

Appendix I

Description on Bank of China Macau Branch's 2021 Biodiversity Themed Green Bonds

Bank of China Limited (the "Bank") has established the *Bank of China Limited Sustainability Series Bonds Management Statement* (the "Management Statement"). This Management Statement has been prepared to demonstrate the Bank will issue the biodiversity themed green bonds in accordance with the *Green Bond Principles 2021* published by International Capital Market Association.

Use of Proceeds

All the net proceeds of the biodiversity themed green bonds 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, the Bank's domestic and overseas branches shall conduct preliminary screening of eligible projects, to form the list of nominated projects and submit to the Headquarters for further review.

2. Review and Approval

The Bank's Headquarters shall review each of the 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

The Bank'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, the 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 the biodiversity themed green bonds, the Bank shall develop the preliminary Eligible Project List to ensure that the proceeds from the biodiversity themed green bonds 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 biodiversity themed green bonds 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 the biodiversity themed green 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 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

(<http://www.boc.cn/en/investor/ir10/>) so long as the biodiversity themed green bonds remains outstanding. The following contents will be disclosed annually:

- Annual report of the biodiversity themed green bonds, 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 attestation report for the annual report issued by a qualified third party;
- An attestation 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 an approximated total value of RMB 1,990.45 million. Nominated projects list may evolve over time. The following is detailed information of the eligible projects.

Eligible Project List

No.	Region	Project	Eligible Project Categories	Loan Amount (RMB million)
1	Central China	Ecological Construction Demonstration Project	Terrestrial and aquatic biodiversity conservation	400.00
2	Northern China	Ecological Restoration Project in Mountainous Area	Terrestrial and aquatic biodiversity conservation	740.00
3	Central China	Ecological Water Network Project	Terrestrial and aquatic biodiversity conservation	194.45
4	Southwest China	National Forest Reserve Project in Southwest China	Environmentally sustainable management of living natural resources and land use	350.00
5	Central China	National Forest Reserve Project in Central China	Environmentally sustainable management of living natural resources and land use	156.00

No.	Region	Project	Eligible Project Categories	Loan Amount (RMB million)
6	Eastern China	Low-quality and Low-Efficiency Forest Renovation Project	Environmentally sustainable management of living natural resources and land use	150.00
Total Loan Amount (RMB million)				1,990.45

Category	Loan Amount (RMB million)	Number of Projects	Loan Proportion
Terrestrial and aquatic biodiversity conservation	1,334.45	3	67.04%
Environmentally sustainable management of living natural resources and land use	656.00	3	32.96%
Total	1,990.45	6	100.00%

Region	Loan Amount (RMB million)	Number of Projects	Loan Proportion
Central China	750.45	3	37.70%
Northern China	740.00	1	37.18%
Southwest China	350.00	1	17.58%
Eastern China	150.00	1	7.54%
Total	1,990.45	6	100.00%

The following sets forth certain information of sample eligible projects:

- This is an ecological construction demonstration project in Central China. The project involves the creation of wetlands, including 80,000 square meters of sewage treatment wetlands, 3.5 million square meters of buffer wetlands, 28.2 kilometers of greenway projects, and a total of 300,000 square meters of blue and green pipe networks for sponge city construction. After the implementation of the project, the environment of the Lake will be effectively improved, forming a variety of ecological environments including lakes, beaches,

arbor and shrub forests, and grasslands. Through the effective protection of species, the diversity of biological species is guaranteed, and the habitats of animals and plants in the wetland and the ecosystem become more stable and more resistant.

- This is a national forest reserve project in Southwest China. The project covers 19,866.7 ha of national forest reserve construction, of which the timber reserve construction is 16,130.6 ha and the timber production is 1,598,698.5 cubic meters; the economic forest reserve construction is 3,736 ha, which produces 54,919.2 tons of honey locust seeds and 42,590.4 tons of honey locust. The construction of the project will provide the society with a large amount of raw material wood products which will meet people's demand for wood products, effectively protect the rapid growth of other tree species, and are more conducive to the growth of plants and animals in the forest, so that the organisms in the area can be developed, and the diversity of organisms can be more effectively protected.

