

Industrial and Commercial Bank of China
Limited
2019 Green Bond Report

THIRD-PARTY
ASSESSMENT

Beijing Zhongcai Green Financing Consultant Ltd.



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FOR
Industrial and Commercial Bank of China Limited
2019 Green Bond Report

Beijing Zhongcai Green Financing Consultant Ltd.

25th September 2019

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PART I GENERAL INFORMATION

General Information for This Assessment

Third-Party Assessment Institution	Beijing Zhongcai Green Financing Consultant Ltd. is member of China's National Association of Financial Market Institutional Investors, as well as approved as an international green verifier of Climate Bond Initiative.
Type of Assessment	Annual Report Assessment
Main Content	<ol style="list-style-type: none">1. General Information of Green Bonds2. Management of Proceeds3. Use of Proceeds4. Environmental Benefits of Green Bonds
Assessment Duration	10 th September to 25 th September 2020
Assessor	Liu Huixin, Liang Nannan, Ren Yvjie
Final Assessor	CUI Ying, Liu Nan
Methods	Review relevant Use of Proceeds documents, internal policy and/or processes of issuer etc., interviews with the management team and stakeholders through on-site interview, phone-call and email
Role of Assessment Institution	Provide an independent, objective and impartial assessment based on the documents collected from the Issuer.
Documents provided by the Issuer	See the Appendix

PART II GENERAL INFORMATION OF GREEN BOND

2.1. General Description

As of the end of the reporting period, ICBC issued five dual-currency green bonds through Luxembourg Branch, London Branch, ICBC Asia, Singapore Branch and Hongkong Branch with an aggregate issuance amount of US\$9.83 billion equivalent.

2.2. General Information of Green Bond

During the reporting period, general information of the green bonds is indicated as below:

	Luxembourg Branch	London Branch	ICBC Asia	Singapore Branch	Hongkong Branch
Issue date	28 th September 2017	5 th June 2018	13 th June 2018	16 th April 2019	9 ^h September 2019
Issuance Amount	USD 850,000,000 EUR 1,100,000,000	USD 1,000,000,000 EUR 500,000,000	USD 400,000,000 HKD 2,600,000,000	USD 1,500,000,000 EUR 500,000,000 CNY 1,000,000,000	USD 2,500,000,000 HKD 4,000,000,000 CNY 1,000,000,000
Listing	Luxembourg Green Exchange LGX (Luxembourg Stock Exchange)	London Stock Exchange	Hong Kong Stock Exchange	Singapore Stock Exchange	Hong Kong Stock Exchange
Use of Proceeds	To finance or refinance “Eligible Green Assets” in accordance with certain prescribed eligibility criteria as described under the ICBC Green Bond Framework ¹ ,		To finance or refinance “Eligible Green Assets” in accordance with certain prescribed eligibility criteria as described under the ICBC Green Bond Framework,		To finance or refinance “Eligible Green Assets” within the

¹ For more details check <http://www.icbc-ltd.com/ICBCLtd/投资者关系/绿色金融/> and Appendix 【2】

	including renewable energy, low carbon and low emission transportation, energy efficiency and sustainable water and wastewater management in the region and countries around the Belt and Road.	including renewable energy, low carbon and low emission transportation, energy efficiency and sustainable water and wastewater management.	"Guangdong-Hong Kong-Macao Greater Bay Area" as described under the ICBC Green Bond Framework, including renewable energy, low carbon and low emission transportation, energy efficiency and sustainable water and wastewater management.	
Second opinion	Rated as “Dark Green” ² by the Center for International Climate Research (CICERO) in Oslo in accordance with the Green Bond Principles			
External review opinion provider	Beijing Zhongcai Green Financing Consultant Ltd. issued an external review assessment report for the ICBC Green Bond Framework against Chinese standards ³			
Certification	Received Pre-issuance and Post-issuance certification from CBI ⁴	Received Pre-issuance and Post-issuance certification from the	None	Received Pre-issuance and Post-issuance certification from the

² For more details check <http://www.icbc-ltd.com/ICBCLtd/投资者关系/绿色金融/> and Appendix 【3】

³ For more details check <http://www.icbc-ltd.com/ICBCLtd/投资者关系/绿色金融/> and Appendix 【4】

⁴ For more details check <http://www.icbc-ltd.com/ICBCLtd/投资者关系/绿色金融/> and Appendix 【5】 【6】 【7】 【8】

		Hong Kong Quality Assurance Agency (HKQAA) ⁵		Hong Kong Quality Assurance Agency (HKQAA) ⁶
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The information above is verified through the public documents and database from the Wind.

⁵ For more details check Appendix 【15】

⁶ For more details check Appendix 【15】

2.3. Awards

As of the end of the reporting period, the Luxembourg Branch green bond was awarded the "Best ESG Deal" for 2017 from Finance Asia , the " Best SRI Bond " for 2017 from IFR Asia , "Best Green Bond" award by The Asset, “ Award for Innovation in the Use of Proceeds from Green Bonds" for 2018 from Environmental Finance, Global Capital's the “2018 Asia Pacific Green/SRI Bond Deal of the Year” award; the London Branch green bond is awarded “Largest Emerging Markets Certified Climate Bond in 2018” by CBI; The Singapore Branch green bond was awarded the “Best FIG Bond” by The Asset; And the Hong Kong Branch green bond was awarded the “ Outstanding Award for Green Bond Issuer - Largest Single Green Bond (Banking Industry)” by HKQAA.

The information above is verified through the public disclosure⁷.

⁷ <https://www.financeasia.com/News/441270,winners-emfinanceasiaems-achievement-awards-part-2.aspx>

<http://www.ifrasia.com/sri-bond/21320981.article>

<https://www.theasset.com/awards/regional-deals-2017-fixed-income>

<https://www.environmental-finance.com/content/awards/green-bond-awards-2018/winners/award-for-innovation-use-of-proceeds-icbc.html>

<http://www.globalcapital.com/article/b19tcwdcbrq2ks/sri-award-winners-2018-revealed>

<https://cbi19.climatebonds.net/past-events/2019>

<https://www.theasset.com/awards/country-awards-2019-deals-north-asia>

PART III MANAGEMENT OF PROCEEDS

3.1. Use of Proceeds

The proceeds raised from five ICBC green bonds have been fully used to finance and refinance eligible green assets that would promote the transition to low-carbon, Environmental pollution prevention and control and sustainable economy and provide environmental sustainability and substantial environmental benefits. The quantifiable environmental benefits and rationale behind it have been provided. Eligible green assets are selected from domestic and overseas branches of ICBC.

3.2. Categories of Projects

According to CICERO's *Second Opinion on ICBC's Green Bond Framework*⁸, and the third-party verification from Beijing Zhongcai Green Financing Consultant Ltd. for *ICBC Green Bond Framework*⁹, there is no definitive evidence representing any inconformity occurred in the bond management, green projects selections, or categories of projects from the disclosure of the report.

3.3. Policy Execution

Based on the interviews with issuer and management team through phone-calls and emails, the disclosed green bonds complied with *ICBC Green Bond Framework* in terms of the procedures of bond issuance and management of proceeds.

⁸ For more details check <http://www.icbc-ltd.com/ICBCLtd/投资者关系/绿色金融/> and Appendix 【3】

⁹ For more details check <http://www.icbc-ltd.com/ICBCLtd/投资者关系/绿色金融/> and Appendix 【4】

PART IV USE OF PROCEEDS

4.1. Plan of Proceeds Utilization

The five disclosed green bonds raised US\$9.83 billion equivalent in total, mainly used to refinance the renewable energy industry, the low carbon and low emission transportation industries and sustainable water and wastewater management. Referred to the *Certification of pre-issuance from CBI* and *Certification of post-issuance from CBI*, along with the relevant documents, no evidence represents any inconformity to *ICBC Green Bond Framework* occurred in the use of proceeds.¹⁰

4.2. Management of Unallocated Proceeds

As of the end of the reporting period, there is no unallocated proceeds.

4.3. Any accident causing major pollution liability or any other environmental violations

As of the end of the reporting period, no explicit evidences from public sources represent any material environmental risks associated with the projects funded by the proceeds of any five green bonds issued by ICBC.

¹⁰ For more details check <http://www.icbc-ltd.com/ICBCLtd/投资者关系/绿色金融/> and Appendix 【9】 【10】 【11】 【12】 【13】 【14】

PART V ENVIRONMENTAL BENEFITS OF GREEN BOND

5.1. Basis of Calculation

This assessment adopts the EIB CO₂ method¹¹ to calculate the carbon reduction from renewable energy. In addition, to evaluate low carbon and low emission transportation projects, the assessment use both China Railway Emission Parameters¹², which is published by UIC and IEA, and EIB CO₂ method.

5.2. The Environmental Benefits of the Report

The total carbon emission reductions of green asset financed by the five green bonds issued by ICBC are 28,801,658 tons/year, of which, the total carbon emission reductions of renewable energy projects are 11,407,775 tons/year, and the total carbon emission reductions of low carbon and low emission transportation projects are 17,393,883 tons/year. Sustainable water management projects increase water supply by 450,000 cubic meters/year, and wastewater treatment capacity by 35,640,700 cubic meters/year.

The environmental benefits provided by the report is calculated from existing project details¹³, and the assessors can verify and confirm that the calculation process is reliable, and the result is accurate. Therefore, the environmental benefits data could be trusted.

5.3. Typical green project case analysis

The three typical green projects disclosed in the report are shown as follows:

- Low carbon and low emission rail transportation from Hong Kong branch green bond
- Solar Power Project from Hong Kong Branch green bond
- Urban water conservation projects from Singapore Branch green bond

Verified through Open access to project information and Third-Party Environmental Reports¹⁴, the three disclosed green projects are truly described; the respective environmental benefits are accurate and acceptable.

¹¹ For more details check

https://www.eib.org/attachments/strategies/eib_project_carbon_footprint_methodologies_en.pdf

¹² For more details check https://uic.org/IMG/pdf/handbook_iaa-uic_2017_web3.pdf

¹³ For more details check Appendix 【9】 【11】 【12】 【13】

¹⁴ http://cr16g.crcc.cn/art/2017/6/30/art_4450_689632.html

http://www.xuwen.gov.cn/xxgk/zfxgkzl/zdlyxxgkzlbzdw/hjbhxxgkssthjjxwffj/jsxmjghbysxx/content/post_459351.html

http://www.cggp.gov.cn/cggg/dfgg/gzgg/202009/t20200916_15079155.htm

PART VI CONCLUSION

According to the review of the relevant documents provided by issuers and the communication through phone-calls and emails with the relevant departments and persons in charge of the green bond issuance, no definitive evidence represents any inconformity or inaccuracy occurred in the report against *The Green Bond Principles 2017* of ICMA, *The Green Bond Catalogue (2015)* of People's Bank of China and *The Green Bond Catalogue (2020 RFP)* of China. Based on the disclosed General Information of Bonds, Management of Proceeds, Use of Proceeds and Environmental Benefits of Green Bonds, finally, conclusions are drawn as below:

1. Disclosure of *Industrial and Commercial Bank of China Limited 2019 Green Bond Report* is accurate and acceptable.
2. Use of proceeds disclosed in *Industrial and Commercial Bank of China Limited 2019 Green Bond Report* complied with *The Green Bond Principles 2017* of ICMA and *The Green Bond Catalogue (2015)* of People's Bank of China and *The Green Bond Catalogue (2020 RFP)* of China. Pre-issuance Certification and Post-issuance Certification of both London branch and Luxembourg branch green bonds complied with the Climate Bond Standard of Climate Bond Initiative.
3. Environmental benefits in the *Industrial and Commercial Bank of China Limited 2019 Green Bond Report* are accurate and acceptable.

Beijing Zhongcai Green Financing Consultant Ltd. (SEAL):

Signature of LEAGAL REPRESENTATIVE:



Issue Date : 25th September 2020

PART VII APPENDIX

Supporting documents from Stakeholders including Issuer, etc.:

- 【1】 *Industrial and Commercial Bank of China Limited 2019 Green Bond Report*
- 【2】 *ICBC Green Bond Framework*
- 【3】 *CICERO, Second Opinion on ICBC's Green Bond Framework*
- 【4】 *Beijing Zhongcai Green Financing Consultant Ltd., Third-party Assessment Report of ICBC Green Bond Framework*
- 【5】 *CBI Certification for ICBC Luxembourg Green Bonds, 2017*
- 【6】 *CBI Certification for post-issuance of ICBC Luxembourg Green Bonds, 2018*
- 【7】 *CBI Certification for ICBC London Green Bonds, 2018*
- 【8】 *CBI Certification for post-issuance of ICBC London Green Bonds, 2019*
- 【9】 *Manuscript of Environmental Benefits of ICBC Asia Green Bond*
- 【10】 *Voucher of independent deposit of ICBC Green Bond*
- 【11】 *Manuscript of Environmental Benefits of Luxembourg Branch Green Bond*
- 【12】 *Manuscript of Environmental Benefits of Singapore Branch Green Bond*
- 【13】 *Manuscript of Environmental Benefits of Hong Kong Branch Green Bond*
- 【14】 *Basic Information of London Branch Green Bond*
- 【15】 *Certification for ICBC Asia and Hong Kong Branch Green Bond by the Hong Kong Quality Assurance Agency*