

Appendix I

Description on Bank of China Limited New York Branch's 2023 Green Bond

Bank of China Limited New York Branch plans to issue 2023 Green Bond ("2023 Green Bond"). Bank of China Limited (the "Bank") has established the *Bank of China Limited Sustainability Series Bonds Management Statement* (the "Management Statement"). According to the Management Statement, the New York Branch will issue green bond in accordance with the *Green Bond Principles 2021* published by International Capital Market Association. This 2023 Green Bond is aligned with the four core components of the *Green Bond Principles 2021* being especially relevant to underlying Green Projects.

Use of Proceeds

All the net proceeds of the green bond will be allocated to the Eligible Projects as defined in the *Green Bond Principles 2021*.

In any case, Eligible Projects exclude the following categories ("Explicitly Excluded Projects"):

- Fossil fuel dedicated assets;
- Biofuels, biogas or biomass which utilize food crops as sources;
- Nuclear related projects;
- Mining and quarrying related projects;
- Luxury services or goods related, such as clubhouse operation;
- Alcoholic beverages related projects;
- Gambling and predatory lending enterprises related projects;
- Tobacco and tobacco-related products related projects;
- Weapons and ammunitions related projects.

Project Evaluation and Selection

1. Preliminary Screening

Based on the project compliance documents and referring to criteria and standards of Eligible Project categories defined in the Management Statement, Bank of China's domestic and overseas branches shall conduct preliminary screening of eligible projects, to form the list of nominated projects and submit to the Bank of China's headquarters for further review.

2. Review and Approval

Bank of China's headquarters shall review the selected nominated projects, and then submit to professional third-party agencies for an independent assessment. Approval will be granted to nominated projects certified by the professional third-party agencies. The approved projects will form the Eligible Project List.

3. Update and Maintenance

Bank of China's headquarters shall review the Eligible Project List on a quarterly basis and determine if any change(s) is necessary (for example, if a project has become ineligible due to amortization, prepayment, sale or other reasons). If such change(s) is necessary, Bank of China's headquarters shall organize domestic and overseas branches to nominate new projects and approve the eligible ones to replace projects that have become ineligible due to amortization, prepayment, sale or other reasons.

Management of Proceeds

1. Planning for Use of Proceeds

Prior to the issuance of green bond, the Bank shall develop the preliminary Eligible Project List to ensure that the proceeds from green bond can be allocated to Eligible Projects in a timely manner.

2. Management of Separate Ledger

The Bank shall record the source and allocation of proceeds in a separate ledger management system to ensure that all the net proceeds of the green bond are properly managed and used. The ledger system shall contain information including but not limited to:

- Transaction information (issue amount, coupon, issue date and maturity date, etc.);
- Proceeds allocation information (project name, borrower description, project category, balance, release date, repayment date, exchange rate, interest rate of the loan, etc.).

The Bank will review and update the ledger on a quarterly basis. Any proceeds allocated to the projects that have amortized, been prepaid, sold or otherwise become ineligible shall be reallocated to newly nominated and approved projects.

3. Use of Unallocated Proceeds

Unallocated proceeds shall not be invested in greenhouse gas (GHG) intensive, highly polluting, energy intensive projects nor projects with negative social impacts (including but not limited to "Explicitly Excluded Projects"). The unallocated proceeds could be temporarily invested in green bond issued by non-financial institutions in domestic or international capital markets, and in money market instruments with good credit ratings and market liquidity, or kept in cash until they are allocated to Eligible Projects.

Reporting

The Bank will make disclosure in relation to the allocation of the proceeds and the environmental impacts of the funded Eligible Projects on an annual basis on its official website so long as green bond remains outstanding. The following contents will be disclosed annually:

- Annual report of the green bond, where the content includes but not limited to the following proceeds allocation and environmental impacts information:
 - ✓ A brief description of the Eligible Projects to which the proceeds were allocated, and the breakdown in terms of amount and percentage allocated to each of the categories;
 - ✓ The unallocated proceeds and how they are invested temporarily;
 - ✓ Appropriate case information of the selected Eligible Projects;
 - ✓ The environmental benefits of each category of the Eligible Projects where the proceeds were allocated.
- An assurance report for the annual report issued by a qualified third party;
- An assurance report for the use of proceeds issued by a qualified third party.

Eligible Project List

The Bank has established a list of eligible projects, with total value of USD 503.36 million. Nominated projects list may evolve over time. The following is detailed information of the eligible project.

Eligible Project List

No.	Region	Project	Eligible Project Categories	Loan Amount (USD million)
1	U.S.	Wind Power Project	Renewable Energy	100.00
2	U.S.	Environmental and Industrial Services Project	Pollution Prevention and Control	45.61
3	U.S.	Solar Photovoltaic Power and Battery Storage Facility Project	Renewable Energy	40.50
4	U.S.	Renewable Power Transmission Project	Renewable Energy	100.00
5	U.S.	Waste Management Project	Pollution Prevention and Control	200.00
6	U.S., U.K. , Japan	Green Buildings Project	Green Buildings	17.25
Total Loan Amount				503.36

The following set forth certain information of sample eligible project:

- The wind power project (the "Wind Power Project") is located the U.S. Wind Power Project includes 62 wind turbines with a nameplate capacity of 804 MW. Wind Power Project will reduce carbon dioxide emission about 1.68 million metric tons per year.

- The Solar Photovoltaic Power and Battery Storage Facility Project is located in the U.S. This is a 690MW integrated solar photovoltaic (PV) and a 380MW battery storage facility. This Project will generate around 2,223,514 MWh electricity per year, reducing carbon dioxide emission about 384,000 metric tons per year.

中国银行
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