

——JCR Green Bond Evaluation by Japan Credit Rating Agency, Ltd.——

Japan Credit Rating Agency, Ltd. (JCR) announces the following Green Bond Evaluation.

JCR Assigned Green1 to Long-term Loan Borrowed by Canadian Solar Infrastructure Fund, Inc.

Subject	: The existing borrowings by Canadian Solar Infrastructure Fund, Inc.
Structure	: Long-term Loan
Lenders	: Syndication by Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as an arranger. Shinsei Bank, Limited as an arranger and book runner.
Amount of Borrowing	: JPY 15.7 billion
Interest rate	: benchmark rate (JPY Tibor) + 0.45%
Execution date	: Oct. 31, 2017
Final repayment date	: corresponding day of 10th year after the borrowing date
Repayment method	: Partial loan amortization
Use of Proceeds	: Payment on acquiring renewable energy generation assets and other related costs.

<Green Bond Evaluation Result>

Overall Evaluation	Green 1
Evaluation on Greenness (Use of Proceeds)	g1
Evaluation on Management, Operation and Transparency	m1

Chapter 1: Evaluation Overview

Canadian Solar Infrastructure Fund, Inc. (the “Corporation”) is an investment corporation listed on the Infrastructure Fund Market of the Tokyo Stock Exchange on October 30, 2017.

The Corporation intends to invest primarily in renewable energy generating facilities (defined by the Japanese Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities, Article 2, Paragraph 3), real estate and securities related to the renewable energy generating facilities.

The sponsor and asset management company of the Corporation are Canadian Solar Project K.K. and Canadian Solar Asset Management K.K, respectively.

JCR evaluates the long-term borrowings following the financial policy of the Corporation. Assets acquired through proceeds from these borrowings include 13 solar power generating facilities selected in accordance with the investment policy of the Corporation. JCR confirmed that the technical due diligence report, soil

contamination report and report of seismic effects were undertaken by third party companies. According to these reports, JCR found that these projects have little possibilities that the negative impacts on the environment may surpass the positive impacts and JCR considered it as a green project which largely contribute to CO2 emission reduction.

As was described in the next chapter, this borrowing obtained an overall evaluation of “Green1” based on “JCR green bond evaluation methodology”, with the Corporation attaining both “g1” on “Greenness” and “m1” on “management, operation and transparency”. This borrowing is considered to qualify on the same standards and quality which were required to be determined as a Green Bond, in line with the Green Bond Principle of ICMA and Green Bond Guidelines issued by Ministry of the Environment of Japan.

Chapter 2: Current status of the project on each evaluation factor and JCR’s evaluations.

Evaluation Phase 1: Greenness Evaluation.

JCR assigns “g1”, the highest grade, to “Evaluation phase 1: Greenness Evaluation”.

Rationale: 100% use of proceeds of this borrowing is allocated to green projects, considering the factors described below.

(1) JCR’s key consideration in this factor

In this section, JCR first assesses whether the funding money will be allocated to green projects that have explicit improvement effects on the environment. Secondly, JCR assesses whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove this satisfactorily, and in case of possibility that the use of proceeds have negative impact on the environment, necessary workaround or mitigation measures have been taken.

(2) Current status of the project on each evaluation factor and JCR’s evaluation.

Overview of the use of proceeds

- a According to the current Corporation’s Portfolio Investment Policy, it will invest more than 90% of its funds in solar power generation facilities. Less than 10% of its funds will invest in other renewable energy power generation facilities.
- b All of the assets acquired are solar power generation facilities. The proceeds financed by this borrowing, which is the subject of this green bond evaluation, were used to acquire the assets of following 13 solar power generation facilities (CS Minamishimabara-shi Power Plant (East) and (West) are counted as a single power plant).

(List of acquired asset)

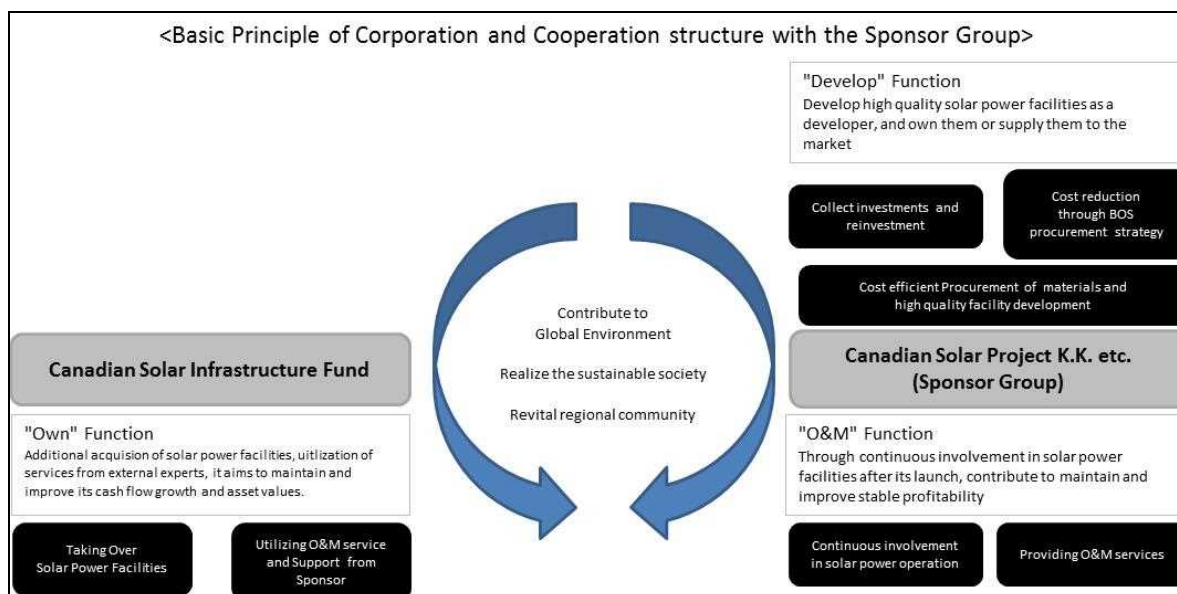
Project Name	Location (city or ward, prefecture)	Output Capacity	Annual power of generation (estimate) (average in 20 years)	Annual CO2 reduction (estimate) (average in 20 years)
CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	999.00kW	Approx. 1,385MWh	Approx. 737 ton
CS Isa-shi Power Plant	Isa-shi, Kagoshima	910.00kW	Approx. 1,038MWh	Approx. 548 ton
CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	1,965.60kW	Approx. 2,359MWh	Approx. 1,159 ton

(Continuation from Page 2)

Project Name	Location (city or ward, prefecture)	Output Capacity	Annual power of generation(estimate) (average in 20 years)	Annual CO2 reduction (estimate) (average in 20 years)
CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	1,861.20kW	Approx. 2,381MWh	Approx. 1,257 ton
CS Yusui-cho Power Plant	Aira-gun, Kagoshima	1,500.00kW	Approx. 2,035MWh	Approx. 1,075 ton
CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	1,907.01kW	Approx. 2,568MWh	Approx. 1,356 ton
CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	1,965.60kW	Approx. 2,326MWh	Approx. 1,142 ton
CS Hiji-machi Power Plant	Hayami-gun, Oita	1,900.80kW	Approx. 3,050MWh	Approx. 1,610 ton
CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	1,462.00kW	Approx. 2,649MWh	Approx. 1,399 ton
CS Minamishimabara-shi Power Plant (East)	Minamishimabar a-shi, Nagasaki	1,890.50kW	Approx. 2,668MWh	Approx. 1,409 ton
CS Minamishimabara-shi Power Plant (West)	Minamishimabar a-shi, Nagasaki	1,455.00kW	Approx. 2,022MWh	Approx. 1,068 ton
CS Minano-machi Power Plant	Chichibu-gun, Saitama	1,990.00kW	Approx. 2,994MWh	Approx. 1,470 ton
CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	1,330.00kW	Approx. 1,530MWh	Approx. 751 ton
CS Mashiki-machi Power Plant	Kamimashiki- gun,Kumamoto	34,000.00kW	Approx. 53,414MWh	Approx. 28,203 ton

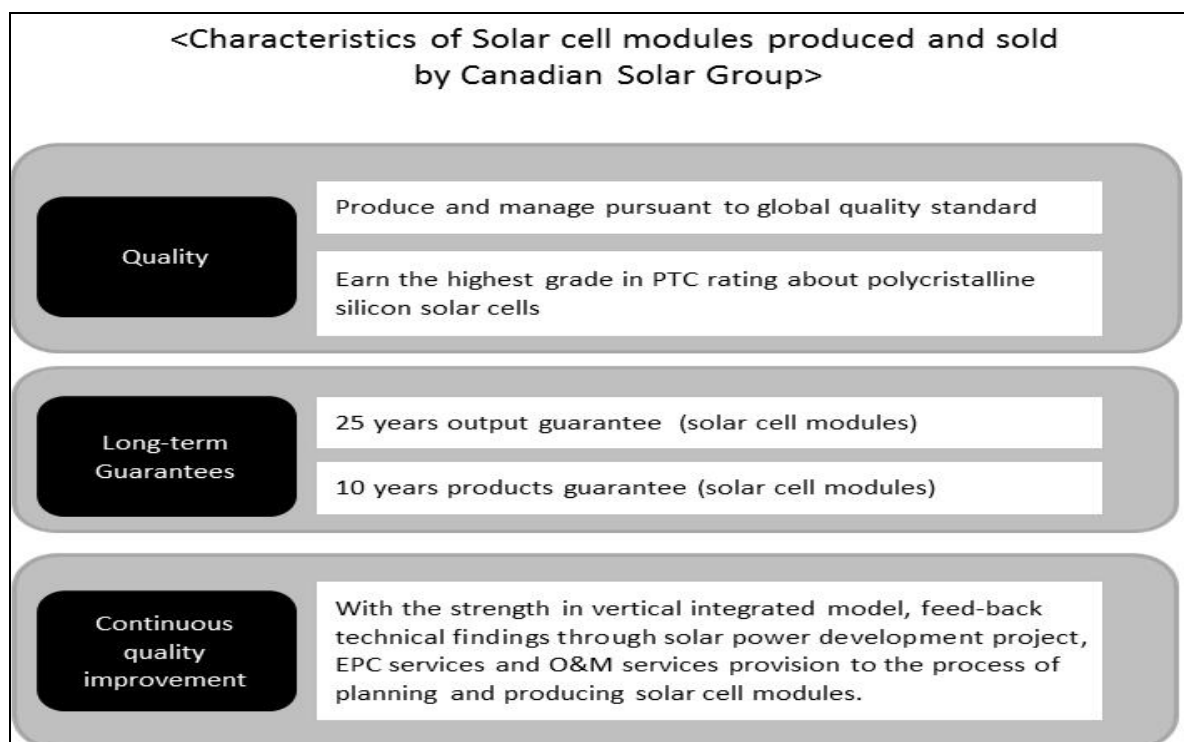
(Referenced from the Corporation's Security Registration Statement and technology due diligence report,
Estimate of annual power of generation excludes those consumed inside the plant.)

- c Details of the acquired assets are explicitly limited to solar power generation facilities. Solar power generation is expressed as an example of green projects for renewable energy as set out in the criteria defined as a Green Bond Principle of ICMA and the Green Bond Guideline by Ministry of the Environment of Japan.
- d Solar cell modules and certain system components of solar power generation facilities that form the acquired asset base are manufactured in the factories of Canadian Solar Group, to which the sponsor, Canadian Solar Project K.K. belongs. The Group has strong global experience in developing solar power generation facilities. Also, the Group's strategic business model as a "vertically-integrated solar player" covers production of solar wafers, cell modules for green-field development and long-term operation of solar power generation facilities. This business model enables the Group to reduce power generation costs through effective procurement of system costs and deploy cost-efficient, high-quality system designs. In Japan, under the Feed-In-Tariff (FIT) system, to promote renewable energy deployment, all electricity consumers are charged a "Renewable energy generation promotion levy." To reduce the strain from the passed on cost of renewable energy generation to electricity consumers, it is necessary to moderate the price of the FIT program in the middle to longer term. JCR considers higher-efficiency, cost-effective technology and robust long-term operation of solar power facilities will increase sustainability of these projects in the longer term.



(Referenced from the Corporation's Security Registration Statement).

- e The solar PV modules used in these projects from the Group have a proven quality track record and been subject to third party inspections.
Production and quality management is undertaken in ISO certified factories from TÜV Rheinland. Canadian Solar's polycrystalline silicon solar PV modules have achieved the highest rank in the California Energy Commission's PTC rating.



(Referenced from the Corporation's Security Registration Statement)

- f Minimal severe negative impacts on the environment were noted.
(Please see Evaluation phase 2 for more details.)

Evaluation Phase 2: Evaluation on Management, Operation and Transparency

JCR assigns “m1”, the highest rating on JCR evaluation Phase 2: Evaluation on Management and Operation and Transparency.

Rationale: These projects have allocated the funding and implemented the businesses as planned through a firmly equipped management and operation system and high transparency as described below.

1. Appropriateness and Transparency concerning selection standard and processes of the use of proceeds

(1) JCR's key consideration in this factor

JCR assesses whether the following information is appropriately disclosed to investors, such as the target through issuing a green bond, selection standard, and suitability of the processes and series of processes employed.

(2) Current status of the project on each evaluation factor and JCR's evaluation.

- a Each project has confirmed Greenness through undertaking environment assessment and research, such as but not limited to, potential soil contamination problems. Concerning the beneficial impacts to environment, JCR affirmed the CO2 reduction volume with the borrower through this green bond evaluation procedure and the appropriateness of the assumptions and the calculation has been affirmed by a third party company.
- b Use of the Proceeds of this borrowing corresponds to renewable energy defined as a green project in ICMA's Green Bond Principles and the Green Bond Guideline outlined by the Ministry of the Environment of Japan.
- c The Security Registration Statement provided that each of the 13 green projects have no severe negative impact on the environment.
In general, the followings situations may cause negative impacts on the environment through the installment of solar power generation facilities:
 - i) Landslide disaster: in case of facilities' location on sloping land profiles.
 - ii) Leakage and electrification: damages to facilities of solar panel or wiring and generation facilities by earthquake disaster.
 - iii) Improper siting of solar project that result in aesthetic impact to the landscape and glare reflection from solar installations.

The projects have been evaluated by the third party about the possibility of negative impact on the environment through detailed research on soil contamination and location's environment, amongst others, as part of the due diligence process.

Appropriate measures were taken for major risks with negative impact to the environment, and it is not expect to have any severe negative impacts that would be larger than the positive impacts.

Concerning i. 10 project sites have locations not designated as landslide hazard zone. Although three project sites are located in such zones designated as stream endangered by debris area, countermeasures such as cement embankment shoring up and utilizing tree roots to hold soil against erosion had been taken.

Concerning ii. Canadian Solar O&M Japan has developed a continuous monitoring and inspection tool covering all 13 green projects and will respond appropriately in case of performance abnormality.

Concerning iii. The projects comply with laws and ordinance enacted by local authorities over the 13 site locations. The sponsor had developed strong communication channel with the

residence in the neighborhood to build a good relationship and cooperation.

As JCR states above, each concern has been mitigated appropriately, JCR assumes these projects to have minimal negative impact and that such negative impacts, if any, should not be expected to surpass the positive improvement effect on the environment.

- d Concerning appropriateness and transparency of the objectives, criteria and process for choosing the use of proceeds (green projects)

(Objectives)

According to the Security Registration Statement, environmental objectives (positive impacts on environment) through use of proceeds of this borrowing are contributing to the environment, realization of sustainable society and vitalization of regional society.

(Selection Criteria)

The Corporation took mitigation against any negative impact on the environment and carried out stable power generation business in long-term by complying with the following four points in the planning and development of the acquired assets.

- i) Careful selection on facility location.

Under the planning and basic design phase of solar power generation development projects the Corporation ensured that appropriate selection of facility locations are carried out prior to construction through adequate review of the following elements:

1. Environmental condition
2. Interconnection with electricity off-taker
3. Ease of acquiring the site facility

- ii) Robust design and construction of facilities.

During construction project of the solar power facility, the electric chief engineer or licensed electrician functions as the project manager. Under their supervision, experienced large scaled EPC contractor were engaged as main contractor. Canadian Solar performed an independent review of the design quality of the solar power facility. Further structural checks were carried considering the mechanical and geographical features of the facility site throughout construction by an independent engineering firm.

- iii) Selection of high-efficiency solar modules with stable output.

The sponsor utilized high-efficiency solar PV modules with stable output that are produced by the Canadian Solar Group. Canadian Solar Group offers a 25 years output guarantee on its solar PV modules.

- iv) Minimization against power generation loss.

During the design phase of the solar power generation facility, optimization involving overall facilities, equipment and materials are planned to mitigate the loss of power generation output by shadow and power transmission losses.

(Selection Process)

All the solar power generation facilities acquired from the sponsor underwent proper evaluation and a transparent governance process through the compliance committee and the investment management committee (board committee included in some cases) of Canadian Solar Asset Management. The Corporation discusses and determines these issues at the board committee of the Corporation.

The Board committee of the Corporation comprises of executive officers and supervisory officers.

Supervisory officers reports to the executive officer on operation matters, and may require reporting officer or employee on asset management.

As these selection criteria and processes were disclosed in the Security Registration Statement, JCR acknowledges that the transparency is sufficient regarding the objective, criteria and processes.

2. Appropriateness and Transparency of Management of the proceeds

(1) JCR's key considerations

Management of the funding money varies with the issuer. In this section, JCR assesses whether the proceeds firmly allocated to the green project, the projects have internal systems to easily track the allocation of the proceeds and the money funded by the issuing the green bond will be allocated to the green bond at once. JCR also considers the evaluation of asset management of any unallocated money.

(2) Current status of the project on each evaluation factor and JCR's evaluation.

- a According to the loan basic agreement, use of proceeds should only be applied to acquisition of targeted power generation facilities, related payment with such acquisition of power generation facilities and other usage which pre-approved by majority lenders.
- b With account administration, tracking the use of proceeds is straightforward because incoming and outgoing are all recorded in specific bank accounts.
- c Accounting documents of Corporation are audited in connection with both accounting auditor named in general meetings of unitholders' resolution and internal management and supervision committee.
- d There is no unallocated money because the monies borrowed were allocated to the acquired assets within the same day.

3. Reporting

(1) JCR's key considerations

In this factor, JCR assesses whether the disclosures to investors before and after the bond issuance or disbursement of the loans are effectively planned in detail, at the timing of issuing green bonds or disbursing the loans.

(2) Current status of the project on each evaluation factor and JCR's evaluation.

- a Environmental benefits, such as CO2 reduction effects brought by the green projects are calculated and verified by third parties (the methodology to calculate the environmental benefits are defined and established)
- b The acquired assets are fully constructed and the detailed disclosure has been made in the securities registration statement. The information about these green projects will be updated bi-annual and disclosed through financial statement reports. JCR will review whether the periodical reporting will also be disclosed periodically or not.

4. Efforts taken by the organization

(1) JCR's key considerations

In this factor, JCR assesses whether the issuer put a high priority on environmental issues or not, whether the policy for financing green projects and its process, criteria to choose the projects are clearly important, in cooperation with the department which is responsible for environmental issues or external institutions.

(2) Current status of the project on each evaluation factor and JCR's evaluation.

- a Canadian Solar Inc., the parent company of the sponsor of the Corporation, has been contributing positively to environmental and social considerations. According to the CSR report for 2015 published in November 2016, the major contributions in these areas are as follows:

<Environmental highlights>

- i) Energy generation from company-owned PV plants increased by over 1,000%
- ii) Water use per MW decreased by 23% since 2014
- iii) Wastewater discharge per MW dropped by 35% since 2014
- iv) CO2 needed per MW was reduced by 42% compared to 2012

<Social highlights>

- i) Named Canada's Most Attractive Employer in the sixth annual Randstad Awards
 - ii) Ranked #1 for corporate social responsibility in Randstad Awards
 - iii) More than 6,300 staff members were trained in 2015, more than 70% of all employees
- b The top management clearly announces its commitment to environmental and social considerations.
"Promoting sustainable development around the world is the mission of Canadian Solar as well as my personal quest. We not only want to be a socially responsible company, but also want our suppliers along the PV value chain to practice and promote sustainable development. Being one of the major PV industry players in the world with accumulative solar panel delivery exceeding 17 GW, we have taken corporate responsibility to the heart of our daily business operations to strengthen environmental sustainability, human resource and community development. This report is a testimony of that commitment," says Dr. Shawn Qu, Chairman and Chief Executive Officer of Canadian Solar.
- c The CS asset management company is aligned to Canadian Solar Inc.'s Environmental Policy and intends to be in full compliance.
- d The CS asset management company identifies and takes necessary measures to manage the possible risk related to defect or fault in solar power generation facilities.
- i) Faults in power generation facility sites and boundary risks
 - ii) Natural disaster risks
 - iii) Laws and regulation risks
 - iv) Hazardous material risks
 - v) Reclaimed land risks
 - vi) Site preparation risk such as cutting earth or raising the ground level risks

If any such risks are identified, and the Corporation will address the risk threshold and if appropriate apply appropriate mitigation measures. The Infrastructure Fund and the asset management company operate the risk management system under the supervision of the Board members.

- e The Corporation undertook several external assessment or research reports, for example, environmental assessments and technical reports as a part of the due diligence process undertaken to determine suitability of the assets to be invested.

About the infrastructure fund and its sponsor

Canadian Solar Infrastructure Fund, Inc.

Canadian Solar Infrastructure Fund, Inc. (the “Corporation”), established in June 2016, is an investment corporation that is listed on infrastructure fund market of the Tokyo Stock Exchange in October 2017. Primarily targeting renewable energy power generation facilities, it will invest more than 90% of its funds in solar power generation facilities. Its investment assets at the time of listing consist of 13 power plants located mainly in Kyushu and also in other areas including Kanto and Tokai regions, and its total panel output and total asset acquisition price reached 72.7 MW and 30.43 billion yen, respectively. Its sponsor is Canadian Solar Projects K.K. (“CSP”), which is a developer of solar power plants in Japan of Canadian Solar Inc. (“CSI”), one of the world’s leading manufacturers of solar modules and also a developer of solar power plants. CSI is listed on the NASDAQ exchange. CSP is also an operator of assets that are initially acquired. CSI’s group companies will assume the asset management and O&M operator functions.

The Corporation expressly announces the basic principle for its business. Under cooperation with CSP, the Corporation aims to contribute to the environment, vitalization of regional society and realization of sustainable society through their investment which is targeting mainly renewable energy generation equipment.

In April 2016, the Kumamoto earthquake occurred. This is in proximity to the location of CS Mashiki-machi solar power plant, which has been acquired by the Corporation as a part of its asset portfolio. The power plant equipment has not been damaged, although the region itself suffered severe damages. Taking into consideration of this situation, CSP realigned their construction period to divert focus on earthquake recovery efforts and further made a donation of relief supplies. This was a symbolic event that expresses the Corporation’s basic principle.

Canadian Solar Inc.

Canadian Solar Inc. (CSI) was founded in Canada in 2001 and is one of the world’s largest and leading solar power companies. CSI is a parent company of the Corporation’s sponsor.

CSI is a leading vertically integrated provider of manufacturing and sales of solar power modules and development, sale and operation of mega solar power plants.

CSI registered its quality control system according to the requirements of EMS “ISO14001:2004”, which prescribes environmental management systems in 2010.

CSI also established an “Environmental Policy”. The aforementioned CSP, CSAM and CS Infrastructure Fund shall comply with this policy in the course of their business operation as a member of the Group.

CSI’s “Environmental Policy” advocates that the Group companies be fully committed to undertaking their works in a manner that achieves and maintains the highest environmental standards. CSI values the importance of the environmental impact as it conducts its business, and makes effort to deliver projects and services that reduces the environmental impact sustainably.

CSI operates environment-oriented management and conducts continuous monitoring and performs annual review on the appropriateness and effectiveness of its environmental objectives, including performance measurement against its Key Performance Indicators. In addition, it periodically reviews its Environmental Policy in order to ensure the applicability and adherence to environmental performance standards.

■Green Bond Evaluation

<Summary>

This borrowing obtained overall evaluation of “Green1” based on “JCR green bond evaluation methodology”, as the project obtained both “g1” on “Greenness” and “m1” on “Management, Operation and Transparency”. This borrowing is considered to qualify the standards which were required to be determined as a Green Bonds, etc. in Green Bond Principle of ICMA and Green Bond Guidelines by Ministry of the Environment of Japan.

【JCR Green Bond Evaluation Matrix】

Management, Operation & Transparency Greenness	m1	m2	m3	m4	m5
g1	Green 1	Green 2	Green 3	Green 4	Green 5
g2	Green 2	Green 2	Green 3	Green 4	Green 5
g3	Green 3	Green 3	Green 4	Green 5	Not qualified
g4	Green 4	Green 4	Green 5	Not qualified	Not qualified
g5	Green 5	Green 5	Not qualified	Not qualified	Not qualified

<Assignment>

Structure	Amount (bn)	Execution Date	Final Repayment Date	Interest Rate	Evaluation
Long-term Loan	JPY 15.7	Oct. 31, 2017	Oct. 29, 2027	JPY Tibor + 0.45%	JCR Green Bond Evaluation :Green1 Greenness Evaluation :g1 Management, Operation, and Transparency :m1

GB Analysts in charge of this evaluation: Atsuko Kajiwar, Kosuke Kajiwar

*Green Bond Evaluation Methodologies
<https://www.jcr.co.jp/en/information/>

Important explanations about this green bond evaluation

1. Assumptions, meaning and limits of JCR Green Bond Evaluation

JCR Green Bond Evaluation assigned and provided by Japan Credit Rating Agency, Ltd. is the expression of its comprehensive opinion at this moment concerning both the degree of the proceeds allocated to green projects defined by JCR and Management, Operation and Transparency of the Use of proceeds of the green bonds. This evaluation is JCR’s overall opinion at this moment, and it does not perfectly disclose all the efforts taken by the issuer/borrower to ensure the use of proceeds, administration, management of the proceeds and the transparency.

JCR Green Bond Evaluation is to evaluate the allocation plan of the proceeds to green projects at the time of issuing green bonds or planning to issue green bonds and does not guarantee the future actual allocation of the proceeds. JCR does not guarantee the positive impacts on environment realized by the green bond nor is liable for the expected impacts. JCR affirms that the environmental impacts, which will be realized by the allocated proceeds, are calculated quantitatively or qualitatively by the third parties, but in principle, JCR will not calculate them by itself.

2. The relationship with credit rating business

Assignment and provision of JCR Green Bond Evaluation is an ancillary service provided by JCR and this is not credit rating business.

3. The relationship with credit ratings

This evaluation is not a credit rating, nor promising to provide and disclose a predetermined credit rating.

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JCR publishes its press releases regarding the evaluation actions both in Japanese and in English on the same day. In case that it takes time to translate evaluation rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days.

■Glossary

JCR Green Bond Evaluation: This is to evaluate the degree of the proceeds financed by the issuance of bonds or by any other financing tools which will be allocated to the green projects and the evaluation of ensuring the Management, Operation and Transparency of the proceeds. The evaluation symbols are 5 grades; Green 1, Green 2, Green 3, Green 4 and Green 5.

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