

Second-Party Opinion

Concord New Energy Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Green Bond Framework for Concord New Energy (CNE) is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 (GBP). This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Renewable energy – is aligned with those recognized by GBP. Sustainalytics considers that the eligible category will help to reduce total GHG emissions by increasing the renewable energy output and advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION / SELECTION According to CNE's three-step project evaluation and selection process, eligible projects will be identified by multiple departments. Final approval of shortlisted projects is conducted by the Investment Committee, which is comprised of cross-functional representatives from the Board of Directors, Audit Committee, Senior Management Team, Safety Management Committee, and business units. The Investment Committee will approve the projects in accordance with the Company's Green Projects Selection and Investment Management Policy and review the allocation of proceeds annually based on eligibility criteria. This process is in line with market practice.



MANAGEMENT OF PROCEEDS Proceeds of the green bond will be tracked and recorded by the Company's Finance Department using a dedicated Green Finance Allocation Register. The register will include information on green bond details, amount of proceeds allocated, and the remaining balance of unallocated proceeds, as well as the type of temporary investments for unallocated proceeds. Pending full allocation, unallocated proceeds will be invested in bank deposit and other fixed-income investment in accordance with CNE's liquidity management policy. This process is in line with market practice.



REPORTING CNE will publish its allocation and impact reports annually on its corporate website, until full allocation. Allocation reporting will include a list of eligible projects financed or refinanced with descriptions and amount of net proceeds allocated on an aggregated portfolio basis. Impact reporting will provide relevant impact metrics. This process is in line with market practice.

Evaluation date	April 27, 2020
Issuer Location	Hong Kong, China

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Introduction

Concord New Energy Group Limited (“CNE”, or the “Company”) is a Hong Kong based pure play renewable energy company that focuses on wind and solar energy investment across China and the United States. CNE’s business operations include wind and solar farm investment, operation, design, development, construction, operation, maintenance, and equipment manufacturing.

CNE has developed the Green Bond Framework (the “Framework”) under which it intends to issue a green bond and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that provide clean and sustainable energy through the utilization of solar and wind energy sources. The Framework defines eligibility criteria in one area:

1. Renewable Energy

CNE engaged Sustainalytics to review the Green Bond Framework, dated April 2020 and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

As part of this engagement, Sustainalytics held conversations with various members of CNE’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of CNE’s Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Green Bond Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² The Green Bond Framework is available on Concord New Energy Group Limited’s website at: <http://www.cnegroup.com/zh/social/public/#tab2>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Green Bond Framework

Sustainalytics is of the opinion that the Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of CNE's Green Bond Framework:

- Use of Proceeds:
 - The use of proceeds category of the CNE Green Bond Framework – Renewable Energy– is recognized by the Green Bond Principles 2018 as project category having positive environmental benefits. Sustainalytics believes that CNE's investments in solar and wind energy projects will contribute to the utilization of renewable energy and thus to decarbonizing the energy sector in China and the United States.
 - CNE intends to allocate the proceeds to the investment, development, construction, operation, and acquisition of solar and wind energy projects.
 - While CNE does not indicate a look back period for refinancing previous investments in its Framework, CNE confirmed that the Company will favor projects from 2018 for its refinancing activities. Additionally, CNE intends to report on the share of new financing vs. refinancing in its allocation report.
- Project Evaluation and Selection:
 - CNE's eligible project will be identified by multiple internal departments, such as Project Development, Technical, Finance, Construction Management, Plan and Operation, Safety and Quality Supervisory, and the Environmental Evaluation. Final approval of shortlisted projects will be executed by the Investment Committee, which is comprised of cross-functional representatives from the Board of Directors, Audit Committee, Senior Management Team, Safety Management Committee, and business units. Projects are selected following a three-step approach, including amongst others the evaluation of projects based on the Green Projects Selection and Investment Management Policy. The Committee will continuously monitor and check whether the project developments remain in line with the Framework.
 - Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The net proceeds will be recorded and tracked through a dedicated Green Finance Allocation Register which will include information on green bond details, amount of allocated proceeds, the remaining balance of unallocated proceeds and the type of temporary investments for unallocated proceeds. Unallocated proceeds will be temporarily held in bank deposits or other fixed income instruments in accordance with CNE's liquidity management policy.
 - Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Until full allocation, CNE will publish its allocation and impact reporting on its website on an annual basis. As part of the allocation reporting, CNE will disclose a list of all projects invested or refinanced, along with descriptions and amount of allocation. Impact reporting will include, where feasible, the environmental impact key performance indicators such as installed capacity in MW, attributable power generation output in GWh, annual renewable energy production in MWh, and annually reduced CO₂, NO_x, and SO_x emissions in tonnes. The impact information may be presented on an aggregated portfolio basis.
 - Sustainalytics considers CNE's reporting on allocation and impact is aligned with current market practices.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of CNE

Contribution of framework to CNE's sustainability strategy

Being a pure-play renewable energy company, CNE aims to provide clean and sustainable energy through the utilization of solar and wind energy sources. As part of its commitment to provide clean and sustainable energy, As of 31 December 2019, CNE invests in 78 wind power and solar power plants with a total installed capacity of 3,446 MW in China and the United States.

In 2018, CNE conducted a materiality analysis to ensure the integration of sustainability practices to its operations. Based on the analysis, CNE identified key priority areas such as energy consumption, greenhouse gas emissions (GHG), environmental protection, new energy development, among others. To further strengthen its performance in these areas, CNE reviewed the Company's ESG strategy and identified the following key targets: (i) adopting advanced technologies and practices for environmental impact assessment, (ii) promoting the efficient use of energy and resources, (iii) mitigating climate change through the reduction of emissions, (iv) promoting environmental protection through training and publicity, and (v) supporting the development of China's clean energy education³ Furthermore, CNE established an Environmental, Social and Governance (ESG) management system, headed by the Board of Directors and senior management. As part of the system, the Board of Directors oversees the development of the Company's ESG strategies and objectives, the Audit Committee supervises CNE's ESG commitment, and the management team implements the objectives. The Board of Directors assesses the implementation of the identified ESG practices on an ongoing basis.⁴

Based on CNE's sustainability commitments, strategy, and governance, Sustainalytics is of the opinion that CNE's Green Bond Framework is aligned with the company's overall sustainability efforts and that the eligible projects will support the company advance its sustainability strategy.

Well positioned to address common environmental and social risks associated with the projects

While the eligible categories are recognized as impactful by the Green Bond Principles 2018, Sustainalytics recognizes that the eligible projects may lead to potential negative environmental and social risks such as biodiversity loss, land-use change, pollution, and workers' health and safety, as well as community relations risks. Sustainalytics is of the opinion that CNE is well positioned to manage and mitigate these risks by implementing the following:

- CNE established a company-wide occupational health and safety management system, aiming to ensure adequate occupational health and safety through the implementation of simultaneous planning, arrangement, inspection, summary, and assessment. Additionally, in 2018, CNE further strengthened eight safety systems including, safety inspection, hidden danger investigation and control, management of technical measures for labor safety protection, and anti-accident measures, among others. As part of these systems, CNE monitors hazardous sources at the workplace to manage and mitigate the employee's potential exposure to risk factors.⁵
- To minimize the Company's environmental impact on water and soil during the construction, CNE has taken following protection measures: (i) the reduction of water loss and soil erosion through vegetation greening, (ii) the optimization of construction equipment based on local mountains and vegetation, and (iii) the avoidance of trees and shrubs. The Company also actively invests in soil and water conservation projects.⁶
- Following China's Environmental Impact Assessment (EIA) Act, CNE performs an environmental risk assessment for its all projects - including reconstruction and expansion projects - during the initial phase of project design.⁷ In addition to the EIA, CNE engages with third-party organizations to conduct field reports on biodiversity, aiming to protect the existence and migration of birds and wild animals during the initial phase of construction projects.⁸
- CNE confirmed to Sustainalytics that all eligible projects located in the United States will follow National Environmental Policy Act⁹ (NEPA). The NEPA analysis is required by law in the United States for major renewable energy projects, including solar and wind. Responsibility of conducting the NEPA analysis lies with the federal agency of the respective land and the local agency for environmental issue.¹⁰ As part of the NEPA analysis, all federal agencies need to prepare an Environmental Impact Statement (EIS) and/or Environmental Assessment (EA) according to the

³ CNE Annual Report 2018, pg. 96, at: http://www.cnegroup.com/d/file/p/pdf/LTN201903251187_C.pdf

⁴ CNE Annual Report 2018, pg. 100, at: http://www.cnegroup.com/d/file/p/pdf/LTN201903251187_C.pdf

⁵ CNE Annual Report 2018, pg. 119, at: http://www.cnegroup.com/d/file/p/pdf/LTN201903251187_C.pdf

⁶ CNE Annual Report 2018, pg. 107, at: http://www.cnegroup.com/d/file/p/pdf/LTN201903251187_C.pdf

⁷ CNE Annual Report 2018, pg. 105, at: http://www.cnegroup.com/d/file/p/pdf/LTN201903251187_C.pdf

⁸ CNE Annual Report 2018, pg. 108, at: http://www.cnegroup.com/d/file/p/pdf/LTN201903251187_C.pdf

⁹ The National Environmental Policy Act of the United States, at: https://www.whitehouse.gov/sites/whitehouse.gov/files/ceq/NEPA_full_text.pdf

¹⁰ Introduction to NEPA, at: <https://www.epa.gov/nepa/what-national-environmental-policy-act#NEPArequirements>

project's impact on environment.¹¹ Moreover, agencies are required to execute public participation during the NEPA analysis as well as after the publication of NEPA document for public review and comment.¹²

Based on these policies, standards and assessments, Sustainalytics is of the opinion that CNE is well positioned to mitigate environmental and social risks commonly associated with the eligible projects and encourages CNE to further integrate community consultation processes in the design and construction phase of all large infrastructure projects.

Section 3: Impact of Use of Proceeds

The eligible category for the use of proceeds, Renewable Energy, is recognized as impactful by the GBP. Sustainalytics has focused on below where the impact is specifically relevant in a local context.

Importance of fostering solar and wind energy investments in China and the United States

CNE intends to use its green bonds' proceeds to provide clean energy through the utilization of wind and solar energy sources in China and the United States. In 2018, annual global energy demand increased by 2.3% while the United States, India and China together accounted for nearly 70% of the increase in energy demand.¹³ Although the share of renewable energy in global energy production increased by 14% in 2018,¹⁴ fossil fuel energy still accounts for nearly 70% of global energy demand.¹⁵ Considering this global trend, government policies and market conditions, the International Energy Agency (IEA) projects a 24% increase in global energy demand between 2018 and 2040,¹⁶ indicating the urgency of increasing renewable energy's share in the global energy portfolio.

In accordance with the Paris Agreement, China commits to a 60-65% carbon intensity reduction by 2030 against 2005 levels.¹⁷ To achieve this commitment, China aims to reduce its energy reliance on coal, from 64% to 55% of its total energy by 2020¹⁸ and increase the share of non-fossil fuel energy consumption to 15% of the total energy mix by 2020.¹⁹ China's 13th Five Year Plan (2016-2020) outlines the Country's clean energy transition plan, with a target of increasing solar energy by 58 GW and wind energy by 53 GW by 2020 compared to 2016 levels.²⁰ Despite these targets, as of 2017, solar and wind energy accounts for less than 2% in the country,²¹ demonstrating the importance of fostering wind and solar energy investments.

In 2018, renewable energy generation doubled in the United States compared to 2008 levels. Although solar and wind energy accounted for almost 90% of this increase, wind energy contributed only 6.5% of total electricity generation in the country, while solar energy contributed 2.3% in the same year.²² According to the Department of Energy's National Renewable Energy Laboratory (NREL), by increasing renewable electricity generation from technologies that are currently available, there is a capacity for 80% of the Country's electricity to be generated from renewable energy, including through wind and solar generation, by 2050.²³

Based on the above, Sustainalytics believes that the use of proceeds from CNE's green bonds will increase the share of renewable energy generation in China and the United States, and thus support a shift towards a low-carbon economy.

¹¹ NEPA Review Process, at: <https://www.epa.gov/nepa/national-environmental-policy-act-review-process#CATEX>

¹² NEPA Public Participation Process, at: <https://www.epa.gov/nepa/how-citizens-can-comment-and-participate-national-environmental-policy-actprocess#whenpublicnepa>

¹³ Press Release, International Energy Agency, at: <https://www.iea.org/news/global-energy-demand-rose-by-23-in-2018-its-fastest-pace-in-the-last-decade>

¹⁴ BP Statistical Review of World Energy, British Petroleum, at: <https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy/renewable-energy.html>

¹⁵ Press Release, International Energy Agency, at: <https://www.iea.org/news/global-energy-demand-rose-by-23-in-2018-its-fastest-pace-in-the-last-decade>

¹⁶ World Energy Outlook 2019, International Energy Agency, at: <https://www.iea.org/reports/world-energy-outlook-2019/electricity>

¹⁷ China, Climate Action Tracker, at: <https://climateactiontracker.org/countries/china/>

¹⁸ Press Release, China energy efficiency improved in 2016, at: <http://www.climatechangenews.com/2017/01/30/china-energy-efficiency-improved-in-2016-reports-xinhua/>

¹⁹ China's renewable energy reports record high installed capacity in 2017, at: http://www.xinhuanet.com/english/2018-02/28/c_137006456.htm

²⁰ The 13th Five Year Plan for Economic and Social Development of the People's Republic of China (2016–2020), National Development and Reform Commission, at: https://en.ndrc.gov.cn/policyrelease_8233/201612/P020191101482242850325.pdf

²¹ Data and Statistics, Energy Data in China, International Energy Agency, at: [https://www.iea.org/data-and-statistics?country=CHINA&fuel=Energy%20supply&indicator=Total%20primary%20energy%20supply%20\(TPES\)%20by%20source](https://www.iea.org/data-and-statistics?country=CHINA&fuel=Energy%20supply&indicator=Total%20primary%20energy%20supply%20(TPES)%20by%20source)

²² EIA, USA Renewable Electricity Generation, at: <https://www.eia.gov/todayinenergy/detail.php?id=38752>

²³ National Renewable Energy Laboratory, Renewable Electricity Futures Study, at: <https://www.nrel.gov/docs/fy13osti/52409-ES.pdf>

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goal and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

CNE has developed the Green Bond Framework under which it will issue a green bond and the use of proceeds to finance wind and solar energy projects. Sustainalytics considers that the projects funded by the green bond proceeds will contribute to the utilization of renewable energy and thus to decarbonizing the energy sector in China and the United States.

The Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the CNE Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceed category will contribute to the advancement of the UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that CNE has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that CNE is well-positioned to issue green bonds and that the CNE Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form Section 1. Basic Information

Issuer name:	Concord New Energy Group Limited
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	16 April, 2020
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

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 REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> 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 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 use of proceeds category of the CNE Green Bond Framework, Renewable Energy, is recognized by the Green Bond Principles 2018 as project category having positive environmental benefits. Sustainalytics believes that CNE's investments in solar and wind energy projects will contribute to the utilization of renewable energy and thus to decarbonizing the energy sector in China and the United States. CNE intends to allocate proceeds to the investment, development, construction, operation, and acquisition of solar and wind energy projects. While CNE does not indicate a look back period for refinancing previous investments in its Framework, CNE confirmed that the Company will favor projects from 2018 for its refinancing activities. Additionally, CNE intends to report on the share of new financing vs. refinancing in its allocation report.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input 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 type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input 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 (please specify): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

CNE's eligible project will be identified by multiple internal departments, such as Project Development, Technical, Finance, Construction Management, Plan and Operation, Safety and Quality Supervisory, and the Environmental Evaluation. Final approval of shortlisted projects will be executed by the Investment Committee, which is comprised of cross-functional representatives from the Board of Directors, Audit Committee, Senior Management Team, Safety Management Committee, and business units. Projects are selected following a three-step approach, including amongst others the evaluation of projects based on the Green Projects Selection and Investment Management Policy. The Committee will continuously monitor and check whether the project developments remain in line with the Framework.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" 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 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 type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The net proceeds will be recorded and tracked through a dedicated Green Finance Allocation Register which will include information on green bond details, amount of allocated proceeds, the remaining balance of unallocated proceeds and the type of temporary investments for unallocated proceeds. Unallocated proceeds will be temporarily held in bank deposits or other fixed income instruments in accordance with CNE's liquidity management policy. This process is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

Until full allocation, CNE will publish its allocation and impact reporting on its website on an annual basis. As part of the allocation reporting, CNE will disclose a list of all projects invested or refinanced, along with descriptions and amount of allocation. Impact reporting will include, where feasible, the environmental impact key performance indicators such as installed capacity in MW, attributable power generation output in GWh, annual renewable energy production in MWh, and annually reduced CO₂, NO_x, and SO_x emissions in tonnes. The information may be presented on an aggregated portfolio basis.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): installed capacity in MW, attributable power generation output in GWh, annual renewable energy production in MWh, and annually reduced CO ₂ , NO _x , and SO _x emissions in tonnes |

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): allocation and impact reporting will be reported independently and published on the Company's website |
| <input type="checkbox"/> 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.)

<http://www.cnegroup.com/zh/social/public/#tab2>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider". The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

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