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**ASSESSMENT**
4 March 2024

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# China Minsheng Banking Corp., Ltd., Hong Kong Branch

## Second Party Opinion – Green Finance Framework Assigned SQS2 Sustainability Quality Score


### Summary

We have assigned an SQS2 sustainability quality score (Very good) to China Minsheng Banking Corp., Ltd., Hong Kong Branch's (CMBCHK or the bank) green finance framework dated February 2024. The bank has established its use-of-proceeds framework with the aim of financing projects across six eligible green categories. The framework is aligned with four core components of the International Capital Market Association (ICMA)'s Green Bond Principles 2021 (including June 2022 Appendix 1) and the Loan Market Association (LMA)'s Green Loan Principles 2023. The framework demonstrates a significant contribution to sustainability.


Sustainability quality score

SQS2

SQS5 Weak | SQS4 Intermediate | SQS3 Good | SQS2 Very good | SQS1 Excellent

**Alignment with principles**
USE OF PROCEEDS

Overall alignment

Not aligned | Partially aligned | Aligned | Best practices

| FACTORS | ALIGNMENT |
|---|---|
| Use of proceeds | |
| Evaluation and selection | |
| Management of proceeds | |
| Reporting | |

**Contribution to sustainability**

Overall contribution

Poor | Limited | Moderate | Significant | High

Expected impact
Relevance and magnitude

| ADJUSTMENTS | |
|---|---|
| ESG risk management | No adjustment |
| Coherence | No adjustment |

POINT-IN-TIME-ASSESSMENT

## Scope
We have provided a Second Party Opinion (SPO) on the sustainability credentials of the bank's green finance framework, including the framework alignment with ICMA's Green Bond Principles 2021 (including June 2022 Appendix 1) and the LMA's Green Loan Principles 2023.

Our assessment is based on the last updated version of the framework received on March 2024, and our opinion reflects our point-in-time assessment[1] of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We produced this SPO based on our Framework to Provide Second Party Opinions on Sustainable Debt, published in October 2022.

## Issuer profile
China Minsheng Banking Corp., Ltd Hong Kong Branch is a crucial part of China Minsheng Banking Corp., Ltd (CMBC)'s international operations. This branch plays a significant role in connecting the bank's domestic operations in mainland China with global financial markets. The Hong Kong Branch provides a wide range of services, including corporate banking, financial markets, and wealth management and private banking.

CMBC is one of the leading commercial banks in China. It was the first bank in China to be owned mostly by non-government enterprises and to be managed in accordance with commercial principles. The bank offers a comprehensive range of financial services. Its business segments include corporate banking, retail banking, financial markets, and wealth management and private banking.

## Strengths

» The environmental benefits are relevant and measurable

» Clearly defined and relevant environmental and social objectives associated with all eligible categories

» Regular monitoring of compliance of the selected projects with the eligibility and exclusion criteria

## Challenges

» Although the framework is in line with current market practices, inclusion of general corporate purpose loans through pure-play companies constitutes a nonstandard use of proceeds susceptible to specific challenges in terms of asset-level adherence to sustainability objectives, allocation and traceability, impact reporting, and an increased risk of double counting

» Several eligible categories lack granular details on thresholds or specific assets to be financed

» There is no commitment on the verification of both the allocation of proceeds and impact reporting

## Alignment with principles

The bank's green finance framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 (including June 2022 Appendix 1) and the LMA's Green Loan Principles 2023.

- [x] Green Bond Principles (GBP)
- [ ] Social Bond Principles (SBP)
- [x] Green Loan Principles (GLP)
- [ ] Social Loan Principles (SLP)
- [ ] Sustainability-Linked Bond Principles (SLBP)
- [ ] Sustainability Linked Loan Principles (SLLP)

### Use of proceeds

Not aligned | Partially aligned | **Aligned** | Best practices

**Clarity of the eligible categories – ALIGNED**

CMBCHK has outlined the nature of expenditures, including both capital and operating expenditures. The eligibility criteria for nearly all the project categories are clearly defined, although criteria for some categories and subcategories are defined broadly. The majority of eligible projects are based in China, while for renewable energy category, project locations are more diversified across China, the US, and the UK. The bank has also confirmed that project location also includes Sweden under clean transportation category.

The cornerstone of the ICMA's Green Bond Principles is the full utilization of net bond proceeds to eligible projects with clear environmental benefits. The bank's framework includes a limited allocation of proceeds towards general corporate purpose loans to pure-play companies that derive at least 90% of their revenue from activities that adhere to the eligibility criteria defined in the framework. The bank will use the exclusion criteria from the framework when selecting assets.

We consider this represents a non-standard use of proceeds that introduces certain challenges in terms of asset level adherence to sustainability objectives, allocation and traceability, impact reporting, and an increased risk of double counting. However, given that the pure-player related expenditure will account for less than 20% of the total net proceeds of the bonds, loans, and green deposits, and the 90% revenue threshold, we consider the structure to be aligned with the ICMA principles and the current market practices.

**Clarity of the environmental and social objectives – ALIGNED**

The bank has clearly outlined the environmental objectives associated with all of the green categories. These objectives include climate change mitigation, sustainable use and protection of water and marine resources and pollution prevention. All eligible categories are relevant to the respective environmental or social objectives to which they aim to contribute. The Bank has referenced the United Nations (UN) Sustainable Development Goals (SDGs) in articulating the objectives of the eligible categories, and the objectives are coherent with these recognized international standards.

**Clarity of the expected benefits – BEST PRACTICES**

The company has identified relevant environmental benefits for the six eligible green categories. The benefits are measurable, and the company commits to reporting on these quantitative benefits in its annual reports. The bank has communicated through internal documentation that 60% of funding will be allocated to refinancing, with the remaining 40% for new financing, and these details will be shared with investors or the public in the green bond report. The company has communicated it will utilize lookback period(s) of a maximum of three years from the time of issuance or borrowing.

**Best practices identified - use of proceeds**

» Objectives set are defined, relevant and coherent for all project categories

» Commitment to transparently communicate the share of proceeds used for refinancing, where feasible

» Commitment to transparently communicate the associated lookback period(s) where feasible

## Process for project evaluation and selection

| Not aligned | Partially aligned | Aligned | Best practices |
|---|---|---|---|

**Transparency and quality of the process for defining eligible projects – ALIGNED**
The bank's decision-making process of determining the eligibility of the projects is well-structured, and is outlined in its framework. The bank has set up a Green Financing Working Group (GFWG) which will be responsible for governing and implementing the initiatives set out in the framework. To make sure the traceability of the decision making process, an internal tracker will be used. This tool will oversee the screening and documentation requests necessary for confirming a project's eligibility. All relevant supporting information will be stored within this tracker.

In respect of pure-play lending, the segment breakdown of the revenues and each of the segment activities of the pure-play companies will be assessed to determine the alignment with the eligibility criteria. The bank has confirmed that it will monitor the compliance of the pureplay investments on an annual basis to ensure that the companies meet the eligibility criteria.

**Environmental and social risk mitigation process – ALIGNED**
The ESG risk mitigation process is in place and will be disclosed to investors upon request. The bank regarded ESG risk management of customers as an important part of due diligence, review and approval, fund disbursement, post-loan management and other stages. The bank will conduct proactive risk management and control in order to achieve ESG risk management in the whole process of credit business.

### Best practices identified - process for project evaluation and selection

- The roles and responsibilities for project evaluation and selection are clearly defined and include relevant expertise
- The process for project evaluation and selection is traceable
- Presence of corrective measures to address environmental and social risks across projects

## Management of proceeds

| Not aligned | Partially aligned | Aligned | Best practices |
|---|---|---|---|

**Allocation and tracking of proceeds – BEST PRACTICES**
The proceeds of each green financing instrument will be deposited in China Minsheng Bank, Hong Kong Branch's general funding accountings and earmarked for allocation by the Asset & Liability and Financial Management Department towards the Eligible Green Projects using the Green Finance Register. The bank has confirmed to annually adjust the net proceeds of the bonds/loans to match allocation to eligible projects made during that period. The proceeds management will be transparently disclosed. The bank expects each issuance under the framework to be fully allocated within 2 years from the date of issuance.

**Management of unallocated proceeds – ALIGNED**
The intended type of temporary placements will be publicly available as part of the framework. The unallocated proceeds will be invested according to the bank's standard liquidity policy in cash or cash equivalents. The unallocated proceeds would not be invested in any of the sectors or activities included in the Exclusion Criteria as well as any highly polluting, high-carbon emission or resource-intensive projects. In case of divestment or postponement, the process will be reallocated to other eligible projects as defined in the framework.

**Best practices identified - management of proceeds**

- » Broad disclosure of a clearly articulated and comprehensive management of proceeds policy to external stakeholders; bondholders or lenders at a minimum
- » Short allocation period, for example typically less than 24 months
- » Disclosure on temporary placement and presence of exclusion criteria toward environmentally or socially harmful activities

## Reporting

| Not aligned | Partially aligned | Aligned | Best practices |
|---|---|---|---|

**Transparency of reporting – ALIGNED**

The bank will report annually until full allocation of the net proceeds of any Green Financing Instrument issued, or until the Green Financing Instrument is no longer outstanding. The bank has also confirmed though internal documentation that they will update the reporting in case of material developments. The report will be disclosed to investors or bondholders. The bank commits in the framework the reporting will cover specific project details, including a list of eligible green projects, the amount of proceeds allocated to each eligible green project category, the descriptions of the eligible green projects financed, share of financing and refinancing, selected examples of projects financed and the amount of unallocated proceeds.

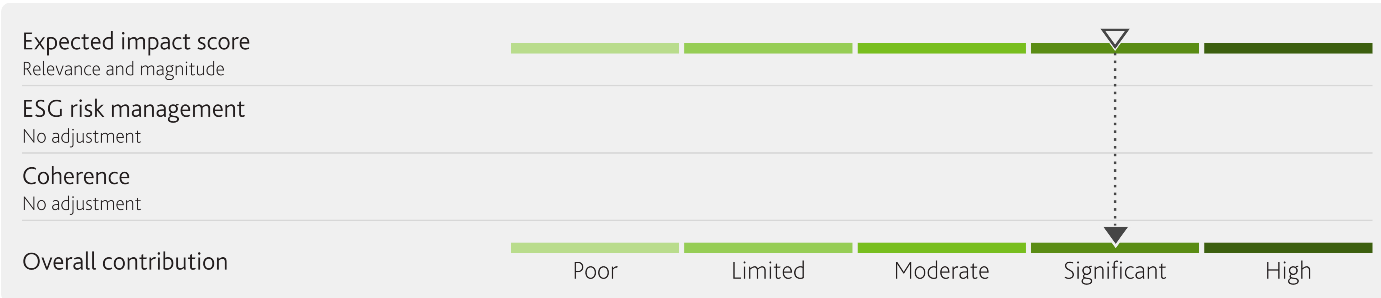
The bank has identified relevant environmental reporting impact indicators for each eligible green category, and these indicators have been disclosed within the framework. The methodologies and assumptions used to report on environmental impacts will be disclosed to investors or bondholders. Although the bank is committed to seek a third-party review from an independent provider and the allocation of funds and the allocation report, this does not constitute an independent audit of the tracking and allocation of funds nor a verification on reported environmental and social impact assessments.

**Best practices identified - reporting**

- » Reporting on allocation of proceeds and benefits done at least at eligible category level
- » Exhaustive allocation reporting – balance or % of unallocated funds, types of temporary investments (e.g. cash or cash equivalent) and share of financing vs refinancing
- » Clear and relevant indicators to report on the expected environmental/social impact of all the projects, where feasible, or eligible categories
- » Disclosure of reporting methodology and calculation assumptions to bondholders or lenders at a minimum

## Contribution to sustainability

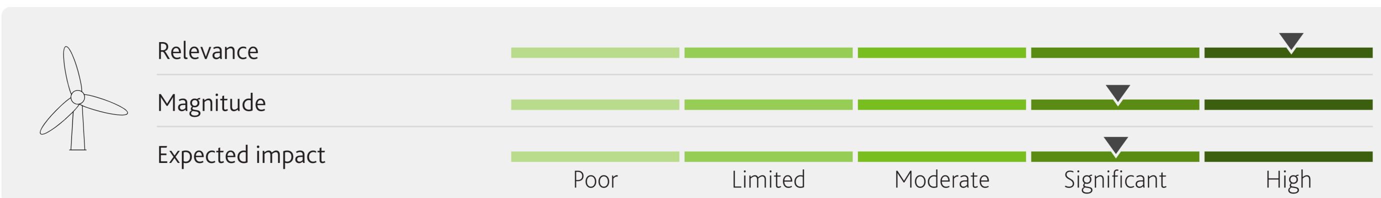
The framework demonstrates a significant overall contribution to sustainability.




### Expected impact

The expected impact of the eligible projects on the environmental objectives is considered significant. The bank expects the proceeds to be equally allocated across the six green categories. As a result, we have assigned equal weights to each category. A detailed assessment by eligible category is provided below.

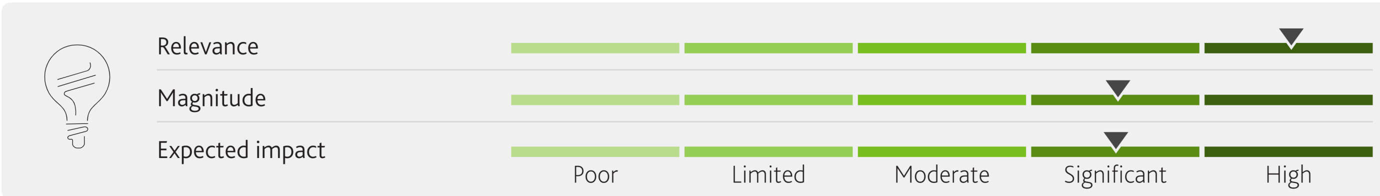
**Renewable energy**




The proposed renewable energy projects to be financed under this category hold high relevance to both the banking sector and the project locations. Banks play a crucial role in channeling funds towards green activities, thereby facilitating climate action and aiding the decarbonization efforts of various industries. A large portion of these projects will be implemented in China, a country currently characterized by heavy reliance on fossil fuels in its energy needs. A smaller number of projects will be launched in the US and UK. While fossil fuels make up a substantial part of the US energy mix, the UK's energy profile is more diversified, with a noteworthy percentage coming from renewable and nuclear sources. Overall, the financing of renewable energy projects is essential and is key for these nations in reaching their respective Nationally Determined Contribution (NDC) targets.

Projects in this category are likely to make a significant contribution to greenhouse gas (GHG) emissions reduction and climate change mitigation by expanding the share of renewables in the energy mix of each project location. Solar and wind initiatives, utilizing the best available technologies in the market, are expected to yield positive, long-term environmental impacts without negative lock-in effects. The bank has set clear technical thresholds for solar power plant projects, including a minimum requirement for power generation from solar sources, in accordance with the Climate Bonds Initiative (CBI) standard for solar energy. For wind energy projects, the bank has incorporated biodiversity risk as a crucial factor in its comprehensive risk management framework, integrating biodiversity protection considerations into all stages of risk management and control at industry, regional, and project levels. As for hydropower, the bank has confirmed that facilities with pumped storage will either not be powered by carbon intensive energy, or they will contribute to a grid with a minimum 20% share of intermittent renewables. The bank has established a technical threshold for pumped storage, requiring either a power density above $10W/m^2$ or lifecycle GHG emissions below $50gCO2e/kWh$, in alignment with the CBI standard for hydropower. The bank's focus also includes run-of-river hydropower projects that do not involve impoundment or artificial reservoirs. However, the absence of the capacity of these hydropower projects, makes it challenging to assess potential negative externalities.

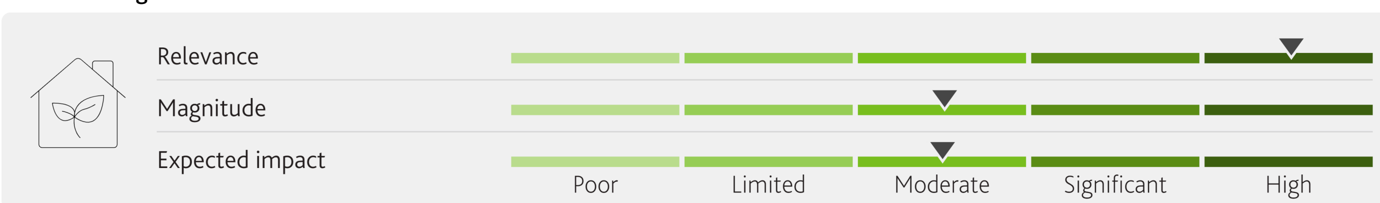
### Energy efficiency




Projects eligible under this category are not only highly relevant to the banking sector but also play a crucial role in aiding China's national goal of reducing GHG emissions. Given that China is the world's largest polluter, with the highest consumption of coal and the most substantial import of crude oil, the promotion of energy savings and enhancement of energy efficiency becomes critically important. China's 14th Five-Year Plan underscores this point by highlighting national strategies for a transition towards improved energy efficiency.

The category is considered to have a significant magnitude, given the eligible energy efficiency projects are likely to yield positive long-term environmental benefits. The bank has set a 30% energy savings threshold for activities under this category, a threshold widely acknowledged in the market. It has also confirmed the exclusion of any energy efficiency improvement activities that could result in the lock-in of fossil fuel technologies. However, there is limited transparency regarding the specific project types and sectors eligible for financing. This restricts the visibility of this category's contribution towards the environmental objective.

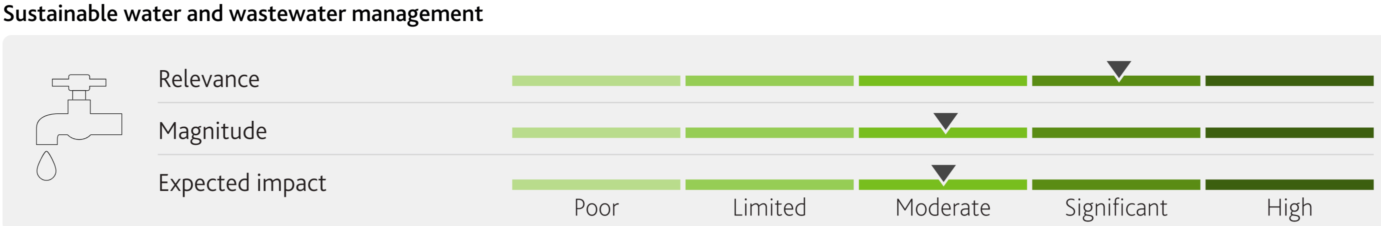
### Green building




This category holds high relevance to the bank and in the context of China, considering the critical role of decarbonization in the building sector in reducing China's overall GHG emissions. The building sector, one of China's largest energy consumers and GHG emitters, accounts for 50.9% of the country's total emissions.[2] Therefore, fostering low-carbon development within the building sector is key to achieving China's carbon neutrality goal. Moreover, this category aligns with national strategies promoting green buildings.

This category's magnitude is considered moderate overall, primarily due to the environmental building certification schemes and levels that determine eligibility. The bank has provided an exhaustive list of eligible green building certificates, however, buildings with China's Green Building Label 2 Star level are considered less promising in terms of energy efficiency improvements than the 3 Star level, which aligns with the criteria set forth by the CBI. Beyond the consideration of lower certificate ratings, there are additional areas of uncertainty. For instance, there is no clear indication of the targeted energy savings improvement or energy efficiency thresholds for the buildings. Furthermore, information about the allocation of proceeds among acquisition, new construction, and refurbishment of existing buildings is lacking. This limits the visibility of renovation specifics and the associated environmental impact.

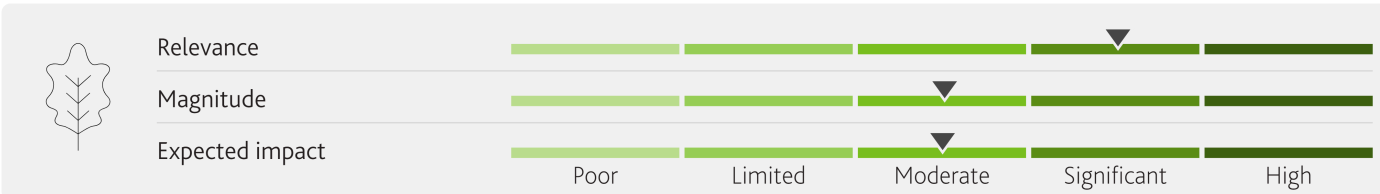
### Sustainable water and wastewater management




The proposed sustainable water and wastewater management projects hold significant relevance for China, however it does not represent the most pressing sustainability challenge for CMBCHK. China is still facing serious water pollution issues and its 14th Five-year plan emphasizes water management and the need for national water conservation actions to optimize water resource use. The plan also outlines ambitious targets for urban wastewater treatment and resource utilization by 2025. It also sets goals for the harmless disposal rate for urban sludge and the reclaimed water utilization rate in water-scarce cities. By 2035, the plan envisions comprehensive sewage collection networks and treatment facilities in urban areas, ensuring safe sewage treatment and a green urban water environment.

The category is considered to have a moderate impact on the environment mainly due to the absence of specific project details, despite the potential for long-term positive effects on environmental objectives. The bank has not established any technical thresholds or criteria for the eligible projects, such as the water conservation enhancement percentage, improved energy efficiency, or GHG emission levels. This limits our understanding of the associated E&S risks and the degree to which projects will contribute to the stated environmental objectives. The lack of information on the types of wastewater and the technology used for wastewater treatment projects further restricts our understanding of these projects' effectiveness.

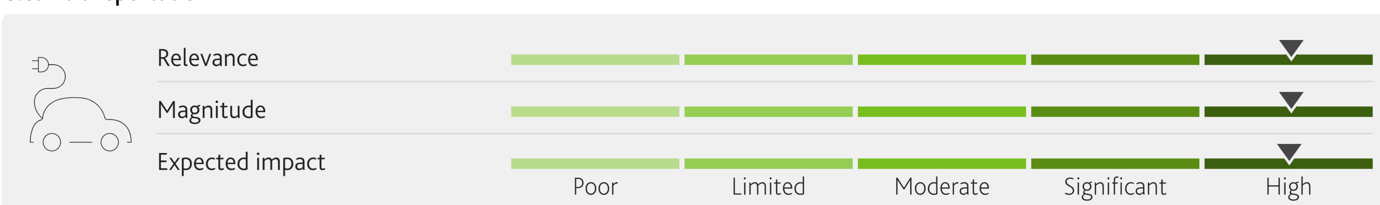
**Pollution prevention and control**




The relevance score of this category is significant, given that managing waste is a critical environmental challenge in China, stemming from escalating waste volumes over the years. However, it is not the primary sustainability issue confronting the bank. The country's 14th Five-Year Plan for the Development of Urban Domestic Waste Sorting and Treatment Facilities outlines four primary obstacles in urban waste management. These hurdles encompass inadequate waste sorting capabilities, regional development disparities, potential ecological threats from current landfill sites, and an urgent need to boost waste sorting and treatment management mechanisms. Recognizing these challenges, the Chinese government has committed substantial efforts to set specific objectives aimed at enhancing the waste management system. These include increasing the urban trash utilization rate, expanding the national capacity for waste sorting and transport, and improving waste incineration capacity.

Despite the benefits of waste management and recycling activities, the magnitude for this category is moderate, primarily due to the inclusion of waste-to-energy projects and broadly defined eligible criteria, making it challenging to fully assess this category's impact. The bank has not stipulated that the projects will adhere to waste hierarchy to minimize resource depletion, nor they have specified the type of technology to be used in waste-to-energy projects. In addition, the bank has not established any technical criteria for plant efficiency or bottom ash recovery for these projects.

**Clean transportation**




Low carbon transportation projects are highly relevant to both China and Sweden, and additionally, the bank serves as a conduit for funding these initiatives. The transportation sector accounts for about 10% of China's total carbon emissions, prompting its inclusion as a priority in China's 14 th Five-Year Plan. The plan outlines strategies for promoting green transportation, such as new energy applications, clean equipment, and the establishment of charging facilities. China also aims to increase electric vehicles in public transportation to 80% by 2025, supported by the construction of charging stations. Meanwhile, Sweden's transport sector, largely oil-dependent, is the main source of its GHG emissions. The government aims to cut transport emissions by 70% from 2010 levels by 2030, through electrification and advanced biofuels. In 2021, the transport sector represented 45% of Sweden's total energy-related $CO_2$ emissions.

Investments in this category are anticipated to make a high contribution, primarily due to the potential for reducing GHG emissions through fully electrified transport. Fully electrified new energy vehicles, public rail, and freight transportation produce zero direct emissions. The bank has confirmed that the source of electricity for the charging infrastructure will be based on the grid. Although the short-term positive impact on GHG emissions reduction will be moderate because the current energy mix in China is still highly reliant on fossil fuels, we expect the financing of these eligible activities and projects under this category to have a long-term positive impact on the environment without lock-in effects as decarbonization of the grid progresses. In constructing infrastructure for low carbon transportation, the bank will ensure that the construction activities will strictly follow applicable national laws and regulations such as Environmental Protection Law to prevent adverse environmental impacts.

### ESG risk management

We have not applied a negative adjustment for the ESG risk management to the expected impact score. The nature of projects to be financed under the bank's framework are likely to have minimal environmental and social externalities. The bank's commitment to managing ESG risks is reflected in its operational procedures and credit policies. Incorporating regulatory requirements on ESG risks is a priority for the bank, with these considerations integrated into stages such as due diligence, compliance review, credit approval, contract management, fund disbursement, and post-loan management. The credit policies developed by the bank include environmental and social risk management. The aim is to encourage industries to adopt greener practices and enhance the competitiveness of advanced production capacities. Potential credit and investment customers are evaluated stringently for ESG risks, with the bank applying a "one-vote veto mechanism" for environmental assessment. In response to changes in ESG risks, the bank promptly implements mitigation measures and early-warning handling procedures.

### Coherence

We have not applied a negative adjustment for coherence to the expected impact score as all the green projects to be financed under the framework aligns with the bank's sustainability objectives and priorities. As an overseas branch of CMBC, the Hong Kong Branch shares the commitment to green initiatives and the ultimate goal of achieving "Carbon Peaking and Carbon Neutrality". It also supports the promotion of CMBC's existing strategies, such as the Five-Year Plan for Green Finance Development of China Minsheng Bank (2021-2025), further supporting green development.

## Appendix 1 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The six eligible categories included in CMBCHK's framework are likely to contribute to five of the United Nations' Sustainable Development Goals (SDGs), namely:

| UN SDG 17 Goals | Eligible Category | SDG Targets |
|---|---|---|
| **GOAL 6: Clean Water and Sanitation** | *Sustainable Water and Wastewater Management* | 6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity |
| **GOAL 7: Affordable and Clean Energy** | *Renewable Energy* | 7.2: Increase substantially the share of renewable energy in the global energy mix |
| | *Energy Efficiency* | 7.3: Double the global rate of improvement in energy efficiency |
| **GOAL 11: Sustainable Cities and Communities** | *Clean Transportation* | 11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all |
| **GOAL 12: Responsible Consumption and Production** | *Pollution Prevention and Control* | 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse |
| **GOAL 13: Climate Action** | *Green Buildings* | 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries |

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the bank's green finance framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

## Appendix 2 - Summary of eligible categories in CMBCHK's framework

| Eligible Category | Description | Sustainability Objectives | Impact Reporting Metrics |
|---|---|---|---|
| Renewable Energy | Projects related to the generation, dedicated transmission and storage of energy from the following renewable sources (including maintenance and upgrade of such infrastructure and manufacture of dedicated components for renewable energy):<br>» Solar (PV and Concentrated Solar Power with a minimum 85% of power generation derived from solar sources)<br>» Wind energy (onshore and offshore)<br>» Hydropower, including run-of-river and pumped storage equipment, with either a power density above 10W/m2 or GHG emissions below 50gCO2e/kWh | Climate change mitigation | » Capacity of renewable energy plant(s) constructed or rehabilitated in MW<br>» Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)<br>» Annual GHG emissions reduced/ avoided in tonnes of CO2 equivalent (where possible) |
| Energy Efficiency | Projects related to improved efficiency in the delivery of bulk energy services, including smart grids, energy storage systems that manage the intermittency of renewables and district heating/cooling systems that result in 30% energy savings<br>Projects related to development and implementation of products or technologies that reduce the energy consumption by 30% or more of underlying assets, projects, appliances, products or systems i.e. improved lighting, improved chillers, or reduced power usage in manufacturing operations<br>Projects related to development and manufacture of energy efficiency technologies including LED lights and smart grid meters<br>For the avoidance of doubt, improvement activities that result in the lock in of fossil fuel technologies will be excluded | Climate change mitigation | » Annual energy savings in MWh (electricity) and GJ/TJ (other energy savings) |
| Green Buildings | Projects related to acquisition, development, construction and refurbishment of new or existing commercial or residential buildings that have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, such as:<br>» Chinese Green Building Evaluation Standard – minimum certification level of 2 stars; or<br>» U.S. Leadership in Energy and Environmental Design (LEED) – minimum certification of Gold; or<br>» BEAM Plus – minimum certification level of Gold; or<br>» BREEAM – minimum certification level of Excellent; or<br>» BCA Green Mark – minimum certification level of GoldPLUS | Climate change mitigation | » Type of scheme, certification level<br>» Energy efficiency gains in MWh or % versus baseline/building code |
| Sustainable Water and Wastewater Management | Projects related to construction, operation, maintenance or upgrades, of water collection, treatment, transportation, recycling technologies and related infrastructure, including:<br>» Water/rainwater collection pipes and facilities<br>» Water and wastewater treatment plants (WWTP) including sewage and sludge treatment facilities and reuse of treated wastewater as cooling water or irrigation water<br>» Sewer systems and pumping stations<br>» Urban drainage systems and other forms of flood mitigation<br>» Recirculating cooling and irrigation water systems | Sustainable use and protection of water and marine resources | » Annual reduction in water use in %<br>» Annual amount of wastewater treated, reused or avoided before and after the project in m3/a |
| Pollution Prevention and Control | Projects related to design, construction, operation and maintenance of facilities, systems or equipment for waste management and recycling, with the aim of reuse and recovery of secondary raw materials and to minimize the amount of waste going to landfills. This includes:<br>» Waste collection, storage and transfer (including waste management vehicles)<br>» Waste sorting, separation and material recovery<br>» Recycling and reuse<br>» Waste-to-energy projects where there is bottom ash recovery | Pollution prevention | » Waste treated/reduced/avoided (tonnes)<br>» Annual GHG emissions reduced/ avoided (tonnes of CO2 equivalent) |

| | | | |
|---|---|---|---|
| Clean Transportation | Projects related to acquisition, operation and maintenance of fully electrified new energy vehicles for passenger, public rail and freight transportation<br>Investments and expenditure into construction, maintenance and renovation of dedicated charging infrastructure for electric vehicles<br>Projects related to investment, construction, development and operation of fully electrified rail transit facilities, as well as expansions, maintenance and upgrades of these infrastructures that result in improved service levels or extended asset lifespan with preserved carrying capacity. This includes:<br>» Manufacture, purchase and maintenance of electrified rolling stock (including locomotives, wagons, coaches and all other attachments propelled through such electrified rolling stock, as well as associated equipment) meeting the below criteria<br>» Construction of the related rail transport infrastructure (networks and lines), including lines, tracks and tunnels<br>Construction of infrastructure that directly supports low carbon transportation (as defined above), such as ground preparation, stations, signalling equipment, network interfaces including passenger access, ancillary passenger services, facilities required for the safe, clean and efficient operation of the network, utilities and other enabling infrastructure<br>For avoidance of doubt, infrastructure related to transportation of fossil fuel will be excluded | Climate change mitigation | » Number and type of clean transportation infrastructure financed<br>» Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent |

## Endnotes

1 Point-in-time assessment is applicable only on date of assignment or update.

2 2022 Research Report of China Building Energy Consumption and Carbon Emissions, December 2022.

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## CLIENT SERVICES


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