

ASSESSMENT

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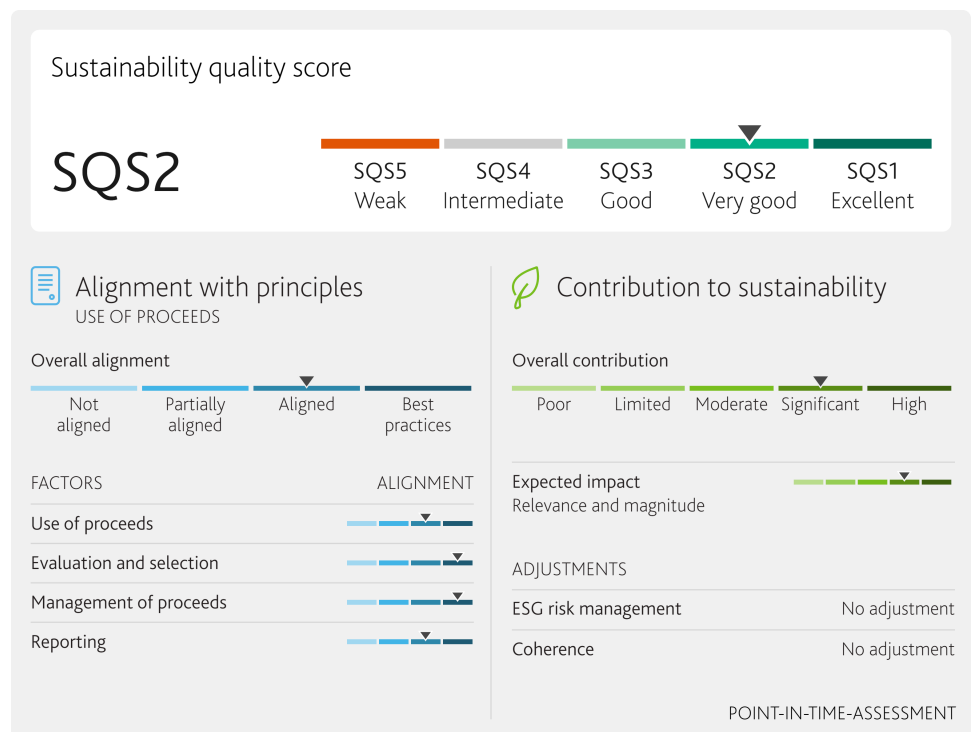
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Shanghai Lingang Economic Dev. (Grp) Co., Ltd

Second Party Opinion – Sustainable Financing Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 Sustainability Quality Score (very good) to Shanghai Lingang Economic Development (Group) Co., Ltd.'s (Lingang Group) sustainable financing framework dated June 2024. Lingang Group has established its use-of-proceeds framework with the aim of financing projects across five eligible green categories and five eligible social categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles 2021 (including the June 2022 Appendix 1), Social Bond Principles 2023 and Sustainability Bond Guidelines 2021; and the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Green Loan Principles 2023 and Social Loan Principles 2023. The framework demonstrates a significant contribution to sustainability.



Scope

We have provided a second party opinion (SPO) on the sustainability credentials of Lingang Group's sustainable financing framework, including the framework's alignment with the ICMA's Green Bond Principles 2021 (including the June 2022 Appendix 1), Social Bond Principles 2023 and Sustainability Bond Guidelines 2021; and the LMA/APLMA/LSTA's Green Loan Principles 2023 and Social Loan Principles 2023. Under its framework, Lingang Group plans to issue use-of-proceeds sustainable financing instruments to finance projects in five green categories and five social categories, as outlined in Appendix 2 of this report.

Our assessment is based on the last updated version of the framework received in June 2024, and our opinion reflects our point-in-time assessment¹ 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

Shanghai Lingang Economic Development (Group) Co., Ltd. (Lingang Group) is mandated by the Shanghai government to develop industrial areas in and outside Shanghai, including infrastructure construction, and the construction of affordable housing and industrial property. Meanwhile, Lingang Group is tasked with fostering economic development in Shanghai Lingang Special Area through integration of industry and city, finance, education.

As of December 2023, Shanghai Lingang Economic Dev. (Grp) Co., Ltd is 52.23% directly owned by the State-owned Assets Supervision and Administration Commission of Shanghai (Shanghai SASAC), with the remaining 47.77% share owned by several state-owned enterprises (SOEs) that are ultimately 100% owned by the Shanghai SASAC or the Shanghai Pudong New Area SASAC – Shanghai Electric Holdings Group Co., Ltd. (24.62%), Shanghai Guosheng (Group) Co., Ltd. (12.33%), Shanghai Chengtou Xinggang Investment and Construction Group Co., Ltd. (6.11%), Shanghai Jiushi (Group) Co., Ltd. (3.53%) and Shanghai Pudong Development (Group) Co., Ltd. (1.18%). In 2023, property sales constituted 57% of its total revenue. Property rentals accounted for another 34% and the remaining 9% was from other sources.

The issuer has an action plan for 2022-25 to support China's national strategy to reach carbon emissions peak before 2030 and become carbon neutral before 2060. Lingang Group is dedicated to green and low-carbon development through the construction of green industrial parks, efficient energy use, and industrial transformation, meanwhile, committed to social responsibility, contributing to rural revitalization, children's education, and care for the aging population.

Strengths

- » Benefits are measurable and quantified for most projects, either ex-ante with clear baselines or with a commitment to do so in future reporting
- » Clearly defined environmental and social objectives, in line with the United Nations' (UN) Sustainable Development Goals (SDGs)
- » Clearly defined and structured decision-making process for project evaluation and selection, which is outlined within the publicly available framework
- » Broad disclosure of a clearly articulated and comprehensive management of proceeds policy to external stakeholders

Challenges

- » Reporting until only the net proceeds are fully allocated, unless any material changes until the relevant maturity date.
- » No commitment to commission an independent audit of the tracking and allocation of funds, and an independent impact assessment of environmental benefits by a qualified third-party reviewer at least until full allocation and in case of significant changes

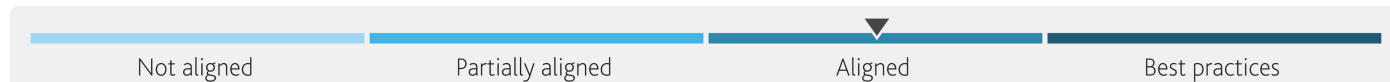
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Alignment with principles

Lingang Group's sustainable financing framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 (including the June 2022 Appendix 1), Social Bond Principles 2023 and Sustainability Bond Guidelines 2021; and the LMA/APLMA/LSTA's Green Loan Principles 2023 and Social Loan Principles 2023.

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Use of proceeds



Clarity of the eligible categories – ALIGNED

Lingang Group has clearly communicated that expenditures include capital spending, operating expenses and R&D expenditures. The eligibility criteria for nearly all project categories are clearly defined, although the criteria for some categories and subcategories are defined broadly. The group has communicated to us that most of the eligible projects are primarily based in Shanghai and some of the eligible projects are based in other parts of China for its upcoming issuance. The exclusion criteria are also clearly defined and outline in the framework.

Clarity of the environmental and social objectives – BEST PRACTICES

The group has clearly outlined the environmental and social objectives associated with all the five green and five social categories. All eligible categories are relevant to the respective environmental and social objectives to which they aim to contribute. Lingang Group has referred to the UN's SDGs in articulating the objectives of the eligible categories, and the objectives are coherent with these recognized international standards.

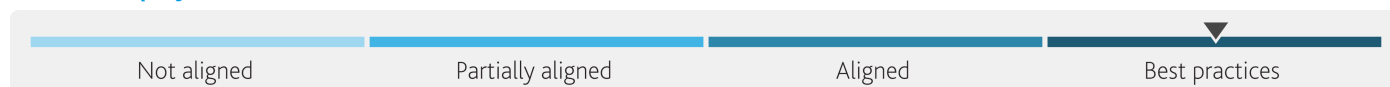
Clarity of the expected benefits – BEST PRACTICES

Lingang Group has identified clear expected environmental and social benefits for all eligible categories with reference to SDG targets. These benefits are measurable for all project categories, and the group will report on these quantitative benefits in its annual reporting. The group has stated that it will transparently communicate the estimated share of refinancing in the allocation report, and it has committed to a maximum 36-month lookback period for refinanced projects from the time of issuance.

Best practices identified - use of proceeds

- » Objectives set are defined, relevant and coherent for all project categories
- » Relevant benefits are identified for all project categories
- » Benefits are measurable and quantified for most projects, either ex-ante with clear baselines or with a commitment to do so in future reporting
- » Commitment to transparently disclose 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



Transparency and quality of the process for defining eligible projects – BEST PRACTICES

Lingang Group has a well-defined procedure for identifying eligible projects. The Financial Development Department spearheads this process, in collaboration with members from the Green Development and Standard Innovation Office, Business Management Department, Financial Management Department and other relevant departments. Their responsibilities encompass project assessment and selection, management of fundraising, and post-issue disclosure, among others.

The Green Development and Standard Innovation Office is charged with formulating eligibility criteria to ensure projects are in line with green and social development goals. The Business Management Department holds a monthly Operational Project Investment Assessment Meeting to deliberate and select projects aligning with these criteria.

During the Operational Project Investment Assessment Meeting, the participants scrutinize the project's background, business model, and potential environmental and/or social impacts, following the eligibility criteria delineated in the framework. This thorough evaluation culminates in the shortlisting of eligible projects.

These shortlisted projects are then presented to Lingang Group's General Management Meeting for final approval. Once endorsed by the Group's General Management Meeting, a dedicated project company or working group is established to execute each approved project. This procedure ensures each project's compliance with the relevant Principles and other sustainability-related laws, policies and regulations.

Environmental and social risk mitigation process – BEST PRACTICES

In the planning phase, Lingang Group will engage external specialists or appropriate internal departments to carry out environmental and social impact assessments. These assessments, conducted in line with policy guidelines, aim to identify potential environmental and social impacts.

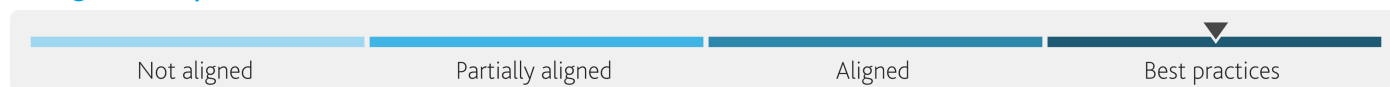
During the implementation phase, the group will adhere to and monitor mitigation strategies designed to reduce negative environmental and social impacts.

To ensure continued compliance and risk management, the group will convene at least one annual meeting to review projects within each reporting period. Projects that no longer meet eligible criteria or that present potential environmental and social risks will be identified. Such projects will be excluded and replaced as necessary.

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
- » There is evidence of continuity in the selection and evaluation process through the life of the financial instrument(s), including compliance verification and procedures to undertake mitigating actions when needed
- » The process for project evaluation and selection is traceable
- » Material environmental and social risks for most project categories are identified
- » Presence of corrective measures to address environmental and social risks across projects
- » ESG controversies are monitored

Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

Lingang Group has established a clear process for managing and distributing the proceeds, as outlined in its readily available framework. The Group's Finance Management Department and Finance Development Department will oversee the allocation of net proceeds under the framework. The funds from each sustainable financing instrument (SFI) will be deposited into bank accounts and assigned to qualifying projects.

The Finance Management Department's responsibility is to transfer the funds to the relevant projects and document these transactions for accounting purposes. The group has informed us that a periodic adjustment will be made shortly after the need for allocation to align with the target allocation.

Conversely, the Finance Development Department will set up an internal management account register to track the use of funds for each SFI. It will also ensure that the funds from each SFI are allocated to eligible projects within a two-year period.

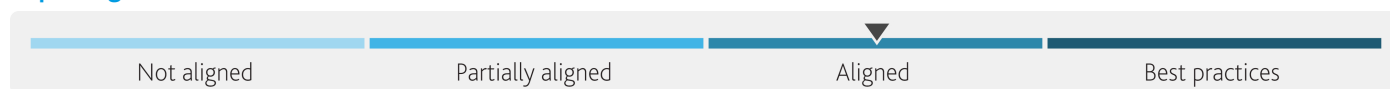
Management of unallocated proceeds – BEST PRACTICES

Lingang Group has indicated that temporary placements will be made in short-term cash deposits. The company is dedicated to steering clear of investments in activities that are heavy in greenhouse gas (GHG) emissions, have a significant environmental impact or are contentious. If the projects designated as eligible under the SFI fail to meet the eligibility criteria during their life span, the net proceeds or an equivalent amount will be reallocated to replacement projects that meet the criteria, as quickly as possible.

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
- » Commitment to reallocate proceeds to projects that are compliant with the framework

Reporting



Transparency of reporting – ALIGNED

The group will annually release an impact report and allocation report on the group's website, social media or in the group's ESG report. This will continue until all the net proceeds, or an equivalent amount, have been allocated, or if there are any significant changes, until the relevant maturity date.

The report will include a list of eligible projects to which proceeds from each SFI have been allocated, along with summary information on these projects. This includes information necessary to determine alignment with the eligibility criteria, the aggregate amount of proceeds from each SFI that has been allocated to eligible projects, and the expected and actual environmental and/or social impacts resulting from eligible categories, potentially with impact indicators.

The report will also detail the amount of unallocated proceeds from each SFI and its temporary treatment, as well as the share of financing versus refinancing. In addition, the group will disclose calculation methodologies and key assumptions.

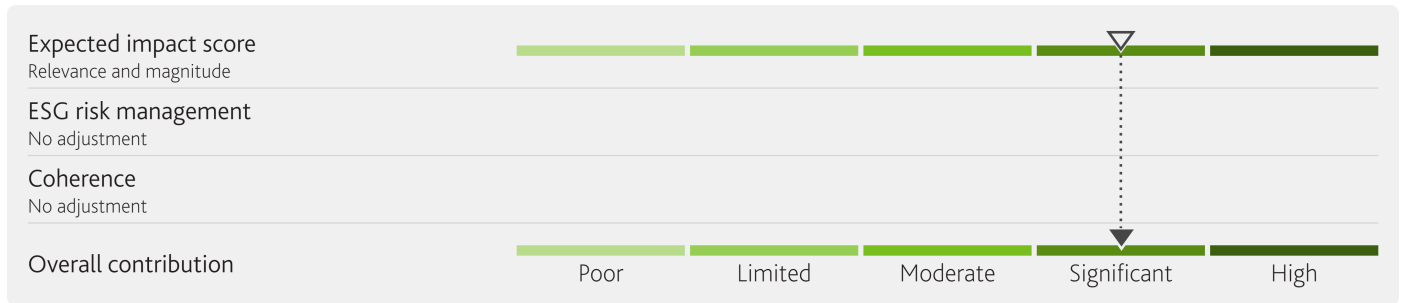
If there are any significant controversies with the eligible projects, the group will promptly disclose them in the impact report.

Best practices identified - reporting

- » Reporting covers material developments and issues related to the projects or assets
- » 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 re-financing
- » 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

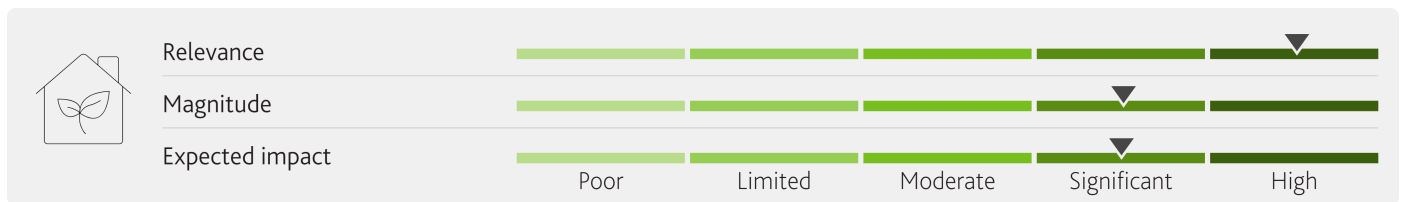
The framework demonstrates a significant overall contribution to sustainability.



Expected impact

The eligible projects are expected to have a significant impact on environmental and social objectives. The company has confirmed that a substantial portion of the proceeds from the upcoming issuances will be allocated to green buildings, followed by affordable housing. Therefore, we have assigned higher weights on green buildings and affordable housing for our assessment of contribution to sustainability.

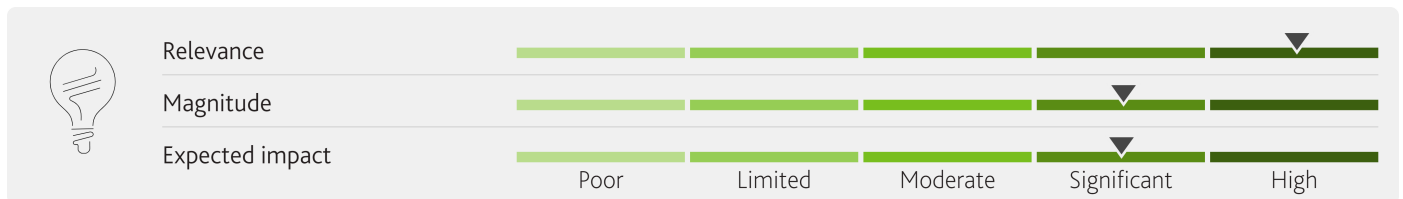
Green buildings



The relevance is high because financing green buildings in China is of utmost importance, given that the building sector is among the largest consumers of energy and emitters of GHGs. The Building Energy Research Center of Tsinghua University reported that, in 2019, carbon emissions from building construction in China accounted for 16% of the country's total carbon emissions. Furthermore, the International Energy Agency (IEA) reported that, in 2021, the operation of buildings was responsible for 30% of the global final energy consumption and 27% of total energy sector emissions. This category aligns with national strategies to promote green buildings. Therefore, the low-carbon development of the real estate sector is crucial for China to achieve its goal of carbon neutrality. With its core business in property development and management, the development of green buildings is one of the most relevant environmental challenges to Lingang Group.

The magnitude is significant, given the exhaustive list of green building certifications that the company aims to achieve. Certifications such as LEED Gold and above, BREEAM Excellent or above, and Chinese Green Building Evaluation Label Star 3 are recognized green building certifications by Climate Bonds Initiative (CBI), which represents the top 15% buildings of China in energy efficiency. However, the highest levels of these certificates (e.g., BREEAM Outstanding and LEED Platinum) are not specified, and energy efficiency improvement thresholds are not established on top of the certificates. It is also important to note that this category includes new construction, which has a substantial impact on energy consumption and, therefore, a more negative effect on the environment compared with renovation.

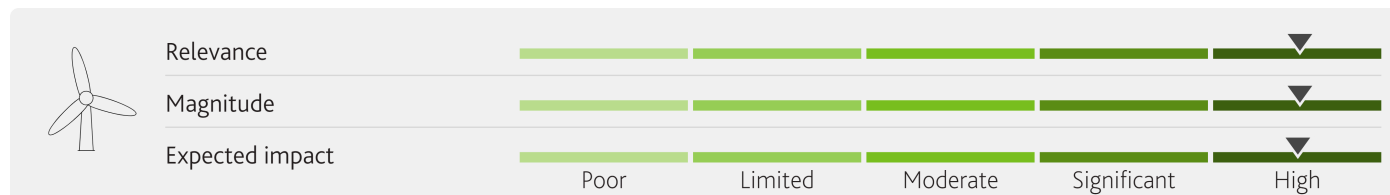
Energy efficiency



The relevance is high because promoting energy savings and improving energy efficiency are critical measures to decarbonize the building sectors. China's national GHG reduction strategy includes various initiatives related to energy efficiency across the residential and commercial buildings, demonstrating that this measure is an integral part of China's national climate strategy. At the issuer level, this is highly relevant to Lingang's core business of property development and operation.

The magnitude is deemed significant because of the positive impact of the eligible projects. These projects encompass smart meters, enhancements in the energy efficiency of heating, ventilation, and air conditioning systems, automatic or LED lighting, and energy storage technologies. These initiatives do not present any negative lock-in effects. In addition, Lingang Group has set an energy consumption improvement threshold of 30% which is in line with EU taxonomy.

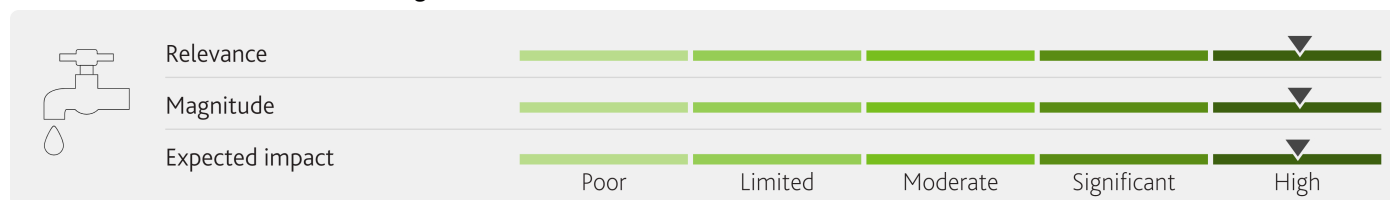
Renewable energy



The relevance is high as China, which contributes 27% of global carbon dioxide and a third of the world's GHGs, has been progressively increasing the share of non-fossil fuels in its electricity generation. This aligns with China's 14th Five-Year Plan (2021-25) for National Economic and Social Development. The plan sets ambitious goals, including reaching peak carbon emissions by 2030, achieving carbon neutrality by 2060 and reducing the fossil fuel share for electricity generation. The national targets anticipate that China's grids will source about 33% of power from renewable sources by 2025, a significant increase from 28.8% in 2020. However, coal remains a dominant source, accounting for around 67% of China's electricity generated by fossil fuels in 2020, according to the IEA. Therefore, it is crucial for China to successfully transition to a low-carbon economy. Renewable energy plays an essential role in China's grid decarbonization, making the project highly relevant for the country. At the issuer level, this is highly pertinent to Lingang Group's business as an industrial park operator.

The magnitude is high as the financed projects in this category are likely to generate long-term environmental impacts by substituting fossil fuels with clean energy. Solar Photovoltaic, wind power and green hydrogen are regarded as best-in-class technologies and do not have a significant lock-in effect. The issuer has also confirmed that the energy storage is exclusively dedicated to renewable sources. This commitment to renewable energy technologies underscores the potential for a substantial and lasting positive environmental impact.

Sustainable water and wastewater management

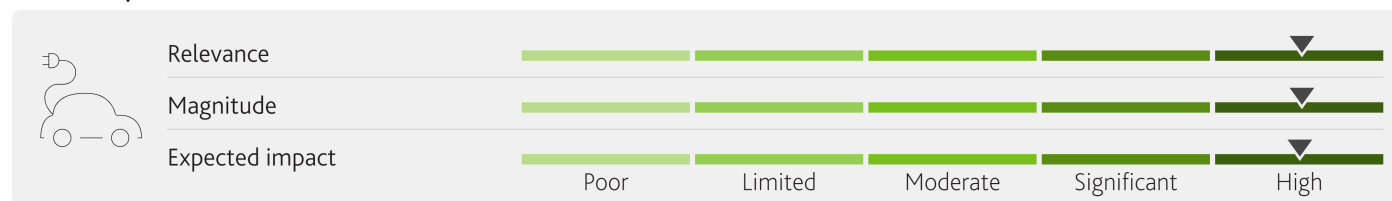


The relevance of this category is high because water scarcity, uneven distribution and poor water quality present critical challenges in China. Rapid economic growth and urbanization are likely to exert increasing pressure on China's water resources, leading to a continuous rise in wastewater quantity. The government is committed to enhancing its sewage treatment capabilities and expanding recycling efforts by 2025. At the issuer level, this is highly relevant to Lingang Group, which is located in Shanghai where water resources are scarce. Because Lingang's business operations consume large amounts of water and produce substantial volumes of wastewater, the collection, treatment, recycling or reuse of water, rainwater or wastewater is of great importance to the issuer.

The magnitude is considered high because the defined projects are likely to generate a long-term positive impact on the stated environmental objective. The issuer has confirmed through internal documents that Lingang Group will finance water-saving and recycling products that adhere to national standards. This includes pumps with higher efficiency and water-saving equipment with a superior rate. Additionally, the issuer has assured that the final discharge of wastewater will be managed in a manner that complies

with China's national regulations, and average energy efficiency of water supply equipment will be compliant with EU taxonomy at 0.5 kWh/m³ or less.

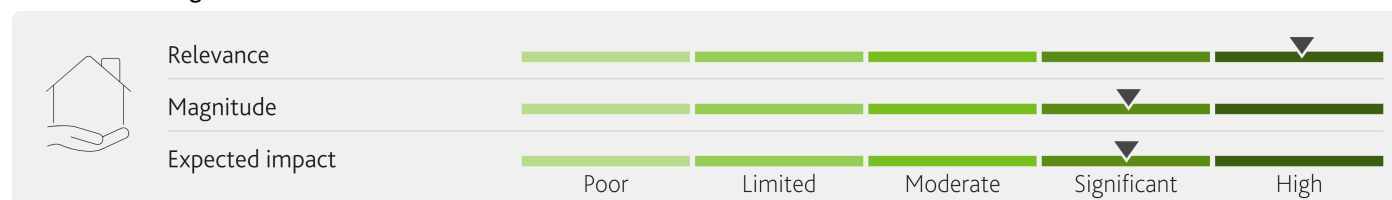
Clean transportation



The relevance of this category is high because the transportation sector contributes to around 10% of China's overall carbon emissions. Chinese cities are grappling with serious air pollution and GHG emissions because of the rapid growth in the number of motorized urban transports, a consequence of urbanization. China has prioritized the decarbonization of the transportation sector in its 14th Five-Year Plan for a modern comprehensive transportation system. This includes promoting clean energy vehicles, electrifying railways and using clean energy for inland vessels. Also, the government encourages the construction of charging stations and hydrogen fueling stations. Therefore, the proposed projects align with the national needs and requirements. Meanwhile, at the issuer level, Lingang Group has strategically prioritized the construction of infrastructure to promote electric vehicles (EVs) and hydrogen vehicles, making these projects particularly pertinent.

The magnitude is high as the infrastructure project, such as the EV charging station, will facilitate the widespread use of EVs, thereby creating a long-term positive impact. Although the current grid in China is heavily dependent on fossil fuels, the positive impact will be amplified as the grid decarbonizes. Furthermore, the issuer has confirmed that the hydrogen filling station will source green hydrogen, which is likely to have a substantial positive impact with limited lock-ins.

Affordable housing

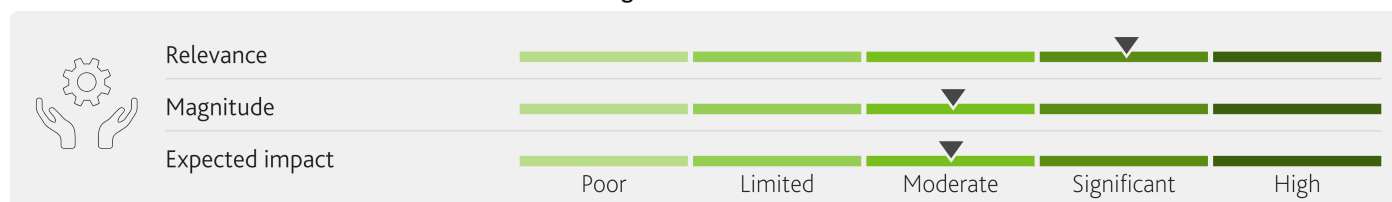


The relevance of this category is high because the government-subsidized rental homes provided by Lingang Group will address the pressing housing issue for the newly employed graduates and migrant workers in Shanghai. During the 14th Five-Year Plan (2021-2025) period, China emphasizes building millions of government-subsidized rental homes to alleviate housing issue in major cities, such as Shanghai.² In August 2023, China's cabinet approved guidelines to boost affordable housing in response to the country's property market challenges. These guidelines aim to ensure that housing supplies meet the demands of low-income families, young graduates and migrant workers. As a state-owned enterprise where property development is a core business, supplying affordable housing for populations is a pressing need. This action aligns closely with the group's strategic objectives.

The magnitude is significant because the target populations — which include communities facing housing difficulties, as identified by the local government, such as newly employed graduates and migrant workers — are poised to benefit substantially. In China, affordable housing caters to a range of wealth brackets. Following the policy mandate, the government-subsidized rental housing under this eligible category primarily serves newcomers to Shanghai. This group normally consists of young graduates and migrant workers, who have low income and therefore hard to afford the high housing price in Shanghai. The issuer has confirmed that the average rent they charge is roughly 65% of the market average in Shanghai, which is considered more affordable.

The construction quality is controlled and monitored by the local government following the national and sectorial construction standards regulated by Ministry of Housing and Urban-rural Development, such as Measures for the Management of Quality Inspection for Construction Projects, ensuring that the housing provided is not only affordable but also of high quality as private housing.

Access to essential services - Education and vocational training

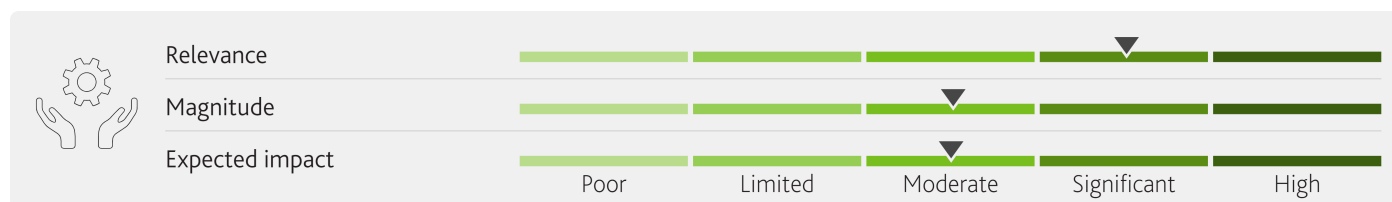


The relevance of this category is significant because improving access to basic public education, enhancing vocational and technical education, and raising the quality of higher education is remained as priority of China's societal needs and Lingang Group's responsibility. China's government is also working to improve special education for autistic children, which is one of defined target population in this eligible category.

While improving educational conditions in less affluent regions and to autistic children is not substantially relevant to the issuer's core business, vocational training for workers and technicians is a key driver to the mandate of Lingang Group, supporting employment in Lingang Special Area³.

The magnitude is moderate because financial support provided for education and professional training aims to lower the barriers to access basic education and training. Lingang Group has confirmed that education projects under this eligible category will target children and teenagers and vocational training projects will target workers and technicians. These projects will be located in regions where the group operates, without any specific inclusion or exclusion criteria. We expect limited potential externalities by the financial support for improving education and vocational trainings.

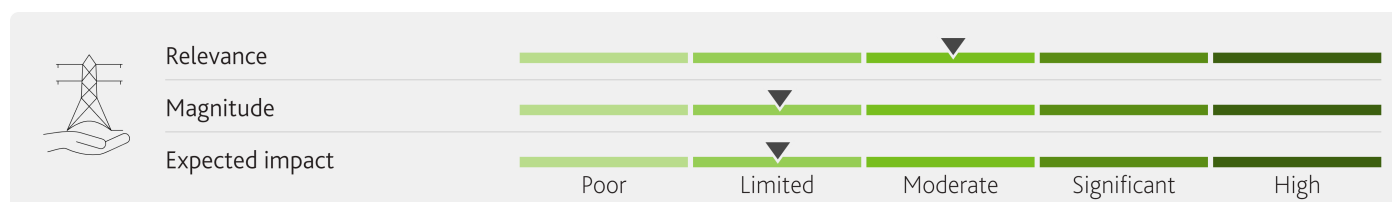
Access to essential services - Healthcare



The relevance of this category is significant because families with disabled, seriously ill and construction workers often struggle financially to access appropriate healthcare. The access of disabled individuals to improved healthcare services are highlighted in China's 2022 health plan. And construction workers, such as those at Lingang Group, face occupational disease risks. While providing access to improved healthcare for vulnerable populations is an important social challenge in China, it is not the most highly relevant category as these activities are not directly related to the company's core business.

The magnitude is moderate because health management and medical support projects, encompassing both preventive and curative measures, have the potential to significantly improve the quality of life for disabled people, critically ill patients and cancer survivors. The group has provided financial support to disadvantaged individuals and families and launched a free of charge health management system for construction workers in November 2023. Lingang Group has confirmed that the healthcare projects, which target disabled people, critically ill patients, cancer survivors and construction workers in regions where the group operates, would have no specific inclusion or exclusion criteria. This eligible category is expected to result in limited potential externalities.

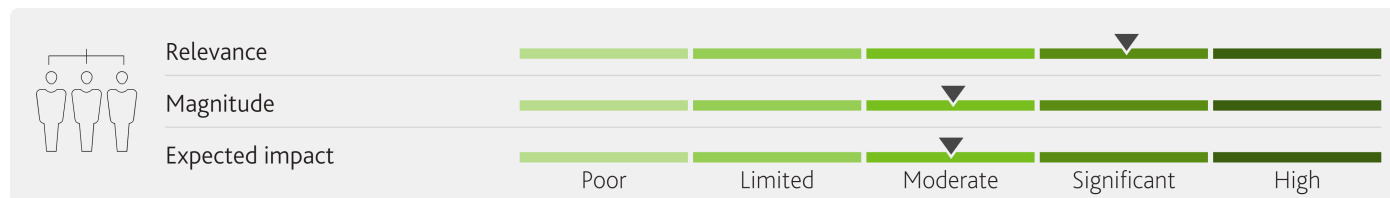
Affordable basic infrastructure



The relevance is moderate because despite the large aging population and the increasing number of elders living in rural areas alone is becoming significant social issue, it is not issuer's core business even though solving social needs is policy mandate to Lingang Group.

The magnitude is considered limited because the renovation projects under this eligible category will target elders living alone at regions where the group operates business without specific inclusion or exclusion criteria. Since 2019, Lingang Group has allocated ¥1.19 million to the "Happiness Ten Squares" initiative for kitchen and bathroom renovations, and an additional ¥0.5 million for power line reconstruction. Both programs are offered free of charge, and it is expected that this will continue. The quality will be ensured by following construction standards and using qualified contractor and construction team.

Employment generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises



The relevance is significant because small and medium-sized enterprises (SMEs) make up a significant portion of businesses in China and contribute substantially to nongovernment employment. In 2022, regulatory authorities urged banks to enhance financial support for SMEs to stimulate economic growth. However, SMEs face challenges in accessing finance because of their uncertain prospects.⁴ The company's primary responsibility is to promote economic development of Lingang Special Area, so a dedicated company, Lingang Microloan, has been established to cater to the financial needs of micro, small, and medium enterprises within the industrial parks of Lingang Special Area. However, financing and investing in SMEs are not considered a core business of the company.

The magnitude is moderate because despite employment generation through microloan services offered to SMEs substantially reduce the barrier of SMEs accessing financial support, generally defined SMEs, including middle sized enterprises, may not be the most vulnerable groups in China.

The group has confirmed that the interest rate for these loans to SMEs will be below market average, making them more affordable. The interest rate was around 70% of market rate based on company data in May 2021. Meanwhile, there are follow-up services and communication with the borrowers, to understand the use of loan proceeds and repayment capacity.

ESG risk management

We have not applied a negative adjustment for ESG risk management to the expected impact score. Lingang Group has established a three-tier ESG risk management system to identify and control significant ESG-related risks with a set of management procedures, e.g., compliance and risk management measures. Lingang Group has also prioritized safety management and continuously improved the safety management practices, including the provision of safety training, fire drills to raise safety awareness and the rectification of safety observations.

Coherence

We have not applied a negative adjustment for coherence to the expected impact score. The projects to be financed under the framework align with the national and Group's carbon peak and carbon neutral targets. These financed projects are also in line with the Group's Green Development (2022-25) to promote sustainability development and achieve the green development objectives, including energy efficiency improvement, carbon emission reduction, energy structure optimization, etc.

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

The 10 eligible categories included in Lingang Group's sustainable financing framework are likely to contribute to nine of the UN's SDGs, namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 3: Good Health and Well-being	Access to Essential Services - Healthcare	3.8: Achieve universal health coverage with access to quality and affordable essential health-care services and medicines for all
GOAL 4: Quality Education	Access to Essential Services - Education and Vocational Training	4.1: Ensure that all children complete quality primary and secondary education leading to relevant and effective outcomes 4.3: Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education 4.5: Eliminate gender disparities in education and ensure equal access to education and training for vulnerable persons
GOAL 6: Clean Water and Sanitation	Sustainable Water and Wastewater Management	6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing hazardous chemicals and materials 6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity 6.5: Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate 6.B: Support and strengthen the participation of local communities in improving water and sanitation management
GOAL 7: Affordable and Clean Energy	Energy Efficiency	7.2: Increase substantially the share of renewable energy in the global energy mix
	Renewable Energy	7.3: Double the global rate of improvement in energy efficiency 7.A: Enhance international cooperation and promote investment for clean energy infrastructure, research and technology
GOAL 8: Decent Work and Economic Growth	Employment generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs
GOAL 9: Industry, Innovation and Infrastructure	Green Buildings	9.1: Develop sustainable infrastructure to support economic development and human well-being, focusing on equitable access
	Energy Efficiency	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
	Affordable Basic Infrastructure	
GOAL 11: Sustainable Cities and Communities	Green Buildings	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
	Clean Transportation	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
	Affordable Housing	11.C: Support least developed countries, including through financial and technical assistance, in building sustainable buildings using local materials
GOAL 12: Responsible Consumption and Production	Renewable Energy	12.4: Achieve environmental management of chemicals and all wastes, and reduce their release to air, water and soil
GOAL 13: Climate Action	Renewable Energy	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.3: Improve awareness and human and institutional capacity on climate change mitigation, adaptation and impact reduction

The mapping of the UN's SDGs in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA's SDG mapping guidance and the UN's SDG targets and indicators.

Appendix 2 - Summary of the eligible categories in Lingang Group's framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Green Buildings	Design, development, construction, refurbishment, redevelopment, maintenance, operations of buildings that meet national or international third-party environmental certifications, such as but not limited to, <ul style="list-style-type: none"> • Chinese Green Building Evaluation Label: '3-Star' (Within one year after completion acceptance of construction); • Leadership in Energy and Environmental Design (LEED) - minimum certification of Gold • BEAM Plus - minimum certification of Gold • BREEAM - minimum certification of Excellent 	Climate change mitigation Natural resource conservation	<ul style="list-style-type: none"> • Level of certification by building • Gross building area ('GBA') with green building certification
Energy Efficiency	Development, purchase, operation, and maintenance of smart technologies and/or systems, for tracking, monitoring and managing energy usage, and energy-efficient facilities which improve energy efficiency by at least 30%. Example projects include, <ul style="list-style-type: none"> • Installation of smart meters • Improvement of energy efficiency of heating ventilation and air conditioning systems • Installation of auto or LED lighting • Investment in energy storage technologies 	Climate change mitigation	<ul style="list-style-type: none"> • Annual energy savings (in MWh) • Annual GHG emissions reduced/avoided (in tonnes of CO2 equivalent)
Renewable Energy	Investments and expenditures in solar, wind farms and energy storage projects in the Group's industrial parks. Construction of International Hydrogen Energy Valley ('Valley') and implementation of green hydrogen energy related manufacturing projects in the Valley.	Climate change mitigation	<ul style="list-style-type: none"> • Renewable energy capacity installed (in MW) • Annual GHG emissions reduced/avoided (in tonnes of CO2 equivalent)
Sustainable Water and Wastewater Management	Construction, development, installation, operation and maintenance of infrastructure or equipment for collection, treatment, recycling or reuse water, rainwater or wastewater.	Natural resource conservation Pollution prevention and control	<ul style="list-style-type: none"> • Amount of rain water collected and re-used (in m3) • Annual absolute (gross) amount of wastewater treated in tonnes per annum
Clean Transportation	Construction, development, installation of infrastructure or equipment that supports low carbon transportation, such as charging ports for electric vehicles (EV).	Climate change mitigation Pollution prevention and control	<ul style="list-style-type: none"> • Number of parking lots for electric vehicle • Number of electric vehicle charging points installed • Number of people with access to clean transport systems
Affordable housing	Construction, refurbishment, and acquisition of safe, affordable and inclusive housing, such as subsidized rental housing. Target populations: Communities with housing difficulties, as defined by local government, such as newly employed graduates and migrant workers.	Increase in number of homes available for target populations	<ul style="list-style-type: none"> • Number of subsidized rental housing units constructed/refurbished/acquired • Number of individuals benefiting from subsidized rental housing

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Access to essential services – Education and vocational training	<p>Education and vocational training projects to target populations including,</p> <ul style="list-style-type: none"> • Courses, trainings and scholarships to children and teenagers with limited access to basic education or with special educational needs such as, - Student aid programs in the regions paired-up for assistance - Basic music courses for autistic children • Vocational trainings provided by Lingang Industrial College for workers and technicians in Lingang Special Area on modern technology and skills in industrial sectors such as intelligent manufacturing, intelligent logistics, advanced optics, biopharmaceuticals, etc. <p>Target populations:</p> <ul style="list-style-type: none"> • Underserved communities residing in China's mountainous areas, rural areas, key counties for national rural revitalization, with limited access to basic education or those with special educational needs • Workers and technicians from the first production line in Lingang Special Area 	Increase the access to education and vocational training opportunities for target populations	<ul style="list-style-type: none"> • Number of students reached • Number of people provided with skill development and/or vocational training
Access to essential services – Healthcare	<p>Medical support and health management projects with preventive and/or curative functions, such as,</p> <ul style="list-style-type: none"> • Medical and rehabilitation supports for disabled people, critically ill patients, and cancer survivors • Development of health management system for construction workers <p>Target population: Disabled people, critically ill patients, and cancer survivors, industrial workers</p>	Increase the access to healthcare services for target populations	<ul style="list-style-type: none"> • Number of patients benefitting from healthcare or medical treatment • Number of health-related R&D programs funded
Affordable Basic Infrastructure	<p>Renovation projects of living facilities for the elderly living alone in rural areas,</p> <ul style="list-style-type: none"> • 'Happiness Ten Squares' kitchen and bathroom renovation • Power line reconstruction <p>Target populations: Aged population in rural areas</p>	Increase the access to basic infrastructure and facilities for target populations	<ul style="list-style-type: none"> • Number of residents benefitting from basic infrastructure/facilities upgraded
Employment generation and programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	<ul style="list-style-type: none"> • Loans or financial support to small and medium enterprises (SMEs) , including sci-tech start-up companies, tackling their financing difficulties • Science and technology park projects that promote rural revitalization and industrial upgrading through sci-tech development, which support SMEs and create jobs for residents in China's mountainous areas, rural areas, key counties for national rural revitalization, such as Shanghai-Yunnan Lingang Kunming Sci-tech Park, Zunyi Lingang Sci-tech Park, etc. <p>Target populations:</p> <ul style="list-style-type: none"> • Small and medium enterprises (SMEs), including sci-tech start-up companies • Residents in China's mountainous areas, rural areas, key counties for national rural revitalization 	Promote SME development and job creation	<ul style="list-style-type: none"> • Number/value of loans to SMEs • Number of jobs created, supported and/or retained

Endnotes

[1](#) Point-in-time assessment is applicable only on the date of assignment or update.

[2](#) [China to build more subsidized rental homes to meet housing needs](#), The State Council, 11 January 2022

[3](#) [Lingang Special Area of China \(Shanghai\) Pilot Free Trade Zone](#)

[4](#) [Improving the Financing System for Micro, Small, and Medium-Sized Enterprises](#), The People's Bank of China, 29 March 2021

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