Appendix I

Description on Bank of China Frankfurt Branch's 2022 Green Bond

Bank of China Limited (the "Bank") plans to issue Bank of China Frankfurt Branch's 2022 Green Bond ("2022 Green Bond"). 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. This 2022 Green Bond will also be issued in accordance with *Common Ground Taxonomy - Climate Change Mitigation (updated)* (the "CGT") released by International Platform on Sustainable Finance (IPSF) Taxonomy Working Group Co-chaired by the EU and China.

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* and the *CGT*.

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 USD 522.80 million. Nominated projects list may evolve over time. The following is detailed information of the eligible projects.

Eligible Project List

NO.	Region	Project	CGT Categories	Eligible Project Categories	Loan Amount (USD million)
1	Germany	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	46.64
2	Germany	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	15.68
3	Netherlands	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	12.09
4	China	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	26.62
5	China	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	38.29
6	China	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	28.77

NO.	Region	Project	CGT Categories	Eligible Project Categories	Loan Amount (USD million)
7	China	City Metro Line	H1.1 Construction and operation of public transportation system in urban and rural areas	Clean transportation	90.09
8	China	Wind power project	D1.3 Electricity generation from wind power	Renewable energy	76.48
9	China	Pumped hydropower storage	D1.8 Storage of electricity	Energy efficiency	30.03
10	China	Purchase of public transportation vehicles	H1.1 Construction and operation of public transportation system in urban and rural areas	Clean transportation	25.82
11	China	Purchase of public transportation vehicles	H1.1 Construction and operation of public transportation system in urban and rural areas	Clean transportation	29.28
12	China	Pumped hydropower storage	D1.8 Storage of electricity	Energy efficiency	90.09
13	China	Manufacture of energy-saving transformers	C5.9 Manufacture of energy-saving transformers, rectifiers, inductors and electric welding machines	Energy efficiency	5.41
14	China	Manufacture of energy-saving pumps	C5.3 Manufacture of energy-saving pumps and vacuum equipment	Energy efficiency	7.51
Total Loan Amount (USD million)					522.80

Project List by CGT Categories

CGT Categories	Loan Amount (USD million)	Number of Projects	Loan Proportion
C5.3 Manufacture of energy-saving pumps and vacuum equipment	7.51	1	1.44%
C5.9 Manufacture of energy-saving transformers, rectifiers, inductors and electric welding machines	5.41	1	1.03%

CGT Categories	Loan Amount (USD million)	Number of Projects	Loan Proportion
D1.3 Electricity generation from wind power	244.57	7	46.78%
D1.8 Storage of electricity	120.12	2	22.98%
H1.1 Construction and operation of public transportation system in urban and rural areas	145.19	3	27.77%
Total	**522.80**	**14**	**100.00%**

Project List by Eligible Project Categories

Eligible Project Categories	Loan Amount (USD million)	Number of Projects	Loan Proportion
Renewable energy	244.57	7	46.78%
Energy efficiency	133.04	4	25.45%
Clean transportation	145.19	3	27.77%
Total	**522.80**	**14**	**100%**

The following set forth certain information of sample eligible projects:

- A wind power project located in Germany. The project's total capacity is 900MW.The electricity generation of the project to the grid is 3,888,000,000 kWh annually, which will result in standard coal reduction of about 1,193,616 t/a, CO_2 emission reduction of about 2,426,112 t/a, SO_2 emission reduction of about 340.89 t/a, NO_x emission reduction of 551.44 t/a.

- A city metro line project located in China. The whole line is 31.30 km, including 25 stations. The estimated passenger volume is 350,000 person/day, the annual saving is about 26,500 tons of standard coal, and the carbon dioxide emission reduction is 55,600 tons. This Metro line has zero direct CO_2 emission.

- A pumped hydropower storage located in China. The installed capacity is 2,100MW with an average annual power generation of 2,435,000,000 kWh. It can transform the excess electrical energy when the power grid load is low into high-value electric energy during the peak period of the power grid, and is also suitable for frequency regulation and phase modulation, stabilizing the frequency and voltage of the power system, and should be prepared for accidents. It undertakes the role of peak shaving and valley filling in the power grid, and the total energy saving is 136,000 tons of standard coal.

中国银行股份有限公司

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Bank of China Limited

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