

Annual Report on Bank of China Limited Frankfurt Branch's 2024 SGS Bond

Bank of China Limited Frankfurt Branch's (hereinafter referred to as "BOC Frankfurt Branch" or the "Bank") SGS Bond refers to bonds of which the use of proceeds is to finance and/or refinance the Bank's eligible Sustainability-linked, Green and Social Loans ("SGS") simultaneously. As stated in the Bank of China Limited Zweigniederlassung Frankfurt am Main Frankfurt Branch SGS Bond Framework (hereinafter referred to as "the Framework"), we hereby provide the *Annual Report on Bank of China Limited Frankfurt Branch's 2024 SGS Bond* (the "Annual Report"), disclosing the allocation of the bond proceeds, the expected environmental and social impacts of the Eligible Projects, as well as borrower background and the performance of respective Sustainability-linked Loans ("SLLs") as of 31 December 2024.

I. Introduction to SGS Bond

In preparing the Annual Report, the Bank referenced four core components of relevant International Capital Market Association (the "ICMA") principles, and SGS that are financed and/or refinanced complied with *Sustainability-Linked Loan Principles (2023 Edition)*, *Green Loan Principles (2023 Edition)* and *Social Loan Principles (2023 Edition)*.

II. Use of Proceeds

An amount equal to the net proceeds of the SGS Bonds will be used to finance and/or refinance eligible SGS simultaneously. Eligible SGS are a composite of SLLs, green loan(s), and social loan(s) financed by each SGS Bond issued by BOC Frankfurt Branch. BOC Frankfurt Branch will allocate the net proceeds of the SGS Bonds to the Eligible SGS. The allocation will be disclosed in the annual report.

1) Eligible Sustainability-Linked Loans

BOC Frankfurt Branch will identify a pool of potentially Eligible Sustainability-Linked Loans that meet the criteria for inclusion in the Framework. Eligible SLLs will be screened according to the following criteria:

- Their alignment with the latest *Sustainability-Linked Loan Principles ("SLLP") (2023 Edition)* and the 5 core components of the SLLP including Selection of Key Performance Indicators ("KPIs"), Calibration of Sustainability Performance

Targets ("SPTs"), Loan Characteristics, Reporting and Verification, and that the issuer shall obtain an external review for each eligible SLL in the SLL pool.

To the extent feasible, priority will be granted to selected KPIs that are conformed to the ICMA's Illustrative KPIs Registry, as shown in the table below:

Sustainability Objectives	Corresponding KPIs
Climate Transition	Climate Transition covers activities aimed at mitigating the effects of climate change and adapting to the consequences. KPIs considered include: • Reduction of greenhouse gas emissions • Increase of renewables generation capacity • Reduction of energy consumption • Reduction of energy intensity Standards and methodologies considered include: • Science Based Targets initiative • Transition Pathway Initiative
Socioeconomic Advancement	Socioeconomic Advancement covers activities aimed at promoting equitable access and equitable participation. KPIs considered include: • Percentage of female in managerial positions • Percentage of gender wage gap • Average training hours of employees

2) Eligible Green Loans

BOC Frankfurt Branch will identify a pool of potentially Eligible Green Loans that align with the requirements in the latest *Green Loan Principles (2023 Edition)* and select Eligible Green Projects covered in the Bank of China Limited Sustainability Series Bonds Management Statement, as shown in the table below:

Eligible Projects	Eligibility Criteria	United Nations Sustainable Development Goals
Renewable energy	• Including production and transmission of renewable energy, and the manufacturing of renewable energy appliances and products	Goal 7.2: <i>By 2030, increase substantially the share of renewable energy in the global energy mix</i>

Eligible Projects	Eligibility Criteria	United Nations Sustainable Development Goals
	Renewable energy includes solar energy, onshore and offshore wind energy and biomass energy	
Energy efficiency 	Such as newly built and refurbished of energy-saving buildings, energy-saving retrofit of heating system, refrigeration system, light equipment and hot water supply system	Goal 8.4: <i>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</i>
Pollution prevention and control 	- Including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction and waste recycling - Energy/emission-efficient waste to energy, and clean-coal related will be excluded	Goal 11.6: <i>By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</i>

Eligible Projects	Eligibility Criteria	United Nations Sustainable Development Goals
Environmentally sustainable management of living natural resources and land use 	Including environmentally sustainable agriculture; environmentally sustainable animal husbandry; climate smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable fishery and aquaculture; environmentally sustainable forestry, including afforestation or reforestation, and preservation or restoration of natural landscapes	Goal 15.7: <i>Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products</i>
Terrestrial and aquatic biodiversity conservation 	Including the protection of mountains, plains, coasts, marines and watershed environments	Goal 14.3: <i>Minimise and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels</i>
Clean transportation 	Such as electric, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions	Goal 11.2: <i>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</i>

Eligible Projects	Eligibility Criteria	United Nations Sustainable Development Goals
Sustainable water and wastewater management 	Including sustainable infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation	Goal 6.3: <i>By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</i>
Green building 	Buildings which meet regional, national or internationally recognised standards or certifications	Goal 11.c: <i>Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials</i>

3) Eligible Social Loans

BOC Frankfurt Branch will identify a pool of potentially Eligible Social Loans that align with the requirements in the latest *Social Loan Principles (2023 Edition)* and select Eligible Social Projects covered in the Bank of China Limited Sustainability Series Bonds Management Statement, as shown in the table below:

Eligible Projects	Eligibility Criteria	United Nations Sustainable Development Goals
Affordable basic infrastructure	Including clean drinking water, sewers, sanitation, transport	Goal 9.1: <i>Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support</i>

Eligible Projects	Eligibility Criteria	United Nations Sustainable Development Goals
		<i>economic development and human well-being, with a focus on affordable and equitable access for all</i>
Access to essential services 	Including health, education, vocational training and medical care	Goal 3.4: <i>By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being</i>
Affordable housing 	Including low-rent housing, affordable housing and policy tenancy housing, applicants should meet the requirement of local policies to apply for the housing mentioned above	Goal 1.4: <i>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 services, including microfinance</i>
Employment generation 	Including through the potential effect of small and medium enterprise (SME) financing and microfinance. For the definition of SME, refer to local relevant standard	Goal 8.3: <i>Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized</i>

Eligible Projects	Eligibility Criteria	United Nations Sustainable Development Goals
		<i>enterprises, including through access to financial services</i>

BOC Frankfurt Branch will identify the relevant target population for the Eligible Social Projects. The definition of the target population may vary depending on the context of the project and in some cases the target population might be general public. Examples of target populations include, but are not limited to:

- Vulnerable groups as defined by local government or relevant authorities
- Undereducated
- People with disabilities
- Underserved, owing to a lack of quality access to essential goods and services
- Aging populations
- Vulnerable youth

4) Exclusions

The following industries are excluded from eligibility consideration ("Exclusions"):

- Luxury sectors
- Weapon
- Alcohol
- Tobacco
- Fossil fuel

- Nuclear

III. Evaluation and Selection of Eligible SGS

BOC Frankfurt Branch follows a rigorous selection process when evaluating Eligible SGS. At loan level, BOC Frankfurt Branch will conduct pre-loan investigation, loan review and post-loan inspection.

Based on the loan compliance documents, and referring to the criteria in Section II Use of Proceeds, BOC Frankfurt Branch shall first conduct preliminary screening of potential SGS, then form the list of nominated SGS, and prepare the SGS list for external verification. The SGS prepared by the BOC Frankfurt Branch will be submitted to an external verifier for verification. Once verified, the SGS will be included in the Eligible SGS Ledger and officially designated Eligible SGS. For SLLs, if the borrower misses one or more SPTs, BOC Frankfurt Branch will disqualify the SLL and replace it with other eligible SGS, subject to the availability of feasibility conditions.

IV. Management of Proceeds

BOC Frankfurt Branch will allocate the net proceeds of the SGS Bonds to the Eligible SGS across various domestic and overseas markets via BOC's global network. BOC Frankfurt Branch has established an effective mechanism to manage the proceeds on a bond-by-bond basis, ensuring that the proceeds from the SGS Bonds will be used to fund the Eligible SGS.

Prior to the issuance of SGS Bonds, BOC Frankfurt Branch shall develop the preliminary Eligible SGS List to ensure that the proceeds from SGS Bonds can be allocated to Eligible SGS in a timely manner. For the avoidance of doubt, the allocation of the net proceeds means the amount that will only be allocated to the drawn portion of the Eligible SGS.

BOC Frankfurt Branch shall record the source and allocation of proceeds in a separate ledger management system to ensure that all the net proceeds of the SGS Bonds are properly managed and used.

The ledger system shall contain information including but not limited to: transaction information (issue amount, coupon rate, issue date, maturity date, KPIs and SPTs features of SLL(s), etc.) and the proceeds allocation information (borrower

description, loan category, balance, release date, repayment date, exchange rate, interest rate of the loan, etc.).

BOC Frankfurt Branch will review and update the ledger on a regular basis (at least annually). During the life of each SGS Bond, if the allocated SGS cease to fulfil the eligibility criteria listed out in II Use of Proceeds and/or the allocated SGS have been partially or fully prepaid/repaid during the life of the respective SGS Bonds, the net proceeds will be reallocated to new Eligible SGS.

Unallocated proceeds shall not be invested in greenhouse gas ("GHG") intensive, highly polluting, energy intensive projects nor projects with negative social impact. The unallocated proceeds could be temporarily invested in sustainability series bonds 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 SGS.

V. Reporting

BOC Frankfurt Branch is committed to maintaining the transparency of information disclosure following the best practices.

BOC Frankfurt Branch will publish an Annual SGS Bond Report ("Annual Report") if it has SGS Bond outstanding. In the Annual Report, BOC Frankfurt Branch will make disclosure in relation to:

Eligible SGS	Reporting		
	Proceeds allocation	Environmental/ social impact	Borrower background and the performance of respective SLL(s)
Sustainability-linked Loan	✓		✓
Green Loan	✓	✓	
Social Loan	✓	✓	

Along with the Annual Report, BOC Frankfurt Branch will also publish an Assurance Report on Use of Proceeds from SGS Bond Issuance(s) and Assurance Report on Post Issuance of SGS Bond(s) for the Annual Report issued by a qualified verifier.

VI. Detailed Information of Bank of China Limited Frankfurt Branch's 2024 SGS Bond

1. Outstanding 2024 SGS Bond

ISIN code	Currency	Tenor (year)	Coupon type	Amount (million)	CNY Equivalent Amount (million)	FX rate	CNY Net Amount (million)
HK0001046462	CNH	2	Fixed	2,500.00	2,500.00	1.0000	2,496.00

2. Proceeds Allocation in Terms of Category

Sector	Allocated amount (CNY million)	Number of Projects/ Beneficiaries	Proportion
Sustainability-Linked Loans	1,385.39	4	55.50%
Affordable housing	1,080.86	1	43.30%
Renewable Energy	29.75	1	1.20%
Total	2,496.00	6	100.00%

3. Proceeds Allocation in Terms of Location

Location	Allocated amount (CNY million)	Proportion
Oversea	2,496.00	100.00%
Total	2,496.00	100.00%

4. Environmental and social Impact

Affordable basic infrastructure	Allocated amount (CNY million)	Service
	1,080.86	low-rent housing

5. Detailed Information of the Eligible SLL Portfolio

Eligible SLL Portfolio						
No.	Location	Sector	Allocated amount (CNY million)	KPIs	Year of origination of the eligible SLLs	SPTs
1	Oversea	Retailing	451.54	KPI 1.Operational GHG emissions reduction KPI 2.Total number of human rights impact assessments	Reassessed at end-2022, 2023 and 2025	Achieved
2	Oversea	Chemicals	361.23	Intensity of GHG emissions (Scopes 1 and 2) per EUR1 million value added	Re-assessed annually from 2022 to 2030	Achieved
3	Oversea	Pharmaceuticals	572.62	KPI 1.Share of renewable electricity use across manufacturing sites KPI 2.Water-consumption intensity reduction across manufacturing sites	Re-assessed annually from 2024 to 2030	/

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