

2021

Industrial and Commercial Bank of China Limited
GREEN BOND REPORT



ICBC 

2021 GREEN BOND REPORT



Vision and Objective for Issuing Green Bonds

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured to a joint-stock limited company. On 27 October 2006, the Bank was successfully listed on both Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.

Through its continuous endeavor and stable development, the Bank has developed into one of the leading banks in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to creating value through services while providing a comprehensive range of financial products and services to over

9.691 million corporate customers and **704** million personal customers. The Bank has been consciously in-

tegrating the social responsibilities with its development strategy and operation and management activities, and gaining wide recognition in the aspects of supporting pandemic containment, promoting inclusive finance, backing rural revitalization, developing green finance and participating in public welfare undertakings.

The Bank always keeps in mind its underlying mission of serving the real economy with its principal business, and along with the real economy it prospers, suffers and grows. Taking a risk-based approach and never overstepping the bottom line, it constantly enhances its capability of controlling and mitigating risks. Besides, the Bank remains steadfast in understanding and following the business rules of commercial banks to strive to be a century-old bank. It also stays committed to seeking progress with innovation while maintaining stability, continuously enhances the key development strategies, actively develops the FinTech and accelerates

the digital transformation. The Bank unswervingly delivers specialized services, and pioneers a specialized business model, thus making it “a craftsman in large banking”.

The Bank was ranked
among the
Top 1000 World Banks
by *The Banker*

the **1st** place
in the *Global 2000*
by *Forbes*

and the **1st** place
in the list of commercial banks of
the *Global 500*
in *Fortune*

for the
ninth consecutive year

and took the **1st** place
among the *Top 500*
Banking Brands
of *Brand Finance*

for the
sixth consecutive year

During the reporting period, being fully committed to the strategic plan of carbon peak and carbon neutrality, ICBC established and improved the green financial development system, issued the Work Plan of Industrial and Commercial Bank of China Limited for Carbon Peak and Carbon Neutrality (Trial), and set up the Steering Group for Carbon Peak and Carbon Neutrality to carry out the systematic planning and overall deployment of the Bank's carbon neutrality efforts. The Bank conducted in-depth researches on topics such as low-carbon transformation of commercial banks, financial support for carbon market development, and business promotion of pilot zones for green finance reform and innovation, explored quantitative assessment methods for corporate green development, and established an assessment mechanism of green finance development under the framework of Paris Agreement. It also updated and published the 2021 edition of the Belt and Road Green Finance (Investment) Indexes Report, took the lead to prepare the

industry standard for environmental information disclosure by financial institutions, and developed the CERAT online instrument for environmental and climate risk analysis leading the Working Group I of “Belt and Road” Green Investment Principles (GIP) to help enterprises and financial institutions quantify the environmental risks of overseas projects, also led the Environmental Information Disclosure Working Group of the Green Finance Committee of People's Bank of China. It actively participated in the global financial governance of the Task Force on Climate-Related Financial Disclosures, and spared no efforts to push forward climate change response and “dual carbon” work through international platforms such as United Nations Environment Programme Finance Initiative (UNEP FI), Global Investors for Sustainable Development Alliance (GISD), Principles for Responsible Banking (PRB) of United Nations, “Belt and Road” Green Investment Principles (GIP), and the Belt and Road Interbank Regular Cooperation Mechanism (BRBR).



The issuance of green bonds represents a further interpretation of the ICBC's green development strategy, which would help ICBC to achieve the common goal of “carbon peaking and carbon neutrality” and maximise the combined value of shareholder, stakeholder and social responsibility. The green bonds will help ICBC Group deepen its development strategy in areas such as sustainable development and climate change mitigation.

Business Development of Green Finance

Protecting the ecological environment and addressing climate change have become a common challenge for the world at present. A board consensus has been formed in the international community. The Chinese government has announced its strategic goals of achieving carbon emissions peak by 2030 and carbon neutrality by 2060, and has dedicated a session to green development in the 14th Five-Year Plan. Achieving carbon peak and carbon neutrality represents a major strategic decision to coordinate domestic and international markets. It is also an inevitable choice to address resource and environment constraints and realize sustainable development of the Chinese nation, a solemn commitment to build a community of shared future for mankind and an inherent requirement for China to promote high-quality economic and social development. Carbon peak and carbon neutrality have an effect on the global landscape, economic model, industrial structure and social development. The financial sector should vigorously develop green finance, implement the new development philosophy fully and faithfully as well as ensure a steady and orderly transition of the economy and society. As a global systemically important bank, ICBC has always adhered to the business philosophy of promoting the development of the real economy with green finance. The Bank actively practiced the concept of sustainable development, deeply rooted green development in its corporate management, and insisted on integrating the concept of green development into its financial services and its own operations. Being committed to fulfil its economic and social responsibilities, ICBC is dedicated to protecting the environment, growing the economy, creating jobs and removing poverty all at the same time through financial means.

• Green Bonds

1 Underwriting and investment of green bond

The Bank underwrites and invests in a wide range of green bonds, including green finance bond, ultra-short-term financing bond, medium-term note, asset-backed note and corporate bond.

During the reporting period, the Bank (as lead underwriter) has underwritten a total of

67 green bonds

raising a total of RMB

140.13 billion in total

In addition, the Bank actively invested in the green bond of various types, including green unsecured bonds, green local government bonds, and green asset-backed securities, with new investments in green corporate bonds growing fast throughout the year. The Bank also increased the investment in green bonds to offer financing support for quality customers in the fields of ecological protection, clean energy, energy saving and environmental protection, green transportation, green building, circular economy, low-carbon economy, and other green sectors.

2 Green Bond Issuance

ICBC actively implemented the national green development philosophy and sustainable development strategy, and continued to improve its financial service capacity in support of the goals of "carbon peak and carbon neutrality".

As at the end of the reporting period,

the Bank issued

6 overseas green bonds

with a total amount of USD

13.06 billion

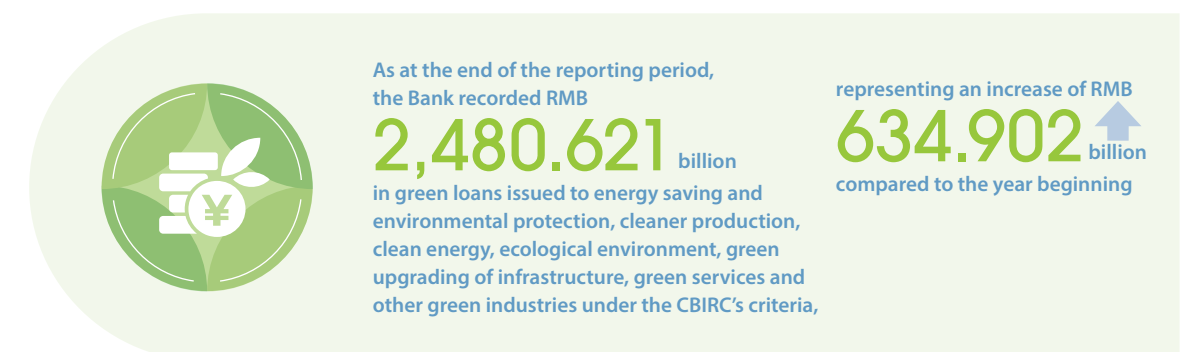
and won

12 international awards in total

During the reporting period, the Bank issued global multi-currency overseas green bonds with the theme of "carbon neutrality" through five overseas branches in Hong Kong, Singapore, Macau, Luxembourg and London, and was listed on the stock exchanges of Hong Kong, Singapore, Luxembourg, London and Macau simultaneously. This bond was awarded the "Outstanding Award for Green and Sustainable Bond Issuer (Global Commercial Banking Industry)-Largest Amount of Carbon Neutrality Themed Green Bond" by HKQAA and the award of "Banks Quasi-Sov Best Green Bond 2021" by *The Asset*.

• Green Credit

ICBC did a good job in resource guarantee, assessment guarantee and limit guarantee for green finance development, gave priority to green credit and other key fields, and actively met high-quality customers' reasonable financing needs, such as low-carbon transformation.



• Low-Carbon Operation

ICBC established a self-operating carbon management information statistics and analysis system, to collect, analyze and summarize historical carbon emission data, laying the foundation for continuous digital carbon emission management.

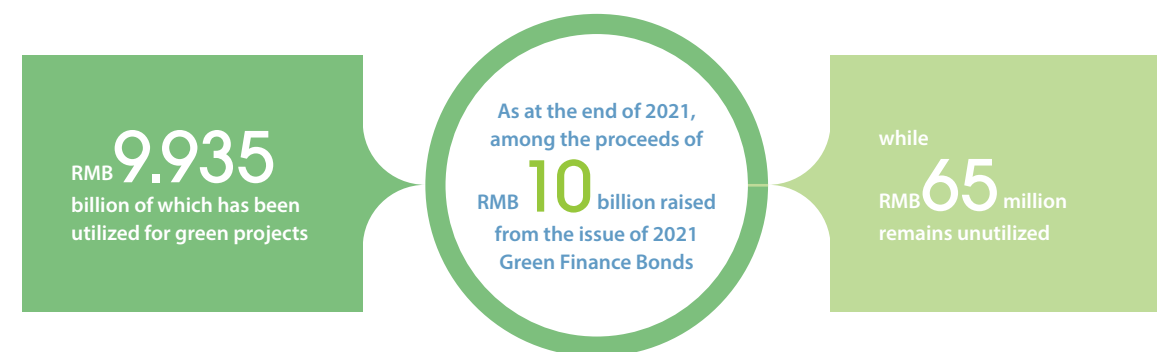


Basic Information of Green Bond

• Domestic Green Bonds

With the approval of “Approval of China Banking and Insurance Regulatory Commission on the Issuance of Green Finance Bonds by ICBC” (《中国银保监会关于工商银行发行绿色金融债券的批复》)(银保监复〔2021〕702号) and “Decision of the People's Bank of China to Grant Administrative Permission” (《中国人民银行准予行政许可决定书》)(银许准予决字〔2021〕第115号), the Bank was approved to issue Green Finance Bonds up to RMB30 billion in the National Inter-bank Bond Market.

On 24 September 2021, the Bank publicly issued ICBC's 2021 Green Finance Bonds (Tranche I) in the National Inter-bank Bond Market by book-building. The bond code is 2128031 with an issue size of RMB10 billion, a term of 3 years and coupon rate of 2.80%. The proceeds were received on 27 September 2021.



• Overseas Green Bonds

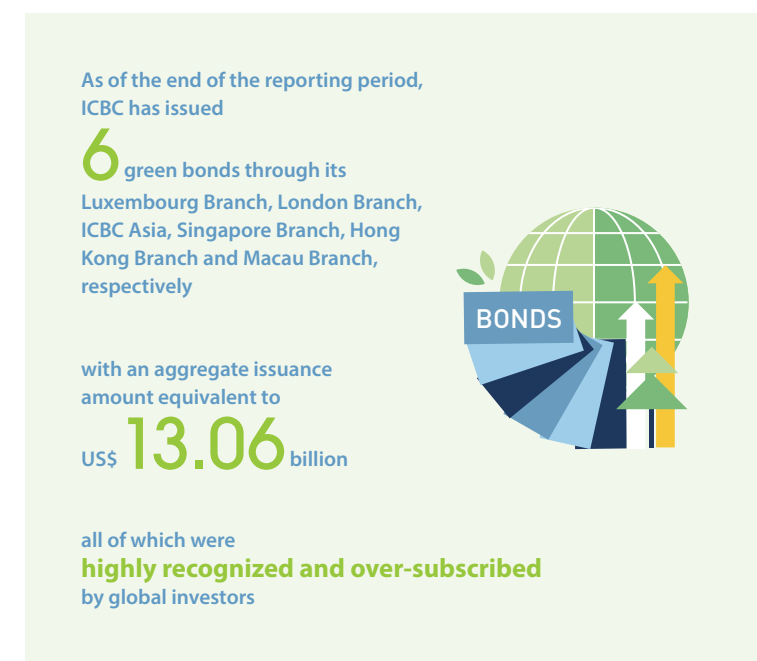


Table 1 Details of ICBC's overseas green bond issuance as of the end of the reporting period

2017	Issued by Luxembourg Branch		
Issue Date	28 September 2017		
Issuer's rating	A1 (Moody's)		
Issue rating	A1 (Moody's)		
Issue type	Senior unsecured bond		
Issue format	Reg S		
ISIN	XS1691909334	XS1692890343	XS1691909177
Type of issuance	Three-year Euro floating-rate	Three-year US dollar floating -rate	Five-year US dollar fixed-rate
Issuance amount	EUR1,100,000,000	US\$450,000,000	US\$400,000,000
Use of proceeds	For the purpose of financing or refinancing Eligible Green Assets as described in the Green Bond Framework of Industrial and Commercial Bank of China, covering areas including renewable energy, low carbon and low emission transportation, energy efficiency as well as sustainable water and wastewater management in the regions and countries surrounding “Belt and Road”		
Second opinion	“Dark Green” shading by the Center for International Climate Research (CICERO) in Oslo in accordance with the green bond principles		
External auditor's opinion	External Assurance by Beijing Zhongcai Green Financing Consultant Ltd. in accordance with China's green bond standards		
Certification	Labelled by CBI as “Climate Bonds” on 26 September 2017; awarded the Post-Issuance Certification by CBI on 11 October 2018		
Listing	Luxembourg Green Exchange LGX (Luxembourg Stock Exchange)		

2018	Issued by London Branch		
Issue Date	5 June 2018		
Issuer's rating	A1 (Moody's)		
Issue rating	A1 (Moody's)		
Issue type	Senior unsecured bond		
Issue format	Reg S		
ISIN	XS1830984628	XS1830985278	XS1831163396
Type of issuance	Three-year US dollar floating-rate	Five-year US dollar floating-rate	Three-year Euro floating-rate
Issuance amount	US\$500,000,000	US\$500,000,000	EUR500,000,000
Use of proceeds	For the purpose of financing or refinancing Eligible Green Assets as described in the Green Bond Framework of Industrial and Commercial Bank of China, covering areas including renewable energy, low carbon and low emission transportation, energy efficiency as well as sustainable water and wastewater management in the regions and countries surrounding “Belt and Road”		
Second opinion	“Dark Green” shading by the Center for International Climate Research (CICERO) in Oslo in accordance with the green bond principles		
External auditor's opinion	External assurance by Beijing Zhongcai Green Financing Consultant Ltd. in accordance with China's green bond standards		
Certification	Labelled by CBI as “Climate Bonds” on 28 May 2018; awarded the Post-Issuance Certification by CBI on 4 June 2019		
Listing	London Stock Exchange		

2018	Issued by ICBC Asia		
Issue Date	13 June 2018		
Issuer's rating	A1 (Moody's)		
Issue rating	A1 (Moody's)		
Issue type	Senior unsecured bond		
Issue format	Reg S		
ISIN	XS1839369300	XS1839372601	HK0000425899
Type of issuance	Three-year US dollar floating-rate	Five-year US dollar floating-rate	Two-year HK dollar fixed-rate
Issuance amount	US\$200,000,000	US\$200,000,000	HKD2,600,000,000
Use of proceeds	For the purpose of financing or refinancing Eligible Green Assets as described in the Green Bond Framework of Industrial and Commercial Bank of China, covering areas including renewable energy, low carbon and low emission transportation, energy efficiency as well as sustainable water and wastewater management		
Second opinion	“Dark Green” shading by the Center for International Climate Research (CICERO) in Oslo in accordance with the green bond principles		
External auditor's opinion	External assurance by Beijing Zhongcai Green Financing Consultant Ltd. in accordance with China's green bond standards		
Certification	Awarded the Pre-issuance Stage Certificate by the HKQAA on 28 May 2018; awarded the Post issuance Stage Certificate by the HKQAA on 5 July 2019		
Listing	Hong Kong Stock Exchange		

2019	Issued by Singapore Branch			
Issue Date	16 April 2019			
Issuer's rating	A1 (Moody's)			
Issue rating	A1 (Moody's)			
Issue type	Senior unsecured bond			
Issue format	Reg S			
ISIN	XS1982691070	XS1982691153	XS1982690858	XS1982691237
Type of issuance	Three-year US dollar floating-rate	Five-year US dollar floating-rate	Three-year Euro fixed-rate	Three-year Renminbi fixed-rate
Issuance amount	US\$900,000,000	US\$600,000,000	EUR500,000,000	CNH1,000,000,000
Use of proceeds	For the purpose of financing or refinancing Eligible Green Assets as described in the Green Bond Framework of Industrial and Commercial Bank of China, covering areas including renewable energy, low carbon and low emission transportation, energy efficiency as well as sustainable water and wastewater management			
Second opinion	“Dark Green” shading by the Center for International Climate Research (CICERO) in Oslo in accordance with the green bond principles			
External auditor's opinion	External assurance by Beijing Zhongcai Green Financing Consultant Ltd. in accordance with China's green bond standards			
Listing	Singapore Exchange			

2019	Issued by Hong Kong Branch				
Issue Date	9 September 2019				
Issuer's rating	A1 (Moody's)				
Issue rating	A1 (Moody's)				
Issue type	Senior unsecured bond				
Issue format	Reg S				
ISIN	XS2052134652	XS2052134223	XS2052134496	HK0000525359	HK0000525334
Type of issuance	Three-year US dollar fixed-rate	Three-year US dollar floating-rate	Five-year US dollar floating-rate	Two-year HK dollar fixed-rate	One-year Renminbi fixed-rate
Issuance amount	US\$500,000,000	US\$1,000,000,000	US\$1,000,000,000	HKD4,000,000,000	CNY1,000,000,000
Use of proceeds	For the purpose of financing or refinancing Eligible Green Assets in the Guangdong-Hong Kong-Macau Greater Bay Area as described in the Green Bond Framework of Industrial and Commercial Bank of China, covering areas including renewable energy, low carbon and low emission transportation, energy efficiency as well as sustainable water and wastewater management				
Second opinion	“Dark Green” shading by the Center for International Climate Research (CICERO) in Oslo in accordance with the green bond principles				
External auditor's opinion	External assurance by Beijing Zhongcai Green Financing Consultant Ltd. in accordance with China's green bond standards				
Certification	Awarded the Pre-issuance Stage Certificate by the HKQAA from August to September 2019; awarded the Post-issuance Stage Certificate by the HKQAA on 14 September 2020				
Listing	Hong Kong Stock Exchange				

2021	Jointly issued by Hong Kong, Singapore, Luxembourg, London and Macau Branches				
Issue Date	21 October 2021				
Issuer's rating	A1 (Moody's)				
Issue rating	A1 (Moody's)				
Issue type	Senior unsecured bond				
Issue format	Reg S				
Issuing branches	Hong Kong Branch	Singapore Branch	Luxembourg Branch	London Branch	Macau Branch
ISIN	XS2381043350	XS2384565508	XS2384014705	XS2384533563	MO000A3KV710
Type of issuance	Five-year US dollar fixed-rate	Three-year US dollar fixed-rate	Five-year Euro fixed-rate	Long Four-year British Pound fixed-rate	Two-year Macau pataca fixed-rate
Issuance amount	US\$1,000,000,000	US\$1,050,000,000	EUR500,000,000	GBP250,000,000	MOP2,000,000,000
Use of proceeds	For the purpose of financing or refinancing Eligible Green Assets with significant carbon emission reduction benefits as described in the Green Bond Framework of Industrial and Commercial Bank of China, covering areas including renewable energy, low carbon and low emission transportation.				
Second opinion	Sustainalytics issued a second opinion in accordance with the green bond principles				
External auditor's opinion	External assurance by Beijing Zhongcai Green Financing Consultant Ltd. in accordance with China's Green Bond standards and China's carbon neutrality bond standards.				
Certification	Awarded the Pre-issuance Stage Certificate and Sustainable Financial Certificate by the HKQAA on 13 August 2021; labelled by CBI as “Climate Bonds” on 30 August 2021				
Listing	Singapore Stock Exchange, Hong Kong Stock Exchange, Luxembourg Stock Exchange, London Stock Exchange, Chongwa (Macao) Financial Asset Exchange				

Since the inaugural issuance of Green Bonds in 2017, ICBC has won **12** major awards with details as follow:

2017 Green bonds issued by Luxembourg Branch

Received from *Finance Asia*

The “Best Environmental, Social and Governance Deal” (Best ESG Deal) award¹ for 2017



Received from *IFR Asia*

The “Best Socially Responsible Investing Bond” (Best SRI Bond) award² for 2017

The comments of which include “ICBC has created a precedent for other Chinese issuers in the integration of domestic and foreign green standards” and “while meeting the green standards of China and the world, the green framework of ICBC has dispelled the doubts of overseas investors over definitions related to the domestic green market”.

Awarded by *The Asset*

The “Best Green Bond”³

Received from *Environmental Finance*

The “Award for Innovation in the Use of Proceeds from Green Bonds”⁴ for 2018

Granted by *GlobalCapital*

The “2018 Asia Pacific Green/SRI Bond Deal of the Year” award⁵



2018 Green bonds issued by London Branch

Received from CBI

The “Largest Emerging Markets Certified Climate Bond in 2018” award⁶

1. <https://www.financeasia.com/News/441270,winners-emfinanceasiaems-achievement-awards-part-2.aspx>
2. <http://www.ifrasia.com/sri-bond/21320981.article>
3. <https://www.theasset.com/awards/regional-deals-2017-fixed-income>
4. <https://www.environmental-finance.com/content/awards/green-bond-awards-2018/winners/award-for-innovation-use-of-proceeds-icbc.html>
5. <http://www.globalcapital.com/article/b19tcwdcbrq2ks/sri-award-winners-2018-revealed>

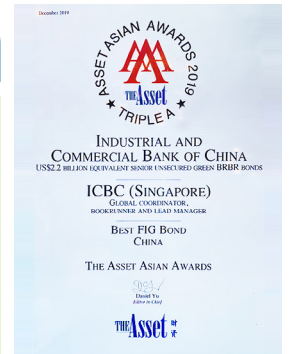
2019 Green bonds issued by Singapore Branch

Awarded by *The Asset*

“Best Financial Institutions Group Bond” (Best FIG Bond)⁷

Awarded by *The Asset*

The “Best Issuer for Sustainable Finance”



2019 Green bonds issued by Hong Kong Branch

Awarded by *The Banker*

The “Deals of the Year 2020 Asia Pacific”⁸

Received in the *Hong Kong Sustainability Finance Award 2020* held by the Hong Kong Quality Assurance Agency

The “Outstanding Award for Green Bond Issuer - Largest Single Green Bond (Banking Industry)”



2021 Carbon Neutrality Green Bond issued by Hong Kong Branch, Singapore Branch, Macau Branch, Luxembourg Branch, London Branch

received from HKQAA

The “Outstanding Award for Green and Sustainable Bond Issuer (Global Commercial Banking Industry)-Largest Amount of Carbon Neutrality Themed Green Bond”



awarded by *The Asset*

The “Banks Quasi-Sov Best Green Bond” for 2021

6. <https://cbi19.climatebonds.net/past-events/2019>
7. <https://www.theasset.com/awards/country-awards-2019-deals-north-asia>
8. <https://www.thebanker.com/Awards/Deals-of-the-Year/Deals-of-the-Year-2020-Asia-Pacific?ct=true>

Governance Framework

• Domestic Green Bonds

Based on the guiding principles of the Announcement No. 39 [2015] of the People's Bank of China, the Bank has formulated the "Measures for the Management of Green Finance Bonds Proceeds (2021 Edition)", which clearly defines the relevant business processes and division of departmental responsibilities, and provides for the management of green industry project evaluation and selection, requirements for the management of proceeds, third-party certification and information disclosure management requirements, etc., to ensure that the proceeds from green finance bonds can be used for green industry projects and maximize the green effect.

The Bank identifies the Bank's green industry projects based on the classification criteria in the Green Bond Endorsed Projects Catalogue (2021 Edition), with reference to the Green Credit Guidelines, the Notice of the General Office of the China Banking Regulatory Commission on the Submission of Green Credit Statistics Form, the Green Industry Guidance Catalogue (2019 Edition), and the definitions in the national standards of relevant industries, and also taking into account the Bank's actual situation.

• Overseas Green Bonds

ICBC has established the Green Bond Framework (hereinafter referred to as the "Framework"), under which funds raised by ICBC through green bonds will be used for financing or refinancing Eligible Green Assets that make contribution to low-carbon environmental protection, sustainable economic development and combat climate change. Please refer to Table 2 for the categories and examples of Eligible Green Assets.

In any case, the Eligible Green Assets shall exclude the following industrial categories:

- **Fossil fuel related assets**
- **Nuclear energy and nuclear related assets**
- **Biomass/feedstock that**
 - will be derived from sources that compete with food production
 - will be grown in areas which are or were high in biodiversity
 - will reduce the effectiveness of carbon pools in soil

Table 2 Categories and examples of Eligible Green Assets

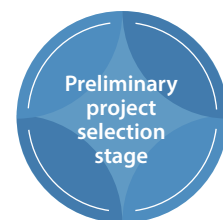
Eligible Green Asset Category	Description and Examples
 <p>Renewable Energy</p>	<p>• Generation and transmission of energy from renewable energy sources</p> <ul style="list-style-type: none"> - Renewable energy sources include offshore and onshore wind, solar, tidal, large hydropower (life cycle emissions below 100g CO₂e/kWh or power density above 5 W/m²), and biomass (lifecycle emissions below 100g CO₂e/kWh)
 <p>Low Carbon and Low Emission Transportation</p>	<p>• Construction, maintenance, research and development of zero direct emission (e.g. electric and hydrogen driven) transportation facilities excluding any infrastructure or rolling stock assets used for the transportation of fossil fuel or mining products</p> <ul style="list-style-type: none"> - Examples include metro, rail tram, bus rapid transit systems, and electric vehicles <p>• Manufacture of key assets, systems, and components dedicated for zero direct emission vehicles and vessels</p>
 <p>Energy Efficiency</p>	<p>• Products or technologies that increase energy efficiency and reduce at least 30% energy consumption of the related asset(s), technology(ies), product(s) or system(s)</p> <ul style="list-style-type: none"> - Examples include LED lights, improved chillers, and improved lighting technologies <p>• Improved efficiency in the delivery of bulk energy services</p> <ul style="list-style-type: none"> - Examples include smart grids and energy storage
 <p>Sustainable Water Management</p>	<p>• Water collection, treatment, recycling technologies and related infrastructure</p> <ul style="list-style-type: none"> - Examples include water pipes and collection facilities to collect water or rainwater for recycling, and wastewater treatment plant facilities

Note: Eligible assets in each category shall at least meet the relevant standards as recognised in the respective country. In case of no official or recognised standards from the respective country, corresponding international standards shall apply.

Project Evaluation and Selection

Domestic Green Bonds

The Bank's green project decision-making process and procedures are divided into two stages: preliminary project selection and project review.



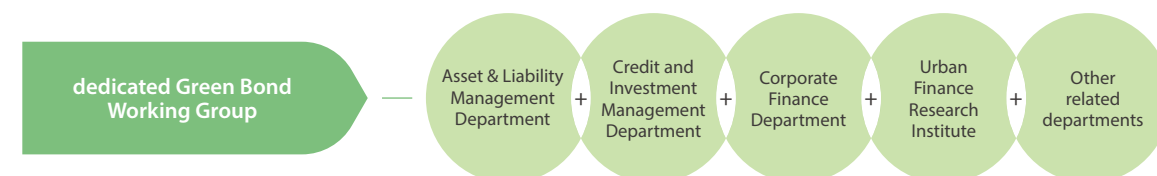
Each branch conducts preliminary assessment and selection of green projects in accordance with relevant internal standards and procedures, and due diligence and other work is carried out in accordance with the Bank's "Measures for the Management of Green Finance Bond Proceeds (2021 Edition)" and relevant provisions of the existing credit approval process. If the project meets the relevant green requirements, the front office operation department will make preliminary determination, determine the classification of green credit projects, and measure the energy-saving and emission reduction effectiveness indicators when the business supported by relevant credit facilities is initiated.



Each branch submits the list of projects meeting the requirements and other information to the Credit and Investment Management Department of the Head Office in accordance with the green project determination process and standards of the Head Office. The Credit and Investment Management Department of the Head Office will screen the projects initially selected by each branch and finally determine the green projects that meet the requirements. The Credit and Investment Management Department of the Head Office will inform the relevant branches of the final list of green projects selected and procure the relevant branches to complete the project placement in a timely manner.

Overseas Green Bonds

First, Eligible Green Assets will firstly be identified and proposed by ICBC business units globally, including its subsidiaries and branches. It will then be reviewed and screened by a dedicated Green Bond Working Group at ICBC Head Office which comprises representatives of:



Prior to the issuance, the Green Bond Working Group will review all proposed Eligible Green Assets to determine their compliance with the ICBC Green Bond Framework for approval as "Eligible Green Asset" and form the "Eligible Green Asset List" (each as "Eligible Green Asset", collectively the "Eligible Green Asset List"). For refinancing projects, the Green Bond Working Group will prioritize the selection of newer projects.

The Green Bond Working Group shall have experts with environmental experience and knowledge as its members who have a right to veto. The assets vetoed by them shall be excluded from the Eligible Green Asset List.

Annually, the Green Bond Working Group will review the allocation of the proceeds to the Eligible Green Asset List and determine if any changes are necessary (for example, if a pro-

ject has been amortized, prepaid, sold or otherwise become ineligible) and facilitate ongoing reporting. The Green Bond Working Group will decide any necessary update of the Eligible Green Asset List (such as replacement, deletion, or addition of projects) to maintain the eligibility of the use of proceeds.

Deposit, Use and Management of Proceeds

Domestic Green Bonds

Upon the issuance of green finance bonds, the Bank will transfer the proceeds to the designated account and account for them in accordance with the relevant rules. Upon the receipt of the proceeds from the issuance of green finance bonds, the Bank will continue to follow up the progress of the loan business development of green industrial projects, strengthen the management of relevant loan business, implement relevant loan execution monitoring, improve the efficiency of the use of the proceeds, and support the healthy development of green projects on the premise of commercial sustainability and risk control.

The Bank has established a special ledger to strengthen the management of proceeds from green finance bonds to ensure that all funds raised are used for green projects during the tenure of the bonds and to implement the credit policies of the competent authorities to support green projects. Unutilized proceeds awaiting investment can be invested by the Bank in green bonds issued by non-financial enterprises and money market instruments with high credit ratings and market liquidity, and other relevant areas in accordance with regulatory requirements. As for the division of internal management, during the tenure of the bonds, the Financial Market Department of the Head Office spearheads the operation and information disclosure of idle funds, while the Credit and Investment Management Department of the Head Office takes the lead in the use of proceeds from green finance bonds.

Overseas Green Bonds

Proceeds raised by the six green bonds issued by ICBC have been transferred in full to the head office through Luxembourg Branch, London Branch, Hong Kong Branch, Singapore Branch and Macau Branch respectively, and are all used to support the existing Eligible Green Assets.

External assessment and certification

Domestic Green Bonds

The Bank has engaged Lianhe Equator Environmental Impact Assessment Co., Ltd. to conduct green bond pre-issuance certification to ensure that the Bank's policies and internal controls related to the management of green finance bond proceeds, green project evaluation and selection, information disclosure and reporting comply with relevant requirements.

During the tenure of the bonds, the Bank engaged Lianhe Equator Environmental Impact Assessment Co., Ltd. to conduct tracking and evaluation of the green industry projects supported by the green bonds and the environmental benefits; and Asia Pacific (Group) CPA (Special General Partnership), which possesses relevant experience and qualifications, has issued a special assurance report on the use of proceeds.

• Overseas Green Bonds

Table 3 ICBC Green Bond Framework - External assessment and certification

Certification on	ICBC Green Bond Framework	
Certification standard	The Green Bond Principles of the International Capital Market Association (ICMA)	Green Bond Endorsed Projects Catalogue (2021 Edition) issued jointly by the People's Bank of China (PBoC), the National Development and Reform Commission (NDRC) and the China Securities Regulatory Commission (CSRC), PBoC Announcement No.39 [2015] for "Issuances of green finance bonds in the interbank bond market", PBoC Announcement No.29 [2018] for "Strengthening the supervision and management of green finance bonds during their duration"
Certifying agency	 Sustainalytics	 Beijing Zhongcai Green Financing Consultant Ltd.
Status of certification (excerpts)	Sustainalytics is confident that the Green Bond Framework of ICBC is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.	<p>"Assessment Conclusion:</p> <p>1. The green asset categories under the Green Bond Framework are all in line with the criteria of the Green Bonds Endorsed Projects Catalogue (2021 Edition). The selection of projects is subject to the description/condition under the green project categories listed in the Green Bonds Endorsed Projects Catalogue (2021 Edition).</p> <p>2. The Green Bond Framework establishes a scientific process for project evaluation and selection, which will effectively select eligible green assets.</p> <p>3. The Green Bond Framework has a sound plan for the subsequent management and use of proceeds, which effectively ensure that the proceeds are used for eligible green assets. The Green Bond Framework establishes a clear scheme for green bond disclosure, which will effectively ensure effective disclosure of green bond information."</p>

3

USE OF PROCEEDS

Use of Proceeds

• Domestic Green Bonds



During the reporting period, the Bank launched

15 new green projects
with loan amount of RMB
9.944 billion

1 repayment project
with repayment amount of RMB
8,333,300

the balance at the end of the year was RMB

9.935 billion
and the balance involved
15 projects

Among them, the ratio of the number of new projects to the number of refinancing of stock projects was

2:1

At the end of the reporting period, the Bank utilized RMB

9.935 billion
of proceeds

from the latest issue of bonds with RMB

65 million
remaining unutilized

The Bank managed and deposited the proceed awaiting investment in strict accordance with the relevant regulatory requirements

• Overseas Green Bonds

ICBC has issued six overseas green bonds with an aggregate issuance amount equivalent to US\$13.06 billion. As of the end of the reporting period, the 3-year EUR1.1 billion green bond and the 3-year US\$450 million green bond issued by Luxembourg Branch in 2017, the 3-year EUR500 million green bond and the 3-year US\$500 million green bond issued by London Branch in 2018, the 2-year HKD2.6 billion green bond and the 3-year US\$200 million green bond issued by ICBC Asia in 2018 and the 1-year RMB1 billion green bond and the 2-year HKD4 billion green bond issued by Hong Kong Branch in 2019 had already matured, resulting in a total balance of ICBC's existing overseas green bonds equivalent to US\$9.03 billion. The proceeds were mainly used to support refinancing in the renewable energy industry, low carbon and low emission transportation industry and sustainable water resources management industry, details of which are set out in table 4.

Table 4 Use of proceeds of existing overseas green bonds as of the end of the reporting period



Breakdown by Asset Category

Domestic Green Bonds

In terms of investment structure, asset categories funded by the Bank's existing green bond included wind power generation, photovoltaic power generation and rail transportation projects, involving 2 primary categories of green infrastructure upgrade and clean energy industry; 2 secondary categories of green transportation and clean energy; distributed in 13 provinces including Tianjin, Fujian, Qinghai, Shanxi and Beijing.

As of the end of the reporting period, the balance of green industry project placement was as follows:

Table 5 Placement of green projects by category at the end of the reporting period

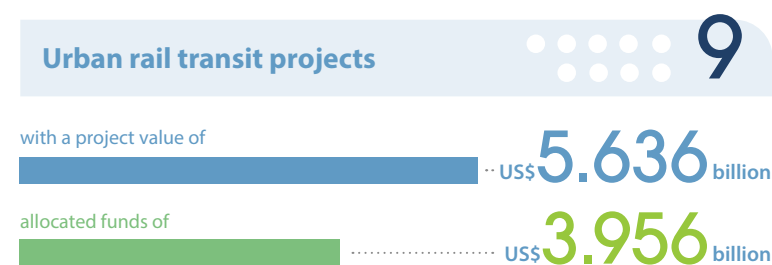
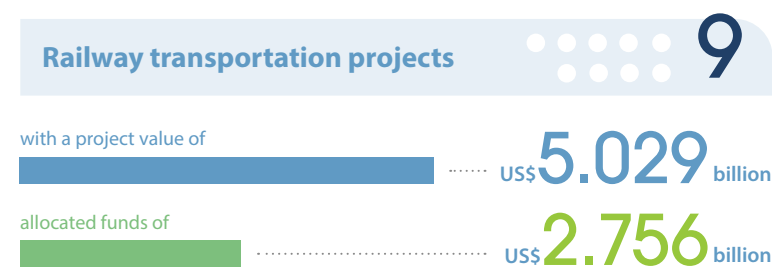
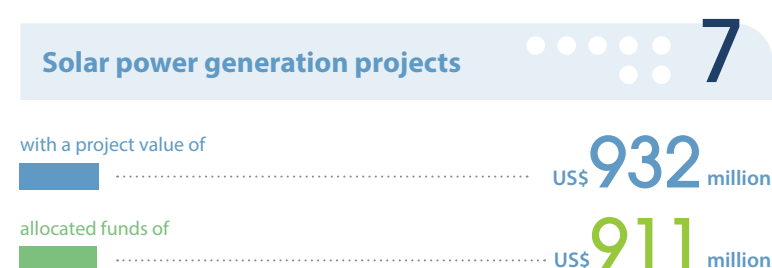
No.	Primary classification	Secondary classification	Tertiary classification	No. of projects	Investment balance (RMB million)	Proportion (by amount)
1	Green infrastructure upgrade	Green transportation	Urban and rural public passenger and freight transportation	3	6,350	64%
2	Clean energy industry	Clean energy	Renewable energy facilities construction and operation	12	3,585	36%
Total				15	9,935	100%

Table 6 Distribution of green projects by region at the end of the reporting period

Geographical distribution	Investment balance (RMB million)	No. of projects
Tianjin	5,000	1
Fujian	850	1
Qinghai	572	2
Shanxi	570	1
Beijing	500	1
Inner Mongolia	495	2
Xinjiang	464	1
Gansu	299	1
Heilongjiang	274	1
Anhui	250	1
Guangdong	249	1
Shaanxi	242	1
Ningxia	170	1
Total	9,935	15

• Overseas Green Bonds

As of the end of the reporting period, asset categories funded by ICBC's existing overseas green bond included wind power generation, solar power generation, railway transportation, metro transit and urban water conservation.



Please refer to table 7 for the allocation of the funds raised by the existing overseas green bonds to each asset class at the end of the reporting period.

Table 7 Breakdown of allocation of proceeds raised by existing overseas green bonds by each green asset category at the end of the reporting period

Issuer	Asset Categories		No. of projects	Project value (US\$ million)	Amount of proceeds allocated (US\$ million)	Proceeds from green bonds as a percentage of project value (%)
2017 - Luxembourg Branch	Renewable energy	Wind power generation	1	152	152	100.00
		Solar power generation	2	153	132	86.27
	Low carbon and low emission transportation	Railway transportation	1	644	116	18.01
Total			4	949	400	42.15
2018 - London Branch	Low carbon and low emission transportation	Railway transportation	1	884	500	56.56
Total			1	884	500	56.56
2018 - ICBC Asia	Low carbon and low emission transportation	Railway transportation	1	1,313	200	15.23
Total			1	1,313	200	15.23
2019 - Singapore Branch	Renewable energy	Wind power generation	6	463	463	100.00
		Solar power generation	3	206	206	100.00
	Low carbon and low emission transportation	Railway transportation	4	1,737	1,489	85.72
	Sustainable water management	Urban water conservation	2	42	42	100.00
Total			15	2,448	2,200	89.87
2019 - Hong Kong Branch	Renewable energy	Wind power generation	2	479	479	100.00
	Low carbon and low emission transportation	Urban Rail Transit	5	1,906	1,570	82.37
		Railway transportation	2	451	451	100.00
Total			9	2,836	2,500	88.15
2021 - Jointly issued by branches in Hong Kong, Singapore, Luxembourg, London and Macau	Renewable energy	Wind power generation	2	271	271	100.00
		Solar power generation	2	573	573	100.00
	Low carbon and low emission transportation	Metro transit	4	3,730	2,386	63.97
Total			8	4,574	3,230	70.62

Notes: 1. All amounts are translated to US dollar.
2. Project value refers to the loan balance from the Bank for that project.

Assets funded by existing overseas green bond as of the end of the reporting period were located in a number of countries and regions both within and outside of China. For the geographical distribution of the assets, please refer to table 8.

Table 8 Breakdown of allocation of proceeds raised by existing overseas green bonds by region at the end of the reporting period

Issuer	Countries and regions		No. of projects	Project value (US\$ million)	Amount of proceeds allocated (US\$ million)
2017 - Luxembourg Branch	Within China	East	2	153	132
		Northwest	1	152	152
		Southwest	1	644	116
Total			4	949	400
2018 - London Branch	Within China	Central South	1	884	500
Total			1	884	500
2018 - ICBC Asia	Within China	Northeast	1	1,313	200
Total			1	1,313	200
2019 - Singapore Branch	Outside China	Pakistan	1	70	70
		Egypt	1	27	27
	Within China	East	3	590	538
		South	1	672	566
		Central	2	166	166
		Southwest	2	230	230
		Northwest	5	693	603
		Total			15
2019 - Hong Kong Branch	Within China	South	9	2,836	2,500
Total			9	2,836	2,500
2021 - Jointly issued by branches in Hong Kong, Singapore, Luxembourg, London and Macau	Outside China	United Kingdom	1	29	29
		United Arab Emirates	1	400	400
	Within China	Central	3	2,086	2,086
		South	2	1,886	541
		Northeast	1	173	173
		Total			8

Notes: 1. All amounts are translated to US dollar.
2. Project value refers to the loan balance from the Bank for that project.

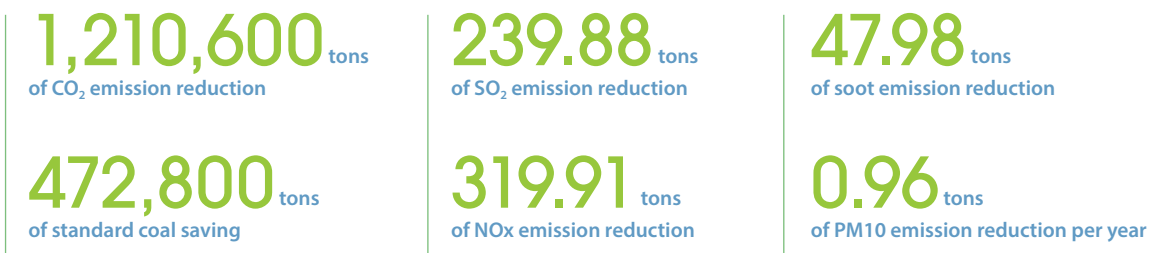
Major Pollution Incident or Other Environmental Breach

There was **no** major pollution incident or any other environmental breach occurred in the green assets supported by the proceeds from the Bank's existing overseas green bonds as of the end of the reporting period.

4 ENVIRONMENTAL IMPACTS OF GREEN BONDS

Domestic Green Bonds

During the reporting period, according to the proportion of the actual amount of the proceeds utilized in the bonds concerned to the total investment in the invested projects, the bonds concerned can achieve



Overseas Green Bonds



As of the end of the reporting period, the green assets supported by the proceeds from the Bank's existing overseas green bonds have contributed to an annual carbon emission reduction of

24,379,885 tons

an annual increased water supply capacity of

450,000 cubic metres

and an annual wastewater treatment capacity of

35,640,700 cubic metres

In particular, the total annual carbon emission reduction from renewable energy projects and low carbon and low emission transportation projects were

7,148,687 tons and 17,231,198 tons, respectively

and the annual increased water supply capacity and annual wastewater treatment capacity from sustainable water resources management projects were

450,000 cubic metres and 35,640,700 cubic metres, respectively

Table 9 Environmental impacts

Issuer	Asset category		Key impact indicators (By project)	Key impact indicators (By amount of proceeds allocated)
2017 - Luxembourg Branch	Renewable energy	Wind power generation	Total installed capacity (MW): 400	Total installed capacity (MW): 400
			Annual generation capacity (MWh): 920,000	Annual generation capacity (MWh): 920,000
			CO ₂ emission reduction (tons): 752,100	CO ₂ emission reduction (tons): 752,100
		Solar power generation	Total installed capacity (MW): 180	Total installed capacity (MW): 155
			Annual generation capacity (MWh): 209,300	Annual generation capacity (MWh): 180,563
			CO ₂ emission reduction (tons): 171,103	CO ₂ emission reduction (tons): 147,611
	Low carbon and low emission transportation	Railway transportation	Annual number of passengers transported (10,000 people): 1,179	Annual number of passengers transported (10,000 people): 212
			Annual volume of goods transported (10,000 tons): 1,270	Annual volume of goods transported (10,000 tons): 229
			CO ₂ emission reduction (tons): 818,798	CO ₂ emission reduction (tons): 147,466
Total: CO ₂ emission reduction (tons)			1,742,001	1,047,177
2018 - London Branch	Low carbon and low emission transportation	Railway transportation	Annual number of passengers transported (10,000 people): 730	Annual number of passengers transported (10,000 people): 413
			CO ₂ emission reduction (tons): 513,219	CO ₂ emission reduction (tons): 290,174
Total: CO ₂ emission reduction (tons)			513,219	290,174
2018 - ICBC Asia	Low carbon and low emission transportation	Railway transportation	Annual number of passengers transported (10,000 people): 956	Annual number of passengers transported (10,000 people): 146
			CO ₂ emission reduction (tons): 224,593	CO ₂ emission reduction (tons): 34,206
Total: CO ₂ emission reduction (tons)			224,593	34,206
2019 - Singapore Branch	Renewable energy	Wind power generation	Total installed capacity (MW): 1,851	Total installed capacity (MW): 1,851
			Annual generation capacity (MWh): 2,129,486	Annual generation capacity (MWh): 2,129,486
			CO ₂ emission reduction (tons): 1,641,207	CO ₂ emission reduction (tons): 1,641,207
		Solar power generation	Total installed capacity (MW): 260	Total installed capacity (MW): 260
			Annual generation capacity (MWh): 296,488	Annual generation capacity (MWh): 296,488
			CO ₂ emission reduction (tons): 211,246	CO ₂ emission reduction (tons): 211,246
	Low carbon and low emission transportation	Railway transportation	Annual number of passengers transported (10,000 people): 5,151	Annual number of passengers transported (10,000 people): 4,415
			CO ₂ emission reduction (tons): 4,493,255	CO ₂ emission reduction (tons): 3,851,618

Issuer	Asset category		Key impact indicators (By project)	Key impact indicators (By amount of proceeds allocated)
2019 - Singapore Branch	Sustainable water resources management	Urban water conservation	Annual increased water supply capacity (CBM): 450,000	Annual increased water supply capacity (CBM): 450,000
			Annual wastewater treatment capacity (CBM): 35,640,700	Annual wastewater treatment capacity (CBM): 35,640,700
Total:	CO ₂ emission reduction (tons)		6,345,708	5,704,071
	Annual water supply capacity (m ³)		450,000	450,000
	Annual wastewater treatment capacity (m ³)		35,640,700	35,640,700
2019 - Hong Kong Branch	Renewable energy	Wind power generation	Total installed capacity (MW): 150	Total installed capacity (MW): 150
			Annual generation capacity (MWh): 1,537,159	Annual generation capacity (MWh): 1,537,159
			CO ₂ emission reduction (tons): 1,191,298	CO ₂ emission reduction (tons): 1,191,298
	Low carbon and low emission transportation	Metro transit	Annual number of passengers transported (10,000 people): 59,283	Annual number of passengers transported (10,000 people): 48,831
			CO ₂ emission reduction (tons): 4,591,825	CO ₂ emission reduction (tons): 3,782,286
		Railway transportation	Annual number of passengers transported (10,000 people): 1,196	Annual number of passengers transported (10,000 people): 1,196
			CO ₂ emission reduction (tons): 218,813	CO ₂ emission reduction (tons): 218,813
	Total: CO ₂ emission reduction (tons)			6,001,936
2021 - Jointly issued by branches in Hong Kong, Singapore, Luxembourg, London and Macau	Renewable energy	Wind power generation	Total installed capacity (MW): 1,700	Total installed capacity (MW): 1,700
			Annual generation capacity (MWh): 1,377,156	Annual generation capacity (MWh): 1,377,156
			CO ₂ emission reduction (tons): 939,804	CO ₂ emission reduction (tons): 939,804
		Solar power generation	Total installed capacity (MW): 1,350	Total installed capacity (MW): 1,350
			Annual generation capacity (MWh): 4,427,433	Annual generation capacity (MWh): 4,427,433
			CO ₂ emission reduction (tons): 2,241,929	CO ₂ emission reduction (tons): 2,241,929
	Low carbon and low emission transportation	Metro transit	Annual number of passengers transported (10,000 people): 85,517	Annual number of passengers transported (10,000 people): 54,705
			CO ₂ emission reduction (tons): 6,370,695	CO ₂ emission reduction (tons): 4,075,334
Total: CO ₂ emission reduction (tons)			9,552,428	7,257,067

Notes: 1. For renewable energy projects, impacts are calculated based on the EIB Carbon Footprint Methodology. https://www.eib.org/attachments/publications/eib_project_carbon_footprint_methodologies_2022_en.pdf
2. For low carbon and low emission transportation projects, impacts are calculated based on the index for railway sector in PRC in IEA-UIC Energy and CO₂ Railway Handbook(https://uic.org/IMG/pdf/handbook_iea-uic_2017_web3.pdf) and EIB CO₂ evaluation method

ICBC commits to publish an annual green bond report (“the “Annual Green Bond Report”), which will provide information on the allocation of proceeds from green bonds and the environmental impacts.

This report is an annual report covering the period from 1 January 2021 to 31 December 2021. Some of the contents may go beyond this period.

The Annual Green Bond Report will be publicly available via annual updates on ICBC’s official global website www.icbc-ltd.com. In addition, ICBC will make disclosure through other channels where feasible, such as annual reports and corporate social responsibility reports, which will also be published on www.icbc-ltd.com.

ICBC has engaged an independent third party to provide external assurance for this report.