



China Merchants Group Sustainable Financing Framework

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1. Introduction¹

1.1 Business Overview

China Merchants Group (**CMG**, or the “**Group**”) is a leading Chinese state-owned enterprise (SOE) founded and headquartered in Hong Kong and wholly owned by China’s central government. CMG was established in 1872 as China’s first joint-stock company. CMG set up China’s first merchant fleet, first domestic bank, insurance company etc, which helped modernize China’s shipping industry and promoted China’s economy and social development.

CMG’s main business lines focus on **Transportation and Logistics, Comprehensive Finance, Property Development and Management and Emerging Sectors**. CMG’s transportation division mainly includes ports, toll roads, shipping, logistics, and marine supply and repairing. CMG’s finance division mainly covers banking, securities, insurance and asset management. CMG’s property division specializes in industrial zone development and operation, community development and operation, and cruise ship industry management. In recent years, its operation has gradually extended to Emerging Sectors such as green renewable energy, life and health technology and the digital industry.



¹ Sources: CMG Website, Annual Reports and Sustainability Reports

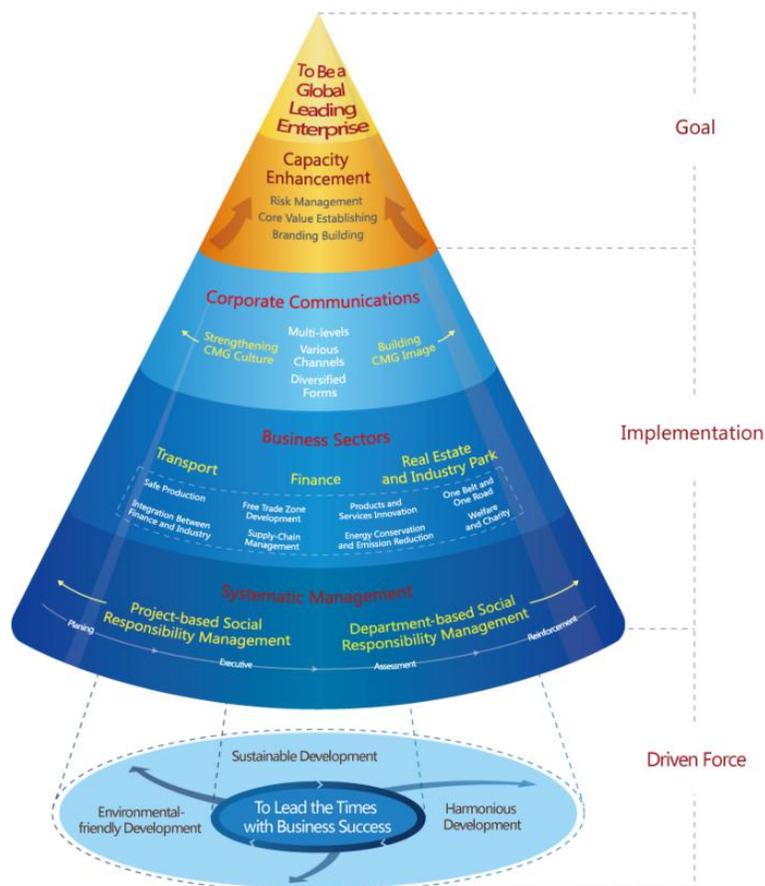
1.2 China Merchants Group’s Sustainability Vision and Strategies

Responsibility Gene of a Century-old Enterprise

China Merchants Group has been supporting the country for over a century. CMG’s corporate mission is "to drive progress of our times through success of our business", and the Group proactively takes on social responsibilities while pursuing business development. CMG believes that business success requires a sustainable and balanced approach, which includes environmental sustainability for green development and fulfilling sustainable human development. CMG will apply these principals to lead business innovation, promote industrial development and serve social advancement, ultimately building an ever-lasting enterprise and pushing forward social progress.

The “Mission-driven” Mode

CMG's corporate mission of "to drive progress of our times through success of our business" serves as a powerful driving force for the comprehensive fulfillment of the Group’s corporate social responsibilities. By conducting a systematic working plan, CMG integrates social responsibilities into corporate decision-making and daily operations. Furthermore, CMG aims to build a world-class enterprise with international competitiveness by enhancing its capabilities in risk management, value creation, brand building, and public influence.



1.3 China Merchants Group's Sustainability Commitments

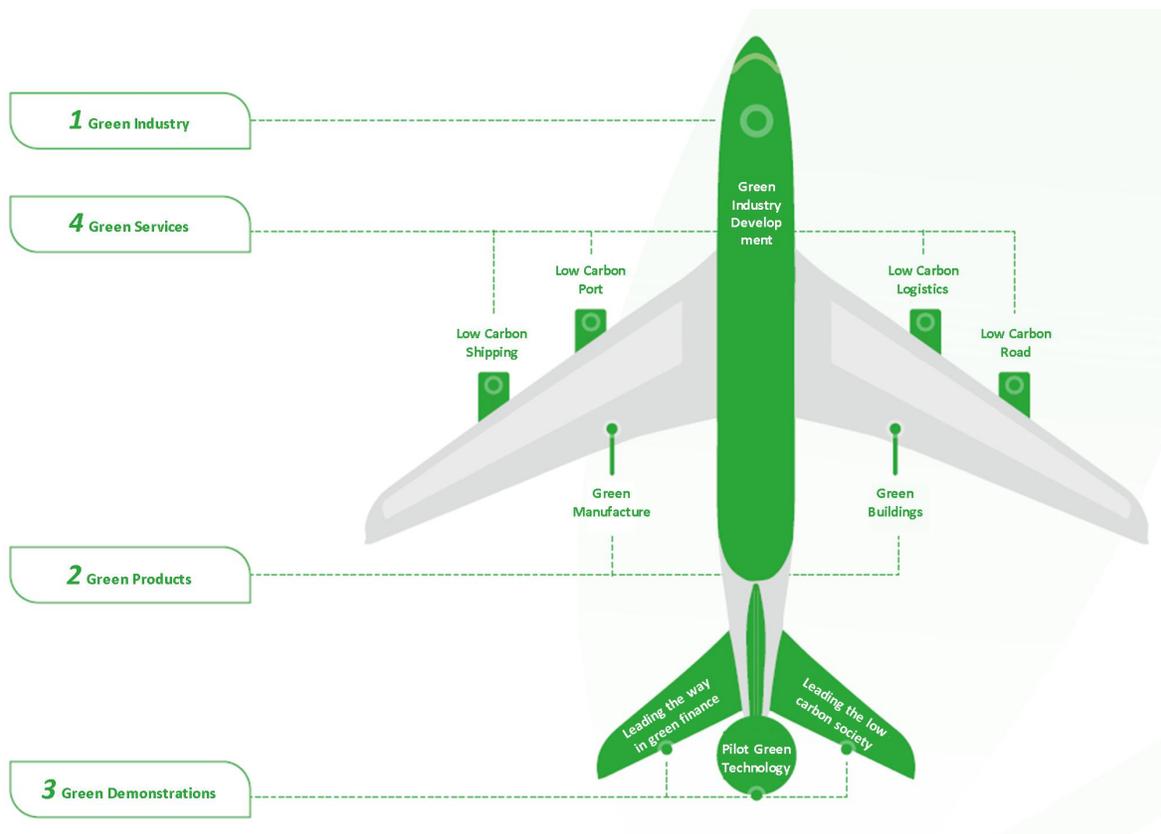
China Merchants Group is committed to implementing the national “Dual Carbon” goals of carbon peaking and carbon neutrality into the Group’s overall business planning, with a focus on reducing carbon emissions through green technology and emerging industries.

China Merchants "Dual Carbon" Targets

- By 2030, strive to achieve the Group's carbon emission peak
- By 2060, strive to realize the Group's vision of carbon neutrality

To achieve the stated “dual carbon” targets, CMG has a “Carbon Peak and Carbon Neutrality” working group. This working group is tasked with achieving CMG’s sustainability goals within its “4321 Framework”:

- **4 Green Services:** Low-carbon shipping, ports, logistics and highways
- **3 Green Demonstrations:** Green financing leadership, low-carbon leadership and green technology leadership
- **2 Green Products:** Green manufacturing and construction
- **1 Green Industry:** Applied research around key projects and reorganizing production, supply and value chains to achieve carbon neutrality



China Merchants Group has established a comprehensive ESG Indicator Framework that encompasses three layers of indicators: fundamental compliance, advanced improvement and distinctive business. This framework serves as a guide for the Group’s ESG development. For each layer, there are indicators corresponding to various sub-categories under the aspects of Environmental, Social and Governance (ESG). Detailed guidelines are provided for measuring and calculating these indicators, as well as for reporting, disclosure and assigning responsibility to relevant departments.

1.4 China Merchants Group’s Green Finance Development

China Merchants Group has consistently upheld the complete implementation of the ESG concept in its investment and financing endeavor. The Group has diligently conducted research and exploration to integrate climate change risk management into its comprehensive risk management framework, made extensive improvements to its green financing service system, facilitating the advancement of environmentally friendly investment and financing practices, and wholeheartedly supported global efforts to combat climate change.

Overview of Green Finance Development

<p>Financing business</p>	<p>In 2022, China Merchants Securities completed a total of 34 green investment banking projects, with a total underwriting amount of CNY 25.105 billion and a total issue size of CNY 120.561 billion, including 2 IPO projects, 4 refinancing projects, 27 green bond projects, and 1 M&A restructuring project.</p>
<p>Asset management</p>	<p>As of the end of December 2022, CMB Wealth Management held 9 green bond positions with a total amount of CNY 421 million. Among them, 8 new investments were added in 2022 with a total amount of CNY 401 million.</p>
<p>Equity investment</p>	<p>By the end of December 2022, CMB International had invested more than CNY 300 million (including investments in green low-carbon enterprises made by private equity investment funds) in new energy, energy conservation, and environmental protection enterprises.</p>
<p>Private equity fund</p>	<p>As of the end of December 2022, CMB Zhiyuan Capital had managed and invested in three green funds, with a subscribed capital of CNY 1.252 billion, accounting for 5.29% of the total subscribed assets under management, and a paid-in capital of CNY 667 million, accounting for 3.54% of the total paid-in assets under management.</p>

2. China Merchants Group Sustainable Financing Framework

To support its commitment towards sustainability, CMG have established this Sustainable Financing Framework (the “**Framework**”) for CMG and its direct or indirect subsidiaries. Sustainable Financing Transactions (“**SFT**”)s will include bonds, loans and other forms of debt financing with structures tailored to contribute to sustainable development by application of the proceeds to Eligible Green Projects and/or Eligible Social Projects as defined in this Framework.

- With respect to bonds, bonds issued under this Framework will be aligned with the 2021 Green Bond Principles² (“**GBP**”), 2023 Social Bond Principles³ (“**SBP**”) and the 2021 Sustainability Bond Guidelines⁴ (“**SBG**”) by the International Capital Markets Association (“**ICMA**”), as well as the 2021 Green Bond Endorsed Projects Catalogue⁵ issued jointly by the People’s Bank of China (“**PBoC**”), the National Development and Reform Commission (“**NDRC**”) and the China Securities Regulatory Commission (“**CSRC**”) and Q&As on Pilot Program of Social Bonds and Sustainability Bonds⁶ by the National Association of Financial Market Institutional Investors (“**NAFMII**”), or as they may subsequently be updated.
- With respect to loans, loans issued under this Framework will be aligned with the 2023 Green Loan Principles (“**GLP**”) ⁷ and 2023 Social Loan Principles (“**SLP**”) ⁸ including Guidance Notes by the Loan Market Association (“**LMA**”), the Asia Pacific Loan Market Association (“**APLMA**”) and the Loan Syndications and Trading Association (“**LSTA**”), or as they may subsequently be updated.
- Other SFT(s) may conform to other sustainable finance principles as may have been established at the time of such a financing transaction being undertaken.

SFT(s) do not place restriction on the tenor and currency; and can include other terms and conditions including covenants, to reflect the financing strategy and plans of CMG as well as the outcome of the commercial discussions between the Issuer/Borrower and Manager/Arranger/Lender.

SFT(s) may be done in any jurisdiction and market reflecting CMG’s current and future business needs.

For each SFT, CMG management asserts that it will adopt the following core components of the GBP, SBP, SBG, GLP and SLP:

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

⁵ <http://www.gov.cn/zhengce/zhengceku/2021-04/22/5601284/files/48dd95604d58442da1214c019b24228f.pdf>

⁶ <https://www.nafmii.org.cn/xhdt/202111/P020220112400465470626.pdf>

⁷ <https://www.lsta.org/content/green-loan-principles/>

⁸ <https://www.lsta.org/content/social-loan-principles-slp/>

1. Use of proceeds;
2. Process for project evaluation and selection;
3. Management of proceeds; and
4. Reporting.

The Framework also covers External Review.

The Framework will be in force as long as there are outstanding SFT(s). CMG may update this Framework and commits that any new version will keep or improve the current level of transparency and reporting. CMG commits to communicating changes with investors via CMG's official website: <https://www.cmhk.com/main/>.

2.1 Use of Proceeds

CMG commits to allocating the proceeds or an equivalent amount of proceeds of financings raised under the Framework exclusively for the financing and/or refinancing of “Eligible Green Projects” and/or “Eligible Social Projects”, in whole or in part, including without limitation, the refinancing of existing debt in relation to such projects.

Refinancing of existing debt relating to Eligible Projects will be subject to a 3-year look-back period and CMG is committed to fully allocating net proceeds from financing raised under the Sustainable Financing Framework within 2 year of issuance.

2.1.1 Eligible Green Project Categories

Eligible Green Project Category	Eligibility Criteria	Alignment with the SDGs
<p>Renewable Energy</p>  	<p>Financing the generation, distribution, transmission, research and development and related appliances and products of energy from renewable sources, including:</p> <ul style="list-style-type: none"> - Onshore and offshore wind energy (including offshore wind power installation vessels) - Solar energy - Small scale hydro energy (maximum of 20 MW in installed capacity) - Biomass (including for the production of sustainable fuels, solid and gaseous biomass; for heating and cogeneration facilities, carbon intensity will not exceed 16.0gCO₂e/MJ; for transportation sustainable fuels, carbon intensity will not exceed 18.8gCO₂e/MJ) - Ocean power (wave, tidal, ocean currents, salt gradient) - Related infrastructures allowing for more flexibility, such as battery energy storage 	<p>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>

<p style="text-align: center;">Clean Transportation</p> 	<p>Financing and service for the construction, development, equipment, operation and maintenance of:</p> <ul style="list-style-type: none"> - Port infrastructure required for low carbon water transportation, such as electricity charging, hydrogen-based refuelling and provision of shore-side electrical power to vessels at berth - Retrofit and upgrade of vessels for electric drives and shore-side electrical power connection - Electrification of equipment and vehicles for port and shipyard logistics, such as cranes, tractors, reach stackers, and forklifts, but also for road transportation as part of the logistics value chain - Infrastructure for operation of Low-Carbon Highways, such as charging stations, battery changing facilities, hydrogen and refuelling stations, and electrification of vehicles 	<p>Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p>
<p style="text-align: center;">Green Buildings</p> 	<p>Financing the construction, development and refurbishment of new or existing buildings to be certified by a third party in accordance in accordance with, any one of the following certification systems:</p> <ul style="list-style-type: none"> - U.S. Leadership in Energy and Environmental Design (LEED) – minimum certification of Gold; or - BEAM Plus – minimum certification level of Gold; or - BREEAM – minimum certification level of Excellent; or - Chinese Green Building Evaluation Label (GBL) – minimum certification level of 3 stars; or - Any other green building label, that is an equivalent standard of the above 	<p>Target 11.c: Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials</p>
<p style="text-align: center;">Terrestrial and Aquatic</p>		<p>Target 6.6: Protect and restore water-related ecosystems, including</p>

<p>Biodiversity Conservation</p>  	<p>Investment in the conservation, protection and management activities to prevent loss or degradation of terrestrial and aquatic biodiversity:</p> <ul style="list-style-type: none"> - Conservation activities to prevent habitat loss and degradation - Protection measures to avoid, remedy or mitigate the adverse effects of activities, such as grass restoration, remediation and restoration of polluted soil 	<p><i>mountains, forests, wetlands, rivers, aquifers and lakes</i></p> <p>Target 14.3: Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels</p>
<p>Sustainable Water and Wastewater Management</p>  	<p>Financing the equipment, development, manufacturing, construction, operation and maintenance of:</p> <ul style="list-style-type: none"> - Clean drinking water - Waste water treatment - Sustainable drainage systems - Flood and drought protection - Management and restoration of waters 	<p>Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources</p>
<p>Energy Efficiency</p>  	<p>Financing the development, purchase, operation and maintenance of energy efficiency facilities⁹, and energy consumption reduction by a minimum of 30%:</p> <ul style="list-style-type: none"> - Energy management systems for energy data accounting, analysis and monitoring - Smart meters, smart grids and upgraded equipment such as LED lighting 	<p>Target 7.3: By 2030, double the global rate of improvement in energy efficiency</p> <p>Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>
<p>Climate Change</p>	<p>Strengthening resilience of the infrastructure in case of severe weather (droughts, flood) and</p>	<p>Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters</p>

⁹ For CMG or for its third party (e.g. suppliers on its trade businesses, borrowers of its financing businesses – incl. banking, leasing, or even portfolios of its private equity/direct investment businesses)

<p>Adaptation</p> 	<p>climate change events</p> <p>Designs for combating adverse weather conditions, such as sea-level rise and extreme weather events</p>	<p><i>in all countries</i></p>
<p>Environmentally Sustainable Management of Living Natural Resources and Land Use</p>  	<ul style="list-style-type: none"> - Sustainable agriculture - Sustainable animal husbandry - Implementation of climate-smart practices, such as crop biological protection and drip irrigation - Sustainable fisheries and aquaculture - Sustainable forestry, such as afforestation or reforestation - Conservation and restoration of natural landscapes 	<p>Target 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p> <p>Target 15.a: Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems</p>
<p>Circular Economy Adapted Products, Production Technologies and Processes</p>  	<p>Financing the procurement, investment, equipment, facilities, factories processes and R&D activities related to biobased, recyclable products and solutions, to increase the circularity of the production, prioritizing the reutilization of residual and waste materials. Examples include:</p> <ul style="list-style-type: none"> - Biological long-chain dibasic acids (LCDAs) - Bio-based pentamethylene diamine (PDA) produced with renewable biomass raw materials - Bio-based polyamides (PAs) produced with renewable biomass raw materials - Biological transformation process at room temperature, near neutral pHs, non-toxic raw materials and ambient pressure - Production of lactic acid from agricultural waste (such as straw) (for production of biodegradable polylactic acid material) - Other forms of utilization of recycled/waste/bio-based (RSB-certified) materials 	<p>Target 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</p> <p>Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>

2.1.2 Eligible Social Project Categories

Eligible Social Project Category	Eligibility Criteria	Alignment with the SDGs
<p>Access to Essential Services – Education and Vocational Training</p> 	<p>Investment in the infrastructures, projects and facilities which provide:</p> <ul style="list-style-type: none"> - Courses, trainings and scholarships that expand access to education - Vocational trainings for farmers on pesticide application, ecological composting, and waste management <p>Target population:</p> <ul style="list-style-type: none"> - Education: Underserved communities residing in China's mountainous areas, rural areas, key counties for national rural revitalization, with limited access to basic education - Vocational training: Underserved communities residing in China's mountainous areas, rural areas, key counties for national rural revitalization, with limited access to vocational training 	<p>Target 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p>
<p>Access to Essential Services - Healthcare</p> 	<ul style="list-style-type: none"> - Provide medical trainings for rural doctors to improve disease prevention and public health management <p>Target population:</p> <ul style="list-style-type: none"> - Doctors and nurses in China's mountainous areas, rural areas, key counties for national rural revitalization. Elderly population aged 60 and above in China's mountainous areas, rural areas and key counties for national rural revitalization 	<p>Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>
<p>Socioeconomic Advancement and Empowerment</p>	<p>Investment in programs, services and facilities which provide equitable access to opportunities:</p> <ul style="list-style-type: none"> - Entrepreneurship and innovation centres and leadership programs for local youth in underdeveloped countries 	<p>Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>

	<p>Target population:</p> <ul style="list-style-type: none"> - Population living below the poverty line as defined by the World Bank¹⁰ or local government 	<p>Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>
<p>Affordable Housing</p> 	<p>Provide safe, affordable and inclusive residential housing</p> <p>Target population:</p> <ul style="list-style-type: none"> - Communities with housing difficulties, as defined by local government, such as low-income families, newly employed graduates, migrant workers, migrant population as well as populations currently living in shantytown, dangerous and dilapidated housing 	<p>Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial</p>
<p>Affordable Basic Infrastructure</p> 	<p>Provide safe, affordable and inclusive infrastructure, transportation and commercial facilities</p> <p>Target population:</p> <ul style="list-style-type: none"> - Underserved communities residing in China's mountainous areas, rural areas, key counties for national rural revitalization, with inadequate infrastructure, such as unpaved, narrow, and dilapidated roads and bridges, inadequate water and irrigation facilities - Vulnerable communities as a result of natural disasters 	<p>Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial</p>

2.1.3 Exclusions

The following industries are excluded from consideration for eligibility (“Exclusions”):

- Luxury sectors (precious metals wholesale or brokerage, precious minerals wholesale or brokerage, artworks and antiques wholesale or brokerage);
- Child labor or forced labor;

¹⁰ \$1.90 per day as defined by the World Bank: <https://www.worldbank.org/en/topic/poverty>

- Adult entertainment;
- Weapons and military contracting;
- Alcohol;
- Tobacco;
- Fossil fuel;
- Nuclear; and
- Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans.

2.2 Process for Project Evaluation and Selection

The Eligible Green and Social Projects are identified and selected via a process that involves participants from various functional areas, including the project teams.

CMG, or the subsidiary of CMG (the “Subsidiary”) will set up a Sustainability Management Committee (“SMC”) to oversee its ESG and Sustainability reporting. The SMC will also resume the responsibility of SFT(s). The SMC will be composed of representatives from CMG or the Subsidiary’s key departments with the required level of expertise and seniority:

- Finance & Treasury
- Product Management
- Operation Management
- Branding and Marketing
- Human Resources
- Strategic Development/Investment Management Department

The SMC will meet at least every 12 months to review and select eligible projects according to the criteria outlined in Sections 2.1.1 and 2.1.2 mentioned above. The shortlisted projects will be presented to CMG or the Subsidiary’s Managing Department or person in charge for approval.

The SMC will ensure that the selected Eligible Projects comply with the section of Use of Proceeds in this framework, with the environmental guidelines under the GBP, SBP, SBG, GLP and SLP, as well as with CMG’s Environmental, Social and Governance Policies which offer risk management tools to mitigate related ESG risks.

Eligible Projects may include new projects, projects under construction or in CMG’s or the Subsidiary’s portfolio, with a disbursement date no older than 3 years.

CMG will maintain regular communication with its subsidiaries on the project evaluation and selection. To avoid double counting of any Eligible Projects within the balance sheet of CMG and its subsidiaries, CMG will maintain regular communication with its subsidiaries to ensure that any Eligible Project allocated to a SFT issued under the Framework by a subsidiary is not simultaneously allocated to any other SFT issued by the same or any other subsidiary.

2.3 Management of Proceeds

The net proceeds from each SFT issued will be managed by CMG or the Subsidiary's finance & treasury team and the proceeds of each SFT will be deposited in the general funding accounts. An amount equaling the total net proceeds from each SFT will be earmarked for allocation to Eligible Green or Social Projects, in accordance with CMG Sustainable Financing Framework.

CMG will maintain regular communication with its subsidiaries on the management of proceeds. CMG will maintain a register to keep track of the use of proceeds for each SFT. The register will contain the following information including:

2.3.1 Type of Funding Transaction

Key information includes issuer/borrower entity, transaction date, number of transactions, principal amount of proceeds, repayment or amortization profile, maturity date, interest or coupon, and the ISIN number in case of bond transaction.

2.3.2 Allocation¹¹ of Use of Proceeds

- Name and description of Eligible Projects to which the proceeds of the SFT(s) have been allocated in accordance with the Framework
- Allocation of the proceeds of SFT(s) to Eligible Projects
- The balance of unallocated proceeds
- Information of temporary investment for unallocated proceeds

CMG, or the Subsidiary is committed to allocating all proceeds from the SFT to Eligible Project exclusively within 2 years of the SFT issuance in accordance with the evaluation and selection process set out above.

CMG, or the Subsidiary will monitor the allocation to Eligible Project and track the net proceeds through its internal accounting system.

Pending allocation, the net proceeds from the SFT(s) issued may be managed according to CMG or the Subsidiary's usual liquidity management practice, including in cash or cash equivalents.

During the life of the SFT(s), if the designated Projects cease to fulfil the Eligibility Criteria, the net proceeds will be re-allocated to replacement Projects that comply with the Eligibility Criteria, as soon as reasonably practicable.

2.4 Reporting

CMG will provide information on the allocation of the net proceeds of its SFT(s) in CMG's Sustainability/ESG Reports and/or website. Such information will be provided on an annual basis throughout the life of the SFT(s).

¹¹ The proceeds of a green bond can be managed per bond (bond-by-bond approach) or on an aggregated basis for multiple green, social and sustainability bonds (portfolio approach).

CMG will, on a best effort basis, engage a third party to review the allocation and impact of SFT(s).

The information in the reporting will contain at least the following details:

2.4.1 Allocation Reporting

CMG will provide the following information for the net proceeds of all the SFT(s) during the period:

- Aggregate amount of proceeds of the SFT allocated to the eligible expenditures;
- The remaining balance of funds which has not yet been allocated and type of temporary investment; and
- Examples of Eligible Projects, subject to confidentiality disclosures.

2.4.2 Impact Reporting

Where possible, CMG will report on the environmental impacts associated with the Eligible Projects funded with the net proceeds of the SFT(s).

Subject to the nature of Eligible Projects and availability of information, CMG will include, but not limited to, the following Impact Indicators:

Eligible Categories	Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided in tonnes of CO₂ equiv. (tCO₂) - Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Clean Transportation	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided in tCO₂ equiv. - % reduction of air pollutants from a given base year: Particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)
Green Buildings	<ul style="list-style-type: none"> - Annual final and/or Primary Energy use in new or retrofitted buildings: kWh/m² of Gross Floor Area (GFA) - Annual carbon reduction in new or retrofitted buildings: kg CO₂ /m² of GFA - Annual water use before and after in new or retrofitted buildings: m³/m² of GFA of annual absolute (gross) water use

<p>Terrestrial and Aquatic Biodiversity Conservation</p>	<ul style="list-style-type: none"> - Maintenance/safeguarding/increase of protected area/OECM/habitat in km² and in % for increase - Absolute number of protected and/or priority species that are deemed sensitive in protected/ conserved area before and after the project
<p>Sustainable Water and Wastewater Management</p>	<ul style="list-style-type: none"> - Annual absolute (gross) water use / wastewater treated, reused or avoided / raw or untreated sewage sludge that is treated and disposed of, before and after the project in m³/a, reduction in water use in %
<p>Energy Efficiency</p>	<ul style="list-style-type: none"> - Annual energy savings in total MWh/GWh (electricity) and GJ/TJ (other energy savings)/year - Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent/b
<p>Climate Change Adaptation and Resilience</p>	<ul style="list-style-type: none"> - Number and type of adaptation and resilience measure installed
<p>Environmentally Sustainable Management of Living Natural Resources and Land Use</p>	<ul style="list-style-type: none"> - Number of farmers trained in sustainable farming and biodiversity - Maintenance/safeguarding/increase of natural landscape area (including forest) in km² and in % for increase - Maintenance/safeguarding/increase of protected area/OECM/habitat in km² and in % for increase
<p>Circular Economy Adapted Products, Production Technologies and Processes</p>	<ul style="list-style-type: none"> - The % increase in materials, components and products that are reusable, recyclable, and/or certified compostable as a result of the project and/or in absolute amount in tonnes p.a. - Estimated annual GHG emissions avoided or reduced (tCO₂e) and/or energy savings (MWh per year)
<p>Access to Essential Services – Education and Vocational Training</p>	<ul style="list-style-type: none"> - Number of people provided with skill development and/or vocational training ideally for in demand subjects (breakdown by gender) - Teachers trained - Students Reached (breakdown by gender)

Access to Essential Services – Healthcare	<ul style="list-style-type: none"> - Number of patients benefitting from healthcare or medical treatment - Number of doctors trained - Number of hospitals and other healthcare facilities built/upgraded
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> - Number of products and services serving low-income groups - Number of students that receive support for equipment and facilities and technological modernisation - Number of people trained in new vocational skills - Jobs created, supported, and/or retained
Affordable Housing	<ul style="list-style-type: none"> - Number of housing units built or refurbished - Amount of housing loans disbursed to qualifying borrowers
Affordable Basic Infrastructure	<ul style="list-style-type: none"> - Length of sustainable road construction with equitable access - Number of people with access to affordable transport systems

Transparency is of particular value in communicating the expected and/or achieved impact of projects. CMG will use qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.

3. External Review

CMG has engaged Moody’s Investor Service to provide a Second Party Opinion (“SPO”) on its Sustainable Financing Framework. The SPO, together with the Framework will be available on the company’s website: <https://www.cmhk.com/main/>.