

Appendix I

Description on Bank of China Sydney Branch's 2022 Sustainability Bond

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 sustainability bond in accordance with the *Sustainability Bond Guidelines 2021*, the *Green Bond Principles 2021* and the *Social Bond Principles 2021* published by International Capital Market Association.

Use of Proceeds

All the net proceeds of the sustainability bond will be allocated to the Eligible Projects as defined in the *Sustainability Bond Guidelines 2021*, the *Green Bond Principles 2021* and the *Social 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.

Process for 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 sustainability bond, the Bank shall develop the preliminary Eligible Project List to ensure that the proceeds from sustainability 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 sustainability 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 sustainability 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 (<http://www.boc.cn/en/investor/ir10/>) so long as sustainability bond remains outstanding. The following contents will be disclosed annually:

- Annual report of the sustainability 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 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 USD 511.03 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	Australia	Green building project	Green buildings	72.00
2	Australia	Public hospital project	Access to essential service	53.50
3	Australia	Wind power project	Renewable Energy	30.89
4	Australia	Wind power project	Renewable Energy	30.25
5	Australia	Renewable power project	Renewable Energy	25.20
6	Australia	Green building project	Green buildings	23.68
7	Australia	Waste management project	Pollution prevention and control	19.75
8	Australia	Solar power project	Renewable Energy	11.52
9	Australia	Green building project	Green buildings	10.80
10	Australia	Green building project	Green buildings	79.09
11	Australia	Public school project	Access to essential service	67.18
12	Australia	Public hospital project	Access to essential service	44.94
13	Australia	Public hospital project	Access to essential service	6.91
14	Australia	Desalination plant project	Access to essential service	35.32
Total Loan Amount (USD million)				511.03

Category	Loan Amount (USD million)	Number of Projects	Loan Proportion
Green buildings	185.57	4	36.31%
Renewable energy	97.86	4	19.15%
Access to essential service	207.85	5	40.67%
Pollution prevention and control	19.75	1	3.87%
Total	511.03	14	100.00%

The following sets forth certain information of sample eligible projects:

- The wind power station project is located in Australia. It is developed to provide enough renewable energy for 220,000 families. The project will produce around 1,250 GWh, with an annual reduction of 383,750 tons of standard coal, 779,167 tons of carbon dioxide and 1096 tons of sulfur dioxide and 1773 tons of NO_x emission
- The green building is located in Australia. It has a strong environmental credentials due to the adaptive re-use of the asset through joining and extending the previous buildings (26,000m²) to deliver 45,000 m² of high quality A Grade office accommodation which is 231% more environmentally sustainable than a conventional demolition and rebuild. The buildings have been designed to achieve 5 Star Green Star and 5 Star NABERS Energy (base building)
- The desalination plant located in Australia, was constructed in response to severe drought which saw local water storage levels falling to just over 30% of capacity. The plant is a key water security and water quality asset, has the capacity to produce over 90 giga litres per year which is equivalent to about 15% of the local metropolitan area's annual water consumption needs. The plant is 100% powered by renewable energy source from Australia Wind Farm

