</p> <p>CECEPEC views the Chinese certification scheme and the selected level to be in line with the market practice and encourages the Group to specify or provide</p>




			<p>some examples of other certification scheme and selected levels, such as LEED, with which some of the Group's projects have been certified.</p> <p>With its advantage in forest product business, the Group aims to develop prefabricated building business to replace high carbon emission materials such as steel and cement, and achieve carbon emission reduction and energy-saving goals.</p> <p>The Eligible Category is intended to contribute to main environmental objective "climate change mitigation."</p>
<p>Environmentally sustainable management of living natural resources and land use</p>	<ul style="list-style-type: none"> ▪ Investments and expenditures in greening of landscapes and preservation or restoration of natural landscapes, that enhance the ecological integrity, including but not limited to: <ul style="list-style-type: none"> - environmentally sustainable forestry, including afforestation or reforestation (certified in accordance with the Forestry Stewardship Council (FSC) or Programme for the Endorsement of 		<p>The definition of this category is clearly defined in the Framework.</p> <p>The Groups utilises suitable forest land and low-yielding forest land to expand fast-growing and productive forest nursery and manages over 80,000 hectares of forest land resources. The forest managed by the Groups achieved Forest Stewardship Council (FSC) Forest management certification.</p> <p>Beside its business in afforestation, seedling cultivation and sale,</p>



	<p>Forest Certified (PEFC))</p>		<p>the Group was commissioned by the Wuxi Municipal Government with greening works, and restoration of natural landscapes within Wuxi City.</p> <p>The Eligible Category is intended to contribute to main environmental objective “natural resource conservation.”</p>
<p>Sustainable water and wastewater management</p>	<ul style="list-style-type: none"> Financing of construction, development, installation, operation and maintenance of infrastructure or equipment for collection, treatment, recycling or reuse water, rainwater or wastewater 		<p>The Eligibility Criteria is clearly defined in the Framework.</p> <p>The Group adheres to the overarching social responsibility strategy which links to the United Nations’ Sustainable Development Goals ,and intends to support sustainable development through its financial leasing business, covering public utilities, environmental protection, infrastructures, and water conservancy sectors.</p> <p>CECEPEC noticed that the Group has leased assets of sewerage and rainwater pipelines, and wastewater treatment facilities, with the lessees being provincial water and sewerage company and wastewater treatment plant.</p>



			<p>The Eligible Category is intended to contribute to main environmental objective “pollution prevention and control.” and “natural resources conservation”.</p>
<p>Circular economy adapted products, production technologies and processes and/or certified eco-efficient products</p>	<ul style="list-style-type: none"> ▪ Development, sustainable production and use of materials and products that support the circular economy, such as: <ul style="list-style-type: none"> - Wood base board, COSB container base board, Resin adhesive for plywood; - Eco-friendly board; 		<p>The Eligibility Criteria is clearly defined in the Framework.</p> <p>The Group’s forest product business includes research and development, manufacture, and sale of container floor and new wood composite materials.</p> <p>The Group invested in the development of less costly, non-toxic, and more environmentally friendly resin adhesive in replacement of toxic phenolic glue, which is widely used in traditional plywood production.</p> <p>The Group’s signature COSB board is sourced from sustainable forest and involves no use of formaldehyde in the production. The automated production line and the utilisation of bark and edge residues as fuel resonate well with the Group’s development strategy.</p> <p>The Eligible Category is intended to</p>

			contribute to main environmental objective “natural resource conservation” and “pollution prevention and control.
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The environmental features of the type of Eligible Projects are described as shown in the table above, while CECEPEC also recognises that there are some key environmental and social risks, such as environmental pollution and occupational health and safety issues related to the project construction, production and operation.

In its wood product business, the Group invests in the research and development of environmentally friendly technology and products to reduce the damage done to environment and human health. The Group also invests in the purchase and maintenance of pollutant removal equipment to reduce waste generated in production.

Natural disaster is identified by the Group as one of the environmental risks. The Group claims that while being experienced in forestry and wood processing, the Group cannot guarantee full avoidance of forestry assets loss in substantial natural disasters. As a mitigation for disaster, the Group insured the forest to reduce the impacts.

The Group adheres to the policy of "safety first, prevention first" and put emphasis on work safety. The Group has formulated the "Production Safety Policy." The Department of Production Safety in subordinate production units is supported by production safety specialist onsite, who is responsible for maintaining production safety routine, and ensuring the implementation of the "Production Safety Management Policy", "General Rules of Occupational Health and Safety", "The Management Measures for Work Injury Management." The Group organises regular company-wide meetings on production safety to ensure timely identification and rectification of safety hazards in production. The Group also holds regular training sessions on production training and fire safety drills.

Regulated by national environmental protection law and supervised by Department of Environmental Protection of Wuxi, the Group’s infrastructure construction business adopts necessary measures to ensure discharged pollutants generated during construction projects are met by national regulations and standards, such as “Ambient air quality standards GB3095-1996”, “Emission standard of environment noise for boundary of construction site GB12523-90”, etc.

The Group identified noise pollution during construction as having one of the most substantial environmental impacts on the surroundings. To mitigate the impact of noise pollution, the Group strives to arrange work time reasonably to avoid high noise construction during nighttime. The Group also deploys noise-absorbing cover around high-noise equipment during operation and replaces high-noise equipment and construction methods with low-noise alternatives on a best-effort basis.

The Group’s financial leasing business does not directly impact on surrounding environment, nor does it involve major production safety risks, therefore it has smaller risk exposure to environmental and social risks. The Group selects underlying projects based on their coherence to the Group’s social responsibility strategy and United Nations’ Sustainable Development Goals, in order to mitigate primary and secondary environmental and social risks.

Based on the above analysis, CECEPEC considers that the Group incorporates the environmental and social risk consideration into the management of relevant projects and is committed to mitigating the relevant risks.

Process for Project Evaluation and Selection

The governance and process for the project evaluation and selection are describe clearly in the Framework. CECEPEC considers that the governance and process are structured, clear, and relevant and recommends strengthening of environmental and social risks evaluation in project selection.

The Group has established a Green Financing Team (the “Team”) which governs the process for project evaluation and selection, consisting of representatives and senior members from Investment and Development Department, Financing Management Department, and Planning and Finance Department. The Group commits that the Team will meet on an annual basis and is responsible for:

- Evaluating the compliance of projects with the Eligibility Criteria outlined in the Use of Proceeds under the Framework;
- Approving the inclusion of pre-selected Eligible Projects in the Group’s Green Project List (the Team has full discretion to object the inclusion of any project);
- Monitoring and managing the Green Project List. The Group will maintain a register to keep track the use of net proceeds of the GFTs through the internal information system on an annual basis;
- Replacing projects that no longer meet the Eligible Criteria or due to any divestments;
- Observing developments in the Sustainable Financing markets and approving updates to this Framework accordingly to reflect relevant changes in the Group’s corporate strategy or market developments.

Management of Proceeds

The management process of the net proceeds or equivalent amount of the net proceeds is defined in the Framework and Group reports that it intends to fully allocate all net proceeds or equivalent amount of net proceeds within 36 months of each transaction. CECEPEC considers the management process is feasible and is in line with the market practice.

The Group describes the management of proceeds as follows:

- Net proceeds or equivalent amount of the net proceeds will be deposited in the Group’s general account;
- A register will be maintained to keep track the use of the net proceeds or equivalent amount of the net proceeds of GFTs through the internal information system;
- The balance of the tracked net proceeds will be on a best effort basis annually adjusted to match allocations to Eligible Projects during the outstanding of the GFTs;
- Unallocated proceeds will be held in temporary investment instruments that are asset with high liquidity and safety such as cash or cash equivalents, or held in temporary placements that do not include projects, assets or activities that are inconsistent with the nature of a green debt instrument;
- Proceeds will be re-allocated to those projects that comply with the Framework as soon as practicable if any of the Eligible Projects cease to fulfil requirements of Use of Proceeds under the Framework.

The Group commits not to invest unallocated proceeds to high pollution activities or ineligible projects. CECEPEC considers this is in line with the market practice. The Group reports that the following sectors and activities will be excluded from Eligible Projects:

- Activities that violate national laws and regulations, international conventions and agreements, or are subject to international bans and sanctions;

- Production or trade of weapons and ammunition;
- Production or trade of alcoholic beverages (except for beer and wine);
- Production or trade of tobacco;
- Enterprises engaged in gambling or casino operations or similar businesses;
- Production or trade of radioactive materials (excluding equipment which radioactive source is considered insignificant and/or adequately shielded, for example, quality control equipment); or
- Production or activities involving harmful or exploitative forced labour or harmful child labour.

CECEPEC recommends verification of the internal tracking method and the allocation of proceeds once a year by an external auditor for a high level of transparency until full allocation of proceeds.

Reporting

The Group commits to disclose the allocation report on an annual basis until full allocation and disclose the impact report where possible. CECEPEC views the disclosure to be in line with the market practice.

Allocation Report should contain the following information:

- Amount of allocated proceed by Eligible Categories, with a brief description of green projects;
- The remaining balance of funds which has not yet been allocated;
- Share of financing vs. refinancing

Where possible, the Group will report on the environmental impacts associated with the Eligible Projects funded with the net proceeds of the GFTs. Impact Report may contain such as but not limited to the following information:

Eligible Categories	Impact Indicators
Green Buildings	<ul style="list-style-type: none"> ▪ Level of certification by building
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> ▪ Maintenance/safeguarding/increase of natural landscape area (including forest) in km² and in % for increase
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Amount of rainwater collected and re-used (in m³) ▪ Annual absolute (gross) amount of wastewater treated in tonnes p.a
Circular economy adapted products, production technologies and processes	<ul style="list-style-type: none"> ▪ Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or as absolute amount in tonnes p.a. ▪ The increase in number of products and/or the share of production awarded an internationally recognised eco-label, or energy, eco-efficiency or other relevant environmental certification

Green Bond Programme External Review Form

Section 1. Basic Information

Issuer name: Wuxi Construction and Development Investment Co., Ltd.

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Wuxi Construction and Development Investment Co., Ltd. Green Finance Framework

Independent External Review provider's name: CECEP Environmental Consulting Group

Completion date of this form: 6 December 2021

Publication date of review publication: *[where appropriate, specify if it is an update and add reference to earlier relevant review]*

Section 2. Review Overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other <i>(please specify):</i> | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to CECEPEC Evaluation Summary above.

Section 3. Detailed Review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable):*

The Group commits that the net proceeds or equivalent amount of the net proceeds of each Green Financing Transaction (“GFT”) will be exclusively financed and/or refinanced in the Eligible Projects falling under four Green Project Categories (“Green Eligible Categories”), namely Green Buildings, Environmentally sustainable management of living natural resources and land use, Sustainable water and wastewater management, and Circular economy adapted products, production technologies and processes and/or certified eco-efficient products listed in GBP and GLP.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |

- | | |
|--|---|
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

The Group has established a Green Financing Team (the “Team”), consisting of representatives and senior members from the Investment and Development Department, Financing Management Department, and Planning and Finance Department. The Group describes the responsibilities of the Team in the Framework, including i) evaluating the compliance of projects with the Eligibility Criteria outlined in the Use of Proceeds under the Framework; ii) approving the inclusion of pre-selected Eligible Projects in the Group’s Green Project List; iii) monitoring and managing the Green Project List and tracking the use of net proceeds of GFTs through the internal information system on an annual basis; iv) replacing projects that no longer meet the Eligible Criteria or due to any divestments, etc. CECEPEC considers that the process of project evaluation and selection is in line with market practice and recommends strengthening of environmental and social risks evaluation in project selection.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives | <input type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The Group commits that the net proceeds or equivalent amount of the net proceeds of GFTs will be deposited in its general account, which will then be earmarked for allocation to the Eligible Projects in accordance with the Framework. The Group reports that the Team will track the allocation of net proceeds or equivalent amount of net proceeds from each GFT to Eligible Projects. The intended types of temporary placement for the balance of unallocated net proceeds

are defined in the Framework. CECEPEC considers the management of proceeds to be line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only
- Allocation to individual disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Allocations to both existing and future investments
- Allocation to a portfolio of disbursements
- Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

The Group commits to report the allocation of the net proceeds or equivalent amount of the net proceeds via the website, social media, or report on an annual basis until full allocation and intends to report the total amount of allocated proceeds by Eligible Categories and unallocated proceeds, as well as the portion of new financing relative to refinancing in the allocation report. In addition, the Group intends to report the relevant impact indicators where possible. CECEPEC considers the disclosure to be in line with market practice.

Use of proceeds reporting:

- Project-by-project
- Linkage to individual bond(s)
- Information reported:**
 - Allocated amounts
 - Other (*please specify*):
- Frequency:**
 - Annual
 - Other (*please specify*):
- On a project portfolio basis
- Other (*please specify*):
- Green Bond financed share of total investment
- Semi-annual

Impact reporting:

- Project-by-project
- Linkage to individual bond(s)
- Frequency:**
 - Annual
 - Other (*please specify*):
- Information reported (*expected or ex-post*):**
 - GHG Emissions / Savings
 - Decrease in water use
 - On a project portfolio basis
 - Other (*please specify*):
 - Semi-annual
 - Energy Savings
 - Other ESG indicators (*please specify*):

Eligible Categories	Impact Indicators
Green Buildings	<ul style="list-style-type: none"> ▪ Level of certification by building
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> ▪ Maintenance/safeguarding/increase of natural landscape area (including forest) in km² and in % for increase
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Amount of rainwater collected and re-used (in m³) ▪ Annual absolute (gross) amount of wastewater treated in tonnes p.a
Circular Economy Adapted Products, Production Technologies and Processes	<ul style="list-style-type: none"> ▪ Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or as absolute amount in tonnes p.a. ▪ The increase in number of products and/or the share of production awarded an internationally recognised eco-label, or energy, eco-efficiency or other relevant environmental certification

Means of Disclosure

- Information published in financial report Information published in sustainability report
 Information published in ad hoc documents Other (*please specify*):
 Reporting reviewed (*if yes, please specify which parts of the reporting are subject to external review*):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (*e.g. to review provider methodology or credentials, to issuer's documentation, etc.*)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE
Type(s) of Review provided:

- Second Party Opinion Certification
 Verification Scoring/Rating
 Other (*please specify*):

Review provider(s): CECEPEC

Date of publication: 6 December 2021

About CECEPEC

CECEP Environmental Consulting Group (CECEPEC) is a leading Sustainability Consulting Service provider, who is established by China Energy Conservation and Environmental Protection Group (CECEP Group).

CECEPEC offers a wide range of consulting services to help clients address their ESG challenges, which aims to unearth enterprises' sustainability values and help tackling climate challenges.

CECEPEC is internationally recognised as a leading service provider in international capital market. CECEPEC serves as the observer for the International Capital Market Association (ICMA) for the Green Bond Principles and Social Bond Principles. Furthermore, CECEPEC is one of the recognised external reviewers of “Green and Sustainable Finance Grant Scheme” launched by Hong Kong Monetary Authority (HKMA).

CECEPEC serves a wide range of international and domestic clients from different industry sectors and operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

For more inform: www.cecepec.com

Disclaimer

The opinion given by CECEPEC shall not be regarded as recommendation to risk judgment or the decision to purchase, sell or hold any financial products.

The opinion refers solely to the relevant social and/or environmental criteria and does not assess the economic profitability and credit worthiness of the financial products and/or projects.

The opinion assesses the anticipated impacts of eligible projects expected to be (re)financed with proceeds but does not measure the actual impacts. The opinion is given based on the potential allocation of proceeds but does not guarantee the realised allocation of the proceeds towards eligible categories or projects.

The opinion reflects on the alignment of the Framework with market standards, but CECEPEC shall exclude any liability concerning the guarantee of alignment with future versions of relevant market standards.

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