

Appendix I

Description on Bank of China Luxembourg Branch's 2022 Green 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 green bond in accordance with the *Green Bond Principles 2021*, published by International Capital Market Association.

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.

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 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

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 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 (<http://www.boc.cn/en/investor/ir10/>) 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 an approximated total value of EUR 512.35 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 (EUR million)
1	Luxembourg	Waste management project	Pollution prevention and control	26.25
2	Luxembourg	Waste management project	Pollution prevention and control	150.00
3	Luxembourg	Wind power project	Renewable Energy	6.50
4	Luxembourg	Wind power project	Renewable Energy	11.35
5	China	City Metro Line	Clean transportation	145.10
6	China	City Metro Line	Clean transportation	116.08
7	China	River training project	Sustainable water and wastewater management	57.07
Total Loan Amount (EUR million)				512.35

Category	Loan Amount (EUR million)	Number of Projects	Loan Proportion
Pollution prevention and control	176.25	2	34.40%

Category	Loan Amount (EUR million)	Number of Projects	Loan Proportion
Renewable Energy	17.85	2	3.48%
Clean transportation	261.18	2	50.98%
Sustainable water and wastewater management	57.07	1	11.14%
Total	512.35	7	100.00%

The following set forth certain information of sample eligible projects:

- A wind power project is located in Belgium, with a total installed capacity of 81MW. The project consists of 10 turbines of 7.5MW and a turbine of 6MW. The project will produce around 159.1GWh per year with an annual reduction of 48,800 tons of standard coal, 120,400 tons of carbon dioxide, 139.49 tons of sulfur dioxide and 225.65 tons of nitrogen oxides
- A city Metro line project is located in China, the construction length is 3.4km, including 2 stations. The estimated passenger volume is 473,500 person/day, the annual saving is about 71,700 tons of standard coal, and the carbon dioxide emission reduction is 158,500 tons

