

## **Appendix I**

### **Description on Bank of China Singapore 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 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 USD 524.37 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	Singapore	Green building project	Green buildings	46.58
2	Singapore	Green building project	Green buildings	12.76
3	Singapore	Green building project	Green buildings	55.98
4	Singapore	Green building project	Green buildings	61.10
5	China	City Metro Line	Clean transportation	243.51
6	China	City Metro Line	Clean transportation	51.84
7	China	Municipal Sewage Pipe Network and Treatment Facility	Sustainable water and wastewater management	52.60
<b>Total Loan Amount (USD million)</b>				<b>524.37</b>

Category	Loan Amount (USD million)	Number of Projects	Loan Proportion
Green buildings	176.42	4	33.64%
Clean transportation	295.35	2	56.33%



Category	Loan Amount (USD million)	Number of Projects	Loan Proportion
Sustainable water and wastewater management	52.60	1	10.03%
<b>Total</b>	<b>524.37</b>	<b>7</b>	<b>100.00%</b>

The following set forth certain information of sample eligible projects:

- The green building is located in Singapore. It has a strong environmental credentials due to its prominent green features, including the installation of LED lights in all staircases common corridors toilets and carpark areas, installation of sound sensors for all staircase lights, and the AHU condensate recycling for Cooling Tower make-up water. The buildings have been designed to achieve the BCA GREEN MARK AWARD (GOLD), based on the Green Mark for Existing Non-Residential Building
- A city Metro line project is located in China, the whole line is 19.7km, including 18 stations. The estimated passenger volume is 251,000 person/day, the annual saving is about 38,000 tons of standard coal, and the carbon dioxide emission reduction is 84,000 tons

